



MCB FUNDS  
Investments for Life

# ANNUAL REPORT 2025

Funds Under Management of  
MCB Investment Management Limited



# **PAKISTAN INCOME ENHANCEMENT FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid <b>Mr. Muhammad Nauman Chughtai</b> Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b> <b>Mr. Fahd Kamal Chinoy</b> Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman <b>Director</b> Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b>	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Fahd Kamal Chinoy</b> Mr. Ahmed Jahangir Ms. Mavra Adil Khan <b>Mr. Khawaja Khalil Shah</b> <b>Mr. Muhammad Nauman Chughtai</b>	Chairman Member Member Member Member
<b>Credit Committee</b>	<b>Mr. Ahmed Jahangir</b> <b>Mr. Manzar Mushtaq</b> Syed Savail Meekal Hussain <b>Mr. Khawaja Khalil Shah</b>	<b>Member</b> <b>Member</b> <b>Member</b> <b>Member</b>
<b>Chief Executive Officer</b>	<b>Mr. Khawaja Khalil Shah</b>	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	<b>Mr. Muhammad Rehan Khan</b>	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.odcpakistan.com	
<b>Bankers</b>	<b>MCB Bank Limited</b> <b>Habib Metropolitan Bank Limited</b> <b>Bank Al-Falah Limited</b> <b>Faysal Bank Limited</b> <b>United Bank Limited</b> <b>Allied Bank Limited</b>	<b>U Micro Finance Bank Limited</b> <b>NRSP Micro Finance Bank Limited</b> <b>JS Bank Limited</b> <b>Zarai Taraqati Bank Limited</b> <b>Habib Bank Limited</b> <b>National Bank of Pakistan</b>
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-75350.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2025

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Income Enhancement Fund** accounts review for the year ended June 30, 2025.

### **Economy Review**

The fiscal year commenced on a strong footing as the government secured a staff-level agreement (SLA) with the IMF for a 37-month Extended Fund Facility (EFF) of USD 7.0 billion. Over the course of the period, Pakistan demonstrated fiscal and external discipline, successfully meeting key IMF program targets and benchmarks. Consequently, in March 2025, the IMF team reached an SLA with Pakistani authorities for the first review of the EFF, along with a new 28-month Resilience and Sustainability Facility (RSF), unlocking an additional USD 1.3 billion in funding.

The country posted a current account Surplus of USD 1.8 billion in the first eleven months of the fiscal year 2025 (11MFY25) compared to a deficit of USD 1.6 billion in the corresponding period last year. The major contributor towards improving current account was the remittances inflows which skyrocketed by 28.8% to USD 34.9 billion. Trade Deficit increased by 22.1% YoY as exports rose by 4.0% while imports increased by 11.5% from a low base. The country's external position improved with SBP's foreign exchange reserves increasing to USD 14.5 billion as of Jun-25 end compared to USD 9.4 billion at the end of last fiscal year. This was on account of current account surplus, timely bilateral rollovers and flows from IMF and multilateral sources. The local currency witnessed a modest depreciation as the USD/PKR depreciated by 1.9% to 283.8 during the fiscal year.

Headline inflation represented by CPI averaged 4.6% during FY25 compared to 23.9% in the corresponding period last year. This sharp decline was driven by the currency's stability over the past one year, which led to stable food and energy prices. Additionally, the large decline in wheat prices and base effect further contributed to the lower inflation figures.

Pakistan's Provisional GDP growth clocked at 2.7% in FY25 with Agricultural, Industrial and Services sectors increasing by 0.6%, 4.8% and 2.9% respectively. The Agriculture posted subpar growth due to high base effect and flood damaging cotton crop. Industrial and services sector growth recovered due to improvement in macroeconomic indicators. On the fiscal side, FBR tax collections rose by 25.9% in FY25, reaching PKR 11,722 billion—against the downward revised target of PKR 11,900 billion, reflecting a shortfall of PKR 178 billion. The shortfall is largely attributed to reduced tax collection from imports due to a slowdown in trade, sluggish growth and low inflation.

### **FUND PERFORMANCE**

During the period under review, the fund generated an annualized return of 17.61% against its benchmark return of 13.80%.

WAM of fund stood at 320 days. The fund was mainly invested in Cash & GOP Ijara Sukuk. At period-end, the fund was 70.8% invested in Cash, 14.9% in GOP Ijara Sukuk.

The Net Assets of the fund as at June 30, 2025 stood at Rs. 1,072 million as compared to Rs.5,899 million as at June 30, 2024 registering an decrease of 81.83%.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2025

The Net Asset Value (NAV) per unit as at June 30, 2025 was Rs. 55.0133 as compared to opening NAV of Rs. 54.9344 per unit as at June 30, 2024 registering an increase of Rs. 0.0789 per unit.

### **Economy & Market – Future Outlook**

Going forward we expect GDP growth to clock at 4.1% in FY26. Agriculture Growth is likely to clock at 3.9% as it would recover due to base effect. The lagged impact of interest rate decline would benefit industrial and services sector going forward which are expected to expand by 4.4% and 4.0% respectively.

The continuation of the IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 17.4 billion by year end on the back of timely bilateral rollover, and inflows from IMF and multilateral agencies. Our external position has improved which could allow Pakistan to consider re-entering the international capital markets to explore options such as Eurobonds, Sukuk, and Panda bonds.

Pakistan is on track to record the first annual surplus since FY11 on the back of rebound in exports and remittances along with controlled imports. We expect the trend to continue in the medium term. We could witness a measured depreciation in the currency as imports picks up following monetary easing. We expect USD/PKR to close Jun-26 around 304.

Headline Inflation will stay in low single digits due to decline in food prices and stable currency. The inflation would temporarily rise by the end of FY26 due to base effect. The average inflation in FY26 is expected to be 5.6%. Core inflation has been steadily declining due to stable currency and overall demand dynamics. We expect core inflation to gradually trickle down reaching low single digit by the end of next fiscal year.

On the fiscal side we expect the fiscal deficit to clock in at 4.0% in FY26, which would be the lowest level since FY2006. This marks the fourth consecutive year of budget deficit reduction since it peaked at 7.9% in FY2022. The reduction in finance cost would be a major reason for this reduction. Strict IMF target regarding primary surplus would also play its part in maintaining fiscal discipline.

The SBP has decreased interest rates by a cumulative 1,100bps since June-24 as interest rates have declined to 11.0% from a high of 22.0%. Enhanced external stability, coupled with easing inflationary pressures, created room for this monetary easing. Going forward, while inflationary pressures are likely to remain muted, further rate cuts shall be contingent on strength in foreign exchange reserves.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year.

### **Mutual Fund Industry Review**

The Net Assets of the open-end mutual funds industry increased by about 43.1% during FY25 to PKR 3,684 billion. Total money market funds grew by about 44.4% since June 2024. Within the money market sphere, conventional funds showed a growth of 55.3% to PKR 977 billion while

## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2025**

Islamic funds increased by 34.3% to PKR 912 billion. In addition, the total fixed Income and Fixed Rate funds increased by about 29.2% since June 2024 to PKR 1,242 billion while Equity and related funds increased by 92.3% to PKR 491 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 51.3%, followed by Income and fixed return funds with 33.7% and Equity and Equity related funds having a share of 13.3% as at the end of June 2025.

### **Mutual Fund Industry Outlook**

Money market funds should benefit from higher liquidity as they are ideal for investors with a short-term horizon and low risk profile. As economic recovery gains further traction and becomes broader based, the interest in capital markets particularly equities will continue to remain strong. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

### **HOLDING COMPANY**

On April 18, 2023, MCB Bank Limited (MCB), being the parent company of MCB-Arif Habib Savings and Investments Limited, has acquired 21,664,167 (30.09%) shares of MCB-Arif Habib Savings & Investment Limited (MCB-AH) from Arif Habib Corporation Limited (AHCL). By virtue of this transaction MCB Bank Limited's shareholding in MCB-AH has increased from 36,956,768 (51.33%) shares to 58,620,935 (81.42%) and AHCL no longer holds any shares in MCB-AH.

### **CORPORATE GOVERNANCE**

The Fund is committed to implement the highest standards of corporate governance. The Board comprises of eight (8) members including the Chief Executive Officer (CEO) and has a diverse mix of gender and knowledge. The Board consists of 1 female and 7 male directors, categorized as follows:

- 4 Non – Executive Directors;
- 3 Independent Directors; and
- 1 Executive Director (CEO).

The details of above are as under:

<b>Sr. No.</b>	<b>Name</b>	<b>Status</b>	<b>Membership in other Board Committees</b>
1.	Mr. Haroun Rashid	Non-Executive Director	None
2.	Mr. Muhammad Nauman Chughtai	Non-Executive Director	HR&R* Committee
3.	Mr. Ahmed Jahangir	Non-Executive Director	HR&R* Committee Audit Committee
4.	Mr. Manzar Mushtaq	Non-Executive Director	Audit Committee
5.	Syed Savail Meekal Hussain	Independent Director	Audit Committee

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2025

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			(Chairman)
6.	Mr. Fahd Kamal Chinoy	Independent Director	HR&R* Committee (Chairman).
7.	Ms. Mavra Adil Khan	Independent Director	HR&R* Committee
8.	Mr. Khawaja Khalil Shah	Executive Director	HR&R* Committee

\* HR&R stands for Human Resource and Remuneration

Management is continuing to comply with the provisions of best practices set out in the code of corporate governance. The Fund remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange, which clearly defined the role and responsibilities of Board of Directors and Management.

The Board of Directors is pleased to report that:

- a. The financial statements, present fairly the state of affairs, the results of operations, cash flows and changes in equity;
- b. Proper books of accounts of the fund have been maintained;
- c. Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.;
- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further;
- f. There are no significant doubts upon the fund's ability to continue as going concern;
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations;
- h. The outstanding taxes, statutory charges and duties, if any, have been fully disclosed in the audited financial statements;
- i. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report;

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY  
FOR THE YEAR ENDED JUNE 30, 2025**

- j. As at June 30, 2025, the Company is in compliance with the requirements of Directors' Training Program, as contained in Regulation No. 19 of the Code;
- k. The detailed pattern of shareholding as on June 30, 2025 is annexed;
- l. A formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and Committees of the Board;
- m. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below are the details of committee meetings held during the year ended June 30, 2025:

**1. Meeting of the Audit Committee.**

During the year, four (4) meetings of the Audit Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings held	Number of meetings		
		Attendance required	Attended	Leave granted
1. Syed Savail Meekal Hussain	4	4	4	-
2. Mr. Ahmed Jahangir	4	4	4	-
3. Mr. Manzar Mushtaq	4	4	4	-

**2. Meeting of the Human Resource and Remuneration Committee.**

During the year, three (3) meeting of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mr. Fahd Kamal Chinoy	3	3	3	-
2. Mr. Shoaib Mumtaz*	3	2	2	-
3. Mr. Muhammad Nauman Chughtai**	3	1	1	-
4. Mr. Ahmed Jahangir	3	3	2	1
5. Ms. Mavra Adil Khan	3	3	2	1
6. Mr. Khawaja Khalil Shah	3	3	3	-

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY  
FOR THE YEAR ENDED JUNE 30, 2025**

\* Resigned on December 21, 2024

\*\* Appointed on January 06, 2025

- n. The trades in the Units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

S. No.	Name	Designation	Investment	Redemption	Dividend Distribution
			(Number of Units)		
1	Muhammad Asif Mehdi Rizvi	Chief Financial Officer/ Chief Operating Officer	244.57	244.63	-
2	Khawaja Khalil Shah	Director/CEO	5.77	-	0.21
3	Sara Mushtaq	w/o Manzar Mushtaq	2,831,935.43	2,831,935.45	-
4	Muhammad Nauman Chughtai	Director	788,579.51	788,579.52	-

**EXTERNAL AUDITORS**

The Fund's external auditor's **M/s. Yousuf Adil Chartered Accountants** have retired after completion of audit for Financial Year ended June 30, 2025. The Audit Committee has recommended re-appointment of **M/s. Yousuf Adil Chartered Accountants** as external auditors of the Fund for financial year ending June 30, 2026 and the Board has also endorsed the recommendation of the Audit Committee. **M/s. Yousuf Adil Chartered Accountants** has also expressed their willingness to act as the Fund's external auditors.

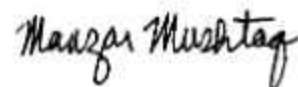
**ACKNOWLEDGMENT**

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



**Khawaja Khalil Shah**  
Chief Executive Officer  
August 04, 2025



**Manzar Mushtaq**  
Director  
August 04, 2025

## ڈائریکٹرز رپورٹ

خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز M/s ایم یوسف عادل چارٹرڈ اکاؤنٹنٹس 30 جون 2025ء کو ختم ہونے والے مالی سال کے مکمل ہونے کے بعد ریٹائر ہو گئے ہیں۔ آڈٹ کمیٹی نے 30 جون 2026ء کو ختم ہونے والے مالی سال کے لیے M/s ایم یوسف عادل چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش پیش کی ہے، جس کی بورڈ نے بھی توثیق کی ہے۔ M/s ایم یوسف عادل چارٹرڈ اکاؤنٹنٹس نے بھی فنڈ کے خارجی آڈیٹرز کی حیثیت سے کام کرنے کے لیے رضامندی ظاہر کی ہے۔

اظہار تشکر

فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور حمایت کے لیے بورڈ ان کا شکریہ ادا کرتا ہے۔  
مزید برآں، ڈائریکٹرز مینجمنٹ ٹیم کی کاوشوں کو خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز،

*Mansur Mushtaq*

منظر مشتاق

ڈائریکٹر

04 اگست 2025ء

*خواجہ خلیل شاہ*

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

04 اگست 2025ء

## ڈائریکٹرز رپورٹ

2. ہیومن ریسورس اور ریویو نریشن کمیٹی کی میٹنگ

دوران سال، ہیومن ریسورس اور ریویو نریشن کمیٹی کی تین (3) میٹنگ ہوئیں۔ شرکاء کی حاضری مندرجہ ذیل ہے:

میٹنگز کی تعداد			
منظور شدہ چھٹی	حاضری	مطلوبہ حاضری	میٹنگز کی تعداد
-	3	3	3
-	2	2	3
-	1	1	3
1	2	3	3
1	2	3	3
-	3	3	3

\* 21 دسمبر 2024ء کو مستعفی ہو گئے

\*\* 06 جنوری 2025ء کو تقرری ہوئی

n. ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریننگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، اور مینجمنٹ کمپنی کے چیف انٹرنل آڈیٹر اور ان کی شریک حیات اور تابالغ بچوں کے ذریعہ سال کے دوران فنڈ کے پنٹس میں کوئی تجارت نہیں کی گئی۔

نمبر شمار	نام	عہدہ	سرمایہ کاری	سرمایہ کاری جو نکال لی گئی	ڈیویڈنڈ کی تقسیم
پنٹس کی تعداد					
1	محمد آصف مہدی رضوی	چیف فنانشل آفیسر / چیف آپریننگ آفیسر	244.57	244.63	-
1	خواجہ ظلیل شاہ	ڈائریکٹر / سی ای او	5.7654	-	0.2072
2	سارہ مشتاق	اہلیہ منظر مشتاق	2,831,935.43	2,831,935.45	-
3	محمد نعمان چغتائی	ڈائریکٹر	788,579.51	788,579.52	-

## ڈائریکٹرز رپورٹ

ریگولیشنز ( رولز، 2003، نان بینکنگ فنانس کمپنیز اینڈ ٹائیٹا نیڈ ریگولیشن 2008، متعلقہ ٹرسٹ ڈیڈز کے تقاضے اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کی تعمیل کی گئی ہے۔

e. انٹرنل کنٹرول کا نظام مضبوط خطوط پر استوار ہے اور اس کا موثر نفاذ اور نگرانی کی جاتی ہے، اور اسے مزید بہتر بنانے کی کوششیں جاری ہیں؛

f. فنڈ کے کاروبار جاری رکھنے کی صلاحیت میں کوئی شبہات نہیں ہیں؛

g. لسٹنگ ضوابط میں تفصیلاً بیان کردہ کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں کیا گیا ہے؛

h. واجب الاداء ٹیکسز، قانونی چارجز اور ڈیوٹیز، اگر کوئی ہیں تو، کو آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کر دیا گیا ہے؛

i. پراویڈنٹ/گریجویٹ اور پنشن فنڈ کی سرمایہ کاری کی قدر کا بیان فنڈ پر لاگو نہیں ہوتا لیکن مینجمنٹ کمپنی پر لاگو ہوتا ہے۔ اس لیے ڈائریکٹرز کی رپورٹ میں کوئی انکشاف نہیں کیا گیا ہے۔

j. 30 جون 2025ء کو کمپنی ضابطہ اخلاق کے ریگولیشن نمبر 19 میں بیان کردہ ڈائریکٹرز ٹریننگ پروگرام کے تقاضوں پر عمل پیرا ہے؛

k. 30 جون 2025ء کو حصص یافتگی کا تفصیلی خاکہ ملحق ہے؛

l. بورڈ اور اس کے ارکان اور کمیٹیوں کی کارکردگی کی سالانہ جانچ کے لیے ایک باضابطہ اور موثر طریقہ کار نافذ کیا گیا ہے؛

m. بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کی تفصیلات مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔ ذیل میں سال ختمہ 30 جون 2025 کے دوران منعقدہ کمیٹی کے اجلاسوں کی تفصیلات درج ہیں۔

### 1. آڈٹ کمیٹی کی میٹنگ

دوران سال، ہیومن ریسورس اور ریویژن کمیٹی کی چار (4) میٹنگ ہوئیں۔ شرکاء کی حاضری مندرجہ ذیل ہے:

میٹنگز کی تعداد		میٹنگز کی تعداد		
منظور شدہ چھٹی	حاضری	مطلوبہ حاضری	میٹنگز کی تعداد	شخص کا نام
-	4	4	4	1. جناب سید ساویل میکال حسین
-	4	4	4	2. جناب احمد جہانگیر
-	4	4	4	3. جناب منظر مشتاق

## ڈائریکٹرز رپورٹ

تفصیل درج ذیل ہے:

نمبر شمار	نام	حیثیت	دیگر بورڈ کمیٹیوں میں ذمہ داری
1.	جناب ہارون رشید	نان- ایگزیکٹو ڈائریکٹر	کوئی نہیں
2.	جناب محمد نعمان چغتائی	نان- ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی
3.	جناب احمد جہانگیر	نان- ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی، آڈٹ کمیٹی
4.	جناب منظر مشاق	نان- ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5.	جناب سید ساول میکان حسین	انڈپینڈنٹ ڈائریکٹر	آڈٹ کمیٹی (چیرمین)
6.	جناب فہد کمال چنائے	انڈپینڈنٹ ڈائریکٹر	ایچ آر اینڈ آر کمیٹی (چیرمین)
7.	محترمہ ماوراء عادل خان	انڈپینڈنٹ ڈائریکٹر	ایچ آر اینڈ آر کمیٹی
8.	جناب خواجہ خلیل شاہ	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی

\* 'ایچ آر اینڈ آر' ہیومن ریسورس اینڈ ریمونڈیشن کا مخفف ہے

انتظامیہ کارپوریٹ گورننس کے ضابطہ میں متعین بہترین طریقوں کی دفعات کی تعمیل جاری رکھے ہوئے ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین کے مطابق کاروبار جاری رکھنے کے لیے پرعزم ہے، جس میں بورڈ آف ڈائریکٹرز اور انتظامیہ کے کردار اور ذمہ داریوں کی واضح وضاحت کی گئی ہے۔

بورڈ آف ڈائریکٹرز کو خوشی ہے کہ وہ مندرجہ ذیل امور رپورٹ کر رہے ہیں:

a. مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، نقد کی آمد و رفت اور اس کی ایکویٹی میں تبدیلیوں کو منصفانہ انداز میں پیش کرتے ہیں؛

b. فنڈ کی درست بکس آف اکاؤنٹس تیار کی گئی ہیں؛

c. مالیاتی گوشواروں کی تیاری میں (مالیاتی گوشواروں سے منسلک اہم نکات میں مذکور) موزوں اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں؛

d. بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ

## ڈائریکٹرز رپورٹ

مزید برآں، کل فیکسڈ انکم اور فیکسڈ ریٹ فنڈز جون 2024ء کے بعد سے تقریباً 29.2 فیصد بڑھ کر 1,242 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 92.3 فیصد بڑھ کر 491 بلین روپے ہو گئے۔

شعبہ جاتی حصے کے اعتبار سے جون 2025ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 51.3 فیصد حصے کے ساتھ سب سے آگے تھے، ان کے بعد انکم اور فیکسڈ ریٹ فنڈز کا 33.7 فیصد حصہ، اور ایکویٹی اور اس سے متعلقہ فنڈز کا 13.3 فیصد حصہ تھا۔

میوچل فنڈز صنعت کے مستقبل کا منظر نامہ

منی مارکیٹ فنڈز کو بہتر نقدیت کا فائدہ اٹھانا چاہیے کیونکہ یہ مختصر میعاد کے لیے اور کم رسک کے ساتھ سرمایہ کاری کرنے والوں کے لیے موزوں ترین ہوتے ہیں۔ معاشی بحالی کے تیز تر اور وسیع تر ہونے کے ساتھ ساتھ کمپیٹل مارکیٹس، خصوصاً ایکویٹیز، میں گہری دلچسپی برقرار رہے گی۔ ہمارے آپریشنز بلاؤ کاؤٹ جاری رہے، اور ڈیجیٹل رسائی اور صارفین کو اچھا تجربہ فراہم کرنے کے معاملے میں ہماری بہتر استعداد کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے فائدہ اٹھانے کے لیے تیار ہیں۔

ہولڈنگ کمپنی

18 اپریل 2023ء کو ایم سی بی بینک لمیٹڈ (ایم سی بی) نے، ایم سی بی-عارف حبیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ (ایم سی بی-اے ایچ) کی سپرینٹ (سرپرست) کمپنی کی حیثیت میں، عارف حبیب کارپوریشن لمیٹڈ (اے ایچ سی ایل) سے ایم سی بی-اے ایچ کے 21,664,167 (یعنی 30.09 فیصد) حصص خرید لیے۔ اس سودے کے ذریعے ایم سی بی بینک لمیٹڈ کی ایم سی بی-اے ایچ میں حاملیت حصص 36,956,768 (یعنی 51.33 فیصد) حصص سے بڑھ کر 58,620,935 (یعنی 81.42 فیصد) ہو گئی ہے اور اے ایچ سی ایل اب ایم سی بی-اے ایچ میں حصص کی حامل نہیں ہے۔

کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو نافذ کرنے کے لیے پرعزم ہے۔ بورڈ آفٹھ (8) ارکان پر مشتمل ہے، بشمول چیف ایگزیکٹو آفیسر (سی ای او)۔ یہ ارکان صنف اور علم کا ایک متنوع امتزاج ہیں۔ بورڈ میں 1 خاتون اور 7 مرد ڈائریکٹرز شامل ہیں، جن کی زمرہ بندی درج ذیل ہے:

\* 4 نان-ایگزیکٹو ڈائریکٹرز؛

\* 3 انڈپینڈنٹ ڈائریکٹرز؛ اور

\* 1 ایگزیکٹو ڈائریکٹر (سی ای او)۔

پاکستان مال سال 2011ء کے بعد سے پہلا سالانہ سرپلس ریکارڈ کرنے جا رہا ہے، جس کے عوامل برآمدات اور ترسیلات میں بحالی اور محدود درآمدات ہیں۔ ہمیں اُمید ہے کہ درمیانی مدت میں یہ رجحان جاری رہے گا۔ اگر درآمدات میں تیزی آئے اور اس کے نتیجے میں مالیاتی تسہیل ہو تو روپے کی قدر میں بتدریج گراؤٹ ہو سکتی ہے۔ جون 2026ء کے اختتام پر روپے کا ڈالر کے مقابلے تناسب تقریباً 304 ہونے کا امکان ہے۔

اشیائے خورد و نوش کی قیمتوں میں کمی اور روپے میں استحکام کے باعث ہیڈلائن (مجموعی) افراط زر کم سطح (ایک ہندسے پر مبنی عدد) پر رہے گی۔ مالی سال 2026ء کے اختتام تک base اثر کے باعث افراط زر میں عارضی طور پر اضافہ ہوگا۔ مالی سال 2026ء میں اوسط افراط زر 5.6 فیصد ہونے کا امکان ہے۔ روپے کے استحکام اور مجموعی طلب کے عوامل کے باعث بنیادی افراط زر میں مسلسل کمی ہوتی رہی۔ ہمیں اُمید ہے کہ اگلے مالی سال کے اختتام تک بنیادی افراط زر بتدریج کم ہو کر ایک ہندسے پر مبنی عدد تک پہنچ جائے گی۔

مالیاتی جہت میں ہم سمجھتے ہیں کہ مالی سال 2026ء میں مالیاتی خسارہ 4.0 فیصد ہوگا، جو مالی سال 2006ء کے بعد سے کم ترین سطح ہوگی۔ چنانچہ یہ بجٹ خسارے میں کمی کا چوتھا مسلسل سال ہوگا، کیونکہ یہ مالی سال 2022ء میں 7.9 فیصد کی بلند ترین سطح تک پہنچ گیا تھا۔ اس کمی کی سب سے بڑی وجہ مالیاتی لاگت میں کمی ہے۔ مالیاتی نظم و ضبط برقرار رکھنے میں بنیادی سرپلس سے متعلق آئی ایم ایف کے سخت اہداف بھی اپنا کردار ادا کریں گے۔

ایس بی پی نے سود کی شرحوں میں جون 2024ء سے لے کر اب تک مجموعی طور پر 1,100 بی پی ایس کمی کی ہے، چنانچہ شرحیں 22.0 فیصد کی بلند سطح سے 11.0 فیصد تک آگئی ہیں۔ خارجی استحکام میں بہتری، اور اس کے ساتھ ساتھ افراط زر کے دباؤ میں کمی، کی بدولت یہ مالیاتی تسہیل ممکن ہوئی۔ مستقبل میں چونکہ افراط زر کے دباؤ متوقع طور پر کم رہیں گے، چنانچہ شرحوں میں مزید کمی کا انحصار زرمبادلہ کے ذخائر کی تقویت پر ہوگا۔

حاملین قرض کے لیے ہمیں اُمید ہے کہ منی مارکیٹ فنڈ سال بھر پالیسی شرحوں کی بلاؤ کاؤٹ عکاسی جاری رکھیں گے۔

#### میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈز کی صنعت کے net اثاثہ جات مالی سال 2025ء کے دوران تقریباً 43.1 فیصد بڑھ کر 3,684 بلین روپے ہو گئے۔ منی مارکیٹ کے کل فنڈز میں جون 2024ء کے بعد سے تقریباً 44.4 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 55.3 فیصد بڑھ کر 977 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 34.3 فیصد بڑھ کر 912 بلین روپے ہو گئے۔

base اثر اور سیلاب سے کپاس کی فصل کو نقصان تھیں۔ صنعت اور خدمات کے شعبوں کی ترقی میں بحالی ہوئی جس کی وجہ مجموعی معاشی اشاروں میں بہتری تھی۔ مالیاتی جہت میں ایف بی آر کی ٹیکس کی وصولی مالی سال 2025ء میں 25.9 فیصد بڑھ کر 11,722 بلین روپے ہوگئی، جو نظر ثانی شدہ کم تر ہدف 11,900 بلین روپے کے بالمقابل ہے، یعنی 178 بلین روپے کم ٹیکس جمع ہوا۔ اس کمی کی بڑی وجوہ تجارت میں کمی، سست رفتار ترقی اور پست افراط زر ہیں۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 17.61 فیصد تھا، جبکہ اس کے بالمقابل بیچ مارک منافع 13.80 فیصد تھا۔ فنڈ کی WAM 320 دنوں کی سطح پر تھی۔ فنڈ کی زیادہ تر سرمایہ کاری نقد اور جی او پی اجارہ سٹاک میں تھی، جو اختتام مدت پر بالترتیب 70.8 فیصد اور 14.9 فیصد تھی۔

30 جون 2025ء کو فنڈ کے net اثاثہ جات 1,072 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2024ء کو 5,899 ملین روپے تھے، چنانچہ 81.83 فیصد کمی ہوئی۔

30 جون 2025ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 55.0133 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2024ء کو ابتدائی این اے وی فی یونٹ 54.9344 روپے تھی، چنانچہ 0.0789 روپے فی یونٹ اضافہ ہوا۔

### معیشت اور مارکیٹ - مستقبل کا منظر نامہ

مستقبل کے امکانات کے حوالے سے ہم سمجھتے ہیں کہ مالی سال 2026ء میں جی ڈی پی میں 4.1 فیصد ترقی ہوگی۔ زراعت base اثر کی وجہ سے بحال ہوگی اور اس میں متوقع طور پر 3.9 فیصد ترقی ہوگی۔ شرح سود میں کمی کے سست رفتار اثر سے صنعت اور خدمات کے شعبے کو مستقبل میں فائدہ ہوگا اور ان میں بالترتیب 4.4 فیصد اور 4.0 فیصد ترقی کا امکان ہے۔

آئی ایم ایف پروگرام کا تسلسل ایک اہم مثبت پہلو ہے کیونکہ اس کی بدولت ہم دو طرفہ اور کثیر الجہتی ذرائع سے فنڈنگ حاصل کر سکیں گے۔ ایس بی پی کے ذخائر متوقع طور پر بڑھ کر سال کے اختتام تک 17.4 بلین ڈالر تک پہنچ جائیں گے اور اس کے عوامل بروقت دو طرفہ رول اوور (قرض کے معاہدوں میں توسیع) اور آئی ایم ایف اور کثیر الجہتی ایجنسیوں کی طرف سے آمدات ہیں۔ ہماری خارجی صورت حال بہتر ہوئی ہے جس کی بدولت پاکستان بین الاقوامی کیپیٹل مارکیٹوں میں دوبارہ داخل ہونے پر غور کرنے کے قابل ہو سکتا ہے تاکہ Euro بانڈز، سٹاک اور پابند بانڈز جیسے ذرائع کا جائزہ لے سکے۔

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم اینھینسمنٹ فنڈ کے اکاؤنٹس برائے سال مختتمہ 30 جون 2025ء کا جائزہ پیش خدمت ہے۔

معیشت کا جائزہ

مالی سال کا مضبوط آغاز ہوا کیونکہ حکومت نے آئی ایم ایف کے ساتھ 37 ماہ کی ایکسٹینڈڈ فنڈ فیسلٹی (ای ایف ایف) کے لیے 7.0 بلین ڈالر کا اسٹاف-لیول معاہدہ (ایس ایل اے) کر لیا۔ دورانِ مدت پاکستان نے مالیاتی اور خارجی نظم و ضبط کا مظاہرہ کر کے آئی ایم ایف پروگرام کے کلیدی اہداف اور مقررہ معیارات حاصل کر لیے۔ اس کے نتیجے میں مارچ 2025ء میں آئی ایم ایف ٹیم نے 'ای ایف ایف' کے پہلے جائزے کے لیے پاکستانی مختار اداروں کے ساتھ ایک 'ایس ایل اے' کیا، جسے 28 ماہ پر محیط ایک نئی ریزیلیئنس اینڈ سسٹینیبلیٹی فیسلٹی (آر ایس ایف)، جس سے اضافی 1.3 بلین ڈالر فنڈنگ کی راہ ہموار ہوئی۔

مالی سال 2025ء کے ابتدائی گیارہ ماہ (11MFY25) میں ملکہ کارنٹ اکاؤنٹ سروسز 1.8 بلین ڈالر پوسٹ کیا گیا، جس کے بالمقابل گزشتہ سال مماثل مدت میں 1.6 بلین ڈالر خسارہ تھا۔ کرنٹ اکاؤنٹ کی بہتری میں اہم ترین کردار ترسیلاتِ زر کا تھا جن میں 28.8 فیصد کا خطیر اضافہ ہوا اور وہ 34.9 بلین ڈالر ہو گئیں۔ تجارتی خسارہ 22.1 فیصد (YoY) (سال در سال) بڑھ گیا کیونکہ برآمدات میں 4.0 فیصد اضافہ ہوا جبکہ درآمدات ایک پست بنیاد سے 11.5 فیصد بڑھ گئیں۔ ملکہ کی خارجی صورتحال بہتر ہوئی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر بڑھ کر جون 2025ء کو 14.5 بلین ڈالر ہو گئے، جس کے بالمقابل گزشتہ مالی سال کے اختتام پر 9.4 بلین ڈالر تھے۔ اس کی وجوہات کرنٹ اکاؤنٹ سروسز، بروقت دو طرفہ رول اوور (قرض کے معاہدوں میں توسیع) اور آئی ایم ایف اور کثیرالجہتی ذرائع سے آمدات تھیں۔ ڈالر کے مقابلے میں روپے کی قدر میں 1.9 فیصد کمی معمولی کمی ہوئی اور یہ 283.3 تک پہنچ گئی۔

مالی سال 2025ء کے دوران ہیڈ لائن (مجموعی) افراطِ زر، جس کی ترجمانی 'سی پی آئی' سے ہوتی ہے، کا اوسط 4.6 فیصد تھا، جس کے بالمقابل گزشتہ سالہ کی مماثل مدت میں 23.9 فیصد تھا۔ اس خطیر کمی کا سبب گزشتہ ایک سال کے دوران روپے کی قدر میں استحکام تھا، جس کی بدولت ایشیائی خورد و نوش اور توانائی کی قیمتیں مستحکم رہیں۔ مزید برآں، گندم کی قیمتوں اور base کے اثر میں بڑی کمی کے نتیجے میں افراطِ زر میں مزید کمی ہوئی۔

مالی سال 2025ء میں پاکستان کی پراویٹل جی ڈی پی (مجموعی ملکی پیداوار) 2.7 فیصد تھی، اور زراعت، صنعت اور خدمات کے شعبوں میں بالترتیب 0.6 فیصد، 4.8 فیصد اور 2.9 فیصد اضافہ ہوا۔ زراعت کے شعبے کی ترقی توقع سے کم تھی جس کی وجوہ بلند

## REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2025

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### Fund Type and Category

Pakistan Income Enhancement Fund — (PIEF) is an open-end fund which comes under aggressive income scheme. This fund may invest in bonds, money market placements, certificates of deposits, certificates of Musharikas, Commercial Papers, TFCs/Sukuks and debt securities issued by the Government of Pakistan as well as Reverse Repurchase transactions (Reverse-REPOs) against government securities with at least 10% of the net assets shall be invested in cash and/or near cash instruments which include cash in bank account (excluding TDRs), Treasury bills not exceeding 90 days maturity;

### Fund Benchmark

90% Twelve (12) months KIBOR + 10% Twelve (12) months average of the highest rates on savings account of three (3) AA rated scheduled bank as selected by MUFAP.

### Investment Objective

The objective of the fund is to deliver return from aggressive investment strategy in debt and fixed income market

### Manager's Review

During the period under review, the fund generated a return of 17.61% against its benchmark return of 13.80%. WAM of fund stood at 320 days. At period-end, the fund was 0.0% invested in PIBs, 14.9% in GOP Ijara Sukuk, and 0.7% in T-Bills.

The Net Assets of the fund as at June 30, 2025 stood at Rs. 1,072 million as compared to Rs. 5,899 million as at June 30, 2024 registering a decrease of 81.8%. The Net Asset Value (NAV) per unit as at June 30, 2025 was Rs. 55.0133 as compared to opening NAV of Rs. 54.9344 per unit as at June 30, 2024 registering an increase of Rs. 0.0789 per unit.

#### Asset Allocation as on June 30, 2025 (% of total assets)

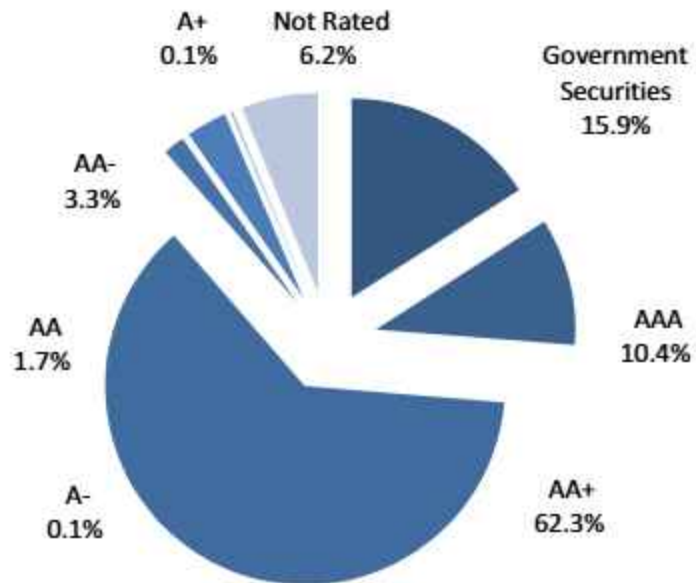
Asset Allocation (%age of Total Assets)	Jun-25
Others including receivables	6.2%
PIBs	0.0%
GOP Ijara Sukuk	14.9%
T-Bills	0.7%
TFCs / Sukuks	7.1%
Cash	70.8%

**REPORT OF THE FUND MANAGER  
FOR THE YEAR ENDED JUNE 30, 2025**

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**Asset Quality as of June 30, 2025 (% of total assets)**



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**Mr. Saad Ahmed**  
**Fund Manager**

# TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED

**Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shakra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



## TRUSTEE REPORT TO THE UNIT HOLDERS

### PAKISTAN INCOME ENHANCEMENT FUND

#### Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Pakistan Income Enhancement Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: September 09, 2025



# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil  
Chartered Accountants

Caviah Court, A-35, Block 7 & 8  
KCHSLI, Shahrah-e-Faisal  
Karachi-75350  
Pakistan

Tel: +92 (0) 21 3454 6494-7  
www.yousufadil.com

## INDEPENDENT AUDITOR'S REPORT To the Unit Holders of Pakistan Income Enhancement Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Pakistan Income Enhancement Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and MCB Investment Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 5 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 273 million as at June 30, 2025, consisting of government securities and term finance certificates which represent a significant item on the statement of assets and liabilities of the Fund.</p> <p>We have identified the existence and valuation as the significant areas during our audit of investment.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"><li>• tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies;</li><li>• matched the number of term finance certificates, listed GOP Ijara Sukuks, Pakistan Investment Bonds and Market Treasury Bills held by the Fund with the Central Depository Company's Account Statement and check for reconciliation of the differences if any;</li></ul>



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# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil  
Chartered Accountants

S. No.	Key audit matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"><li>matched government securities held by the Fund with the securities appearing in the Investors' Portfolio Securities Account Statement and check for reconciliation of the differences if any;</li></ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management Company and Board of Directors of the Management Company for the Financial Statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.



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# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil  
Chartered Accountants

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.

  
Chartered Accountants

Place: Karachi

Date: September 12, 2025

UDIN: AR202510057g7UaqFjeE

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Karachi (Islamabad) Lahore (Multan)

**STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2025**

	Note	June 30, 2025 — (Rupees in '000) —	June 30, 2024
<b>ASSETS</b>			
Bank balances	4	839,015	101,340
Investments	5	272,950	5,237,393
Profit receivable	6	45,323	257,689
Advances, deposits, prepayments and other receivable	7	28,535	10,259
Receivable against sale of investment		-	1,412,666
<b>Total assets</b>		<b>1,185,823</b>	<b>7,019,347</b>
<b>LIABILITIES</b>			
Payable to MCB Investment Management Limited - Management Company	8	18,196	11,885
Payable to Central Depository Company of Pakistan Limited - Trustee	9	17	428
Payable to the Securities and Exchange Commission of Pakistan	10	844	379
Payable against redemption of units		1,514	13,680
Payable against purchase of Investments		-	1,056,777
Dividend payable		-	2
Accrued expenses and other liabilities	11	93,401	37,029
<b>Total liabilities</b>		<b>113,972</b>	<b>1,120,180</b>
<b>NET ASSETS</b>		<b>1,071,851</b>	<b>5,899,167</b>
<b>UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,071,851</b>	<b>5,899,167</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	---- (Number of units) ----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>19,483,501</b>	<b>107,385,628</b>
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>	3.7	<b>55.0133</b>	<b>54.9344</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

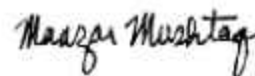
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025 ---- (Rupees in '000) -----	June 30, 2024 -----
<b>INCOME</b>			
Income from government securities		2,139,210	1,008,977
Income from term finance certificates		14,592	19,823
Profit on bank deposits		160,858	87,495
Capital gain / (loss) on sale of investments - net		451,695	(59,352)
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	5.5	1,490	6,714
Other income		1,633	644
<b>Total income</b>		<b>2,769,478</b>	<b>1,064,301</b>
<b>EXPENSES</b>			
Remuneration of MCB Investment Management Limited - Management Company	8.1	259,673	59,840
Sindh Sales Tax on remuneration of Management Company	8.2	38,951	7,779
Allocated expenses	8.3	4,432	5,089
Sindh Sales Tax on allocated expenses		665	-
Selling and marketing expenses	8.4	-	22,208
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	11,946	4,037
Sindh Sales Tax on remuneration of Trustee	9.2	1,792	525
Securities and Exchange Commission of Pakistan fee	10	11,946	4,032
Brokerage and settlement charges		5,428	2,615
Fees and subscription		622	844
Legal and professional charges		204	191
Auditors' remuneration	13	886	812
Bank charges		1,521	1,217
Other expenses		-	33
<b>Total expenses</b>		<b>338,066</b>	<b>109,222</b>
<b>Net income before taxation</b>		<b>2,431,412</b>	<b>955,079</b>
Taxation	14	-	-
<b>Net income after taxation</b>		<b>2,431,412</b>	<b>955,079</b>
<b>Allocation of net income for the year:</b>			
Net income for the year after taxation		2,431,412	955,079
Income already paid on units redeemed		(2,335,851)	(444,158)
		<b>95,561</b>	<b>510,921</b>
<b>Accounting income available for distribution</b>			
Relating to capital gains		16,118	-
Excluding capital gains		79,443	510,921
		<b>95,561</b>	<b>510,921</b>
<b>Earnings per unit</b>	3.10		

The annexed notes from 1 to 27 form an integral part of these financial statements.

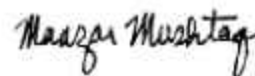
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2025**

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	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>Net income for the year after taxation</b>	<b>2,431,412</b>	955,079
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>2,431,412</b>	955,079

The annexed notes from 1 to 27 form an integral part of these financial statements.

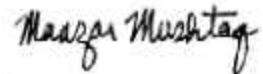
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2025

Note	For the year ended June 30,					
	2025			2024		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	5,740,756	158,412	5,899,167	1,091,607	109,374	1,200,981
Issue of 1,504,641,904 units (2024: 516,281,375 units)						
- Capital value (at net asset value per unit at the beginning of the year)	82,656,600	-	82,656,600	28,122,724	-	28,122,724
- Element of income	10,921,967	-	10,921,967	1,545,428	-	1,545,428
	93,578,567	-	93,578,567	29,668,152	-	29,668,152
Redemption of 1,592,544,031 units (2024: 430,943,543 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(87,485,451)	-	(87,485,451)	(23,474,227)	-	(23,474,227)
- Amount paid out of element of income relating to 'Net income for the year after taxation'	(10,878,670)	(2,335,851)	(13,214,521)	(689,278)	(444,158)	(1,133,436)
	(98,364,121)	(2,335,851)	(100,699,972)	(24,163,505)	(444,158)	(24,607,663)
Total comprehensive income for the year	-	2,431,412	2,431,412	-	955,079	955,079
Interim distribution during the year (including additional units) 25	(43,057)	(94,266)	(137,323)	(855,498)	(461,883)	(1,317,381)
Net income for the year after distribution	(43,057)	2,337,146	2,294,089	(855,498)	493,196	(362,302)
<b>Net assets at end of the year</b>	<b>912,145</b>	<b>159,707</b>	<b>1,071,851</b>	<b>5,740,756</b>	<b>158,412</b>	<b>5,899,167</b>
<b>Undistributed income brought forward</b>						
- Realised		151,698			115,885	
- Unrealised		6,714			(6,511)	
		158,412			109,374	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		16,118			-	
- Excluding capital gains		79,443			510,921	
		95,561			510,921	
Distributions during the year		(94,266)			(461,883)	
<b>Undistributed income carried forward</b>		<b>159,707</b>			<b>158,412</b>	
Undistributed income carried forward:						
- Realised		158,217			151,698	
- Unrealised		1,490			6,714	
		159,707			158,412	
		(Rupees)			(Rupees)	
<b>Net asset value per unit at beginning of the year</b>		<b>54.9344</b>			<b>54.4717</b>	
<b>Net asset value per unit at end of the year</b>		<b>55.0133</b>			<b>54.9344</b>	

The annexed notes from 1 to 27 form an integral part of these financial statements.

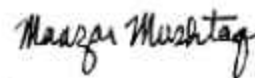
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	2,431,412	955,079
<b>Adjustments for non cash and other items:</b>		
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	(1,490)	(6,714)
	<b>2,429,922</b>	<b>948,365</b>
<b>(Increase) / decrease in assets</b>		
Investments - net	4,965,933	(4,960,359)
Profit receivable	212,366	(243,895)
Receivable against sale of investment	1,412,666	-
Advances, deposit and prepayments	(18,276)	(3,038)
	<b>6,572,689</b>	<b>(5,207,292)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to MCB Investment Management Limited - Management Company	6,311	9,085
Payable to Central Depository Company of Pakistan Limited - Trustee	(411)	342
Payable to the Securities and Exchange Commission of Pakistan	465	134
Payable against purchase of Investments	(1,056,777)	-
Payable against redemption of units	(12,166)	11,601
Dividend payable	(2)	2
Accrued expenses and other liabilities	56,372	12,278
	<b>(1,006,208)</b>	<b>33,442</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>7,996,403</b>	<b>(4,225,485)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution made during the year	(94,266)	(461,883)
Amount received against issuance of units	93,535,510	28,812,654
Amount paid against redemption of units	(100,699,972)	(24,607,663)
<b>Net cash (used in) / generated from financing activities</b>	<b>(7,258,728)</b>	<b>3,743,108</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>737,675</b>	<b>(482,377)</b>
Cash and cash equivalents at beginning of the year	101,340	583,717
<b>Cash and cash equivalents at end of the year</b>	<b>839,015</b>	<b>101,340</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Income Enhancement Fund (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB Investment Management Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated June 26, 2008 and July 07, 2008 consequent to which Trust Deed was executed on July 14, 2008 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). After the promulgation of Sindh Trust Act, 2020 (the Sindh Trust Act), on August 13, 2021 the Trust Deed of the Fund was registered under the Sindh Trust Act.
- 1.2 Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and has been categorised as 'Aggressive Fixed Income Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by the SECP, and offers units for public subscription on a continuous basis. The units are listed on the Pakistan Stock Exchange Limited (PSX).
- 1.4 The Fund primarily invests in debt securities, government securities, secured debt securities, money market transactions, reverse repurchase transactions, spread transactions and transactions under Margin Trading System.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of "AM1" dated October 04, 2024 to the Management Company and "A+(f)" as stability rating dated May 05, 2025 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with Part VIII A of the repealed Companies Ordinance, 1984; and
- The NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

### 2.2 New amendments that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

- Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

### 2.3 Standards and amendments to IFRS that are not yet effective

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments and standards are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after</b>
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

### 2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 3.1.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Provision (note 3.3)
- Taxation (notes 3.4 and 14)
- Classification and measurements of financial liabilities (note 3.1.2.1)
- Contingencies and Commitments (note 12)

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

### 2.5 Functional and presentation currency

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

## 2.6 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments which are measured at fair value.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

#### 3.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

##### 3.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

##### **Financial assets at amortised cost (debt instruments)**

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

##### **Financial assets at fair value through other comprehensive income (debt instruments)**

For debt instruments at fair value through other comprehensive income (OCI), interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

##### **Financial assets at fair value through profit or loss (debt instruments)**

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

##### 3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

## **Basis of valuation of government debt securities:**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV) which are based on the remaining tenure of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange are valued at revaluation rates disseminated by Pakistan Stock Exchange (PSX).

## **Basis of valuation of debt securities:**

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned Circulars after taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk.

The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/-50 bps. For unrated securities the allowable limit is +50 bps.

### **3.1.1.3 Impairment of financial assets**

Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9 until further instruction.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

### **3.1.1.4 Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset.

### **3.1.2 Financial liabilities**

#### **3.1.2.1 Classification and measurement of financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading) or the Fund has opted to measure them at fair value through profit or loss.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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## 3.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

## 3.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

## 3.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

## 3.4 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 3.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end / reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

## 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the unit holders during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holder's fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

### 3.8 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on re-measurement of investments 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income / profit from investments in term finance certificates / sukuks, and government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

### 3.9 Expenses

All expenses chargeable to the Fund including remuneration of Management Company, Trustee fee and fee of SECP are recognised in the income statement on an accrual basis.

### 3.10 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

	Note	June 30, 2025 (Rupees in '000)	June 30, 2024
<b>4. BANK BALANCES</b>			
In current accounts	4.1	792	6,403
In savings accounts	4.2	838,223	94,937
		<u>839,015</u>	<u>101,340</u>

4.1 These include a balance of Rs. 0.775 million (2024: Rs. 6.38 million) held with MCB Bank Limited, a related party.

4.2 These carry profit at rates ranging between 8.5% to 9.5% (2024: 19% to 20.5%) per annum. These include balances of Rs. 21.906 million (2024: Rs. 7.26 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 9.5% (2024: 20.50%) per annum.

	Note	June 30, 2025 (Rupees in '000)	June 30, 2024
<b>5. INVESTMENTS</b>			
<b>Investments at fair value through profit or loss</b>			
Government Securities	5.1	189,183	5,152,958
Term Finance Certificates - Listed Securities	5.2	-	-
Term Finance Certificates - Unlisted Securities	5.3	83,767	84,435
		<u>272,950</u>	<u>5,237,393</u>

#### 5.1 Government Securities:

Market Treasury Bills	5.1.1	9,104	1,057,758
Pakistan Investment Bonds	5.1.2	3,234	602,646
Pakistan Investment Bonds - Floating Rate Bond	5.1.3	-	1,545,280
Listed GOP - Ijara Sukuk	5.1.4	-	1,572,159
Unlisted GOP - Ijara Sukuk	5.1.4	176,845	375,115
		<u>189,183</u>	<u>5,152,958</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**5.1.1 Market Treasury Bills**

Tenure	Issue Date	Face value				As at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)		
		(Rupees in '000)								
Treasury Bills - 1 month	April 03, 2025	-	2,405,000	2,405,000	-	-	-	-	-	
Treasury Bills - 1 month	May 15, 2025	-	500,000	500,000	-	-	-	-	-	
Treasury Bills - 3 months	May 30, 2024	-	1,000,000	1,000,000	-	-	-	-	-	
Treasury Bills - 3 months	July 11, 2024	-	250,000	250,000	-	-	-	-	-	
Treasury Bills - 3 months	August 08, 2024	-	350,000	350,000	-	-	-	-	-	
Treasury Bills - 3 months	August 22, 2024	-	250,000	250,000	-	-	-	-	-	
Treasury Bills - 3 months	October 17, 2024	-	250,000	250,000	-	-	-	-	-	
Treasury Bills - 3 months	October 31, 2024	-	500,000	500,000	-	-	-	-	-	
Treasury Bills - 3 months	November 14, 2024	-	3,605,000	3,605,000	-	-	-	-	-	
Treasury Bills - 3 months	November 28, 2024	-	500,000	500,000	-	-	-	-	-	
Treasury Bills - 3 months	December 12, 2024	-	5,800,000	5,800,000	-	-	-	-	-	
Treasury Bills - 3 months	December 26, 2024	-	8,240,000	8,240,000	-	-	-	-	-	
Treasury Bills - 3 months	January 09, 2025	-	500,000	500,000	-	-	-	-	-	
Treasury Bills - 3 months	January 23, 2025	-	500,000	500,000	-	-	-	-	-	
Treasury Bills - 3 months	March 08, 2025	-	800,000	800,000	-	-	-	-	-	
Treasury Bills - 3 months	May 15, 2025	-	250,000	250,000	-	-	-	-	-	
Treasury Bills - 3 months	May 29, 2025	-	250,000	250,000	-	-	-	-	-	
Treasury Bills - 3 months	June 12, 2025	-	250,000	250,000	-	-	-	-	-	
Treasury Bills - 6 months	April 04, 2024	-	3,500,000	3,500,000	-	-	-	-	-	
Treasury Bills - 6 months	July 11, 2024	-	250,000	250,000	-	-	-	-	-	
Treasury Bills - 6 months	July 25, 2024	-	250,000	250,000	-	-	-	-	-	
Treasury Bills - 6 months	August 08, 2024	-	350,000	350,000	-	-	-	-	-	
Treasury Bills - 6 months	August 22, 2024	-	2,150,000	2,150,000	-	-	-	-	-	
Treasury Bills - 6 months	September 05, 2024	-	24,105,000	24,105,000	-	-	-	-	-	
Treasury Bills - 6 months	October 03, 2024	-	805,000	805,000	-	-	-	-	-	
Treasury Bills - 6 months	October 17, 2024	-	3,400,000	3,400,000	-	-	-	-	-	
Treasury Bills - 6 months	October 31, 2024	-	1,000,000	1,000,000	-	-	-	-	-	
Treasury Bills - 6 months	November 14, 2024	-	4,500,000	4,500,000	-	-	-	-	-	
Treasury Bills - 6 months	November 28, 2024	-	750,000	750,000	-	-	-	-	-	
Treasury Bills - 6 months	December 12, 2024	-	500,000	500,000	-	-	-	-	-	
Treasury Bills - 6 months	December 26, 2024	-	500,000	500,000	-	-	-	-	-	
Treasury Bills - 6 months	January 09, 2025	-	3,500,000	3,500,000	-	-	-	-	-	
Treasury Bills - 6 months	January 23, 2025	-	1,150,000	1,150,000	-	-	-	-	-	
Treasury Bills - 6 months	March 08, 2025	-	1,000,000	1,000,000	-	-	-	-	-	
Treasury Bills - 6 months	April 17, 2025	-	500,000	500,000	-	-	-	-	-	

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

Tenure	Issue Date	Face value				As at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)		
		(Rupees in '000)								
Treasury Bills - 6 months	May 15, 2025	-	250,000	-	250,000	-	-	-	-	
Treasury Bills - 6 months	May 28, 2025	-	500,000	-	500,000	-	-	-	-	
Treasury Bills - 6 months	June 12, 2025	-	750,000	-	750,000	-	-	-	-	
Treasury Bills - 12 months	October 18, 2023	-	13,100,000	-	13,100,000	-	-	-	-	
Treasury Bills - 12 months	November 02, 2023	500	11,200,000	-	11,200,500	-	-	-	-	
Treasury Bills - 12 months	November 16, 2023	-	5,100,000	-	5,100,000	-	-	-	-	
Treasury Bills - 12 months	November 30, 2023	-	4,709,000	-	4,709,000	-	-	-	-	
Treasury Bills - 12 months	December 14, 2023	-	500,000	-	500,000	-	-	-	-	
Treasury Bills - 12 months	December 28, 2023	-	43,730,000	-	43,730,000	-	-	-	-	
Treasury Bills - 12 months	January 25, 2024	375,000	668,000	-	1,043,000	-	-	-	-	
Treasury Bills - 12 months	April 04, 2024	-	2,688,120	-	2,688,120	-	-	-	-	
Treasury Bills - 12 months	May 02, 2024	835,750	7,532,000	-	8,367,750	-	-	-	-	
Treasury Bills - 12 months	May 30, 2024	-	2,050,000	-	2,050,000	-	-	-	-	
Treasury Bills - 12 months	June 13, 2024	-	500,000	-	500,000	-	-	-	-	
Treasury Bills - 12 months	July 11, 2024	-	13,390,000	-	13,390,000	-	-	-	-	
Treasury Bills - 12 months	July 25, 2024	-	10,240,000	-	10,240,000	-	-	-	-	
Treasury Bills - 12 months	August 08, 2024	-	850,000	-	850,000	-	-	-	-	
Treasury Bills - 12 months	August 22, 2024	-	4,975,000	-	4,975,000	-	-	-	-	
Treasury Bills - 12 months	September 05, 2024	-	28,400,000	-	28,400,000	-	-	-	-	
Treasury Bills - 12 months	October 03, 2024	-	2,700,000	-	2,700,000	-	-	-	-	
Treasury Bills - 12 months*	October 17, 2024	-	859,000	-	850,000	9,000	8,702	8,720	18	
Treasury Bills - 12 months	October 31, 2024	-	2,800,000	-	2,800,000	-	-	-	-	
Treasury Bills - 12 months*	November 14, 2024	-	1,000,000	-	999,600	400	383	384	1	
Treasury Bills - 12 months	November 28, 2024	-	1,800,000	-	1,800,000	-	-	-	-	
Treasury Bills - 12 months	December 12, 2024	-	2,450,000	-	2,450,000	-	-	-	-	
Treasury Bills - 12 months	January 08, 2025	-	9,700,000	-	9,700,000	-	-	-	-	
Treasury Bills - 12 months	January 23, 2025	-	500,000	-	500,000	-	-	-	-	
Treasury Bills - 12 months	March 06, 2025	-	500,000	-	500,000	-	-	-	-	
Treasury Bills - 12 months	April 17, 2025	-	500,000	-	500,000	-	-	-	-	
Treasury Bills - 12 months	May 02, 2025	-	250,000	-	250,000	-	-	-	-	
Treasury Bills - 12 months	May 15, 2025	-	250,000	-	250,000	-	-	-	-	
Treasury Bills - 12 months	May 28, 2025	-	250,000	-	250,000	-	-	-	-	
<b>As at June 30, 2025</b>						<b>9,085</b>	<b>9,104</b>	<b>19</b>		
<b>As at June 30, 2024</b>						<b>1,057,888</b>	<b>1,057,758</b>	<b>(130)</b>		

\* These carry effective yield ranging between 12.03% to 12.76% (2024: 22.40% to 23.39%) per annum.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**5.1.2 Pakistan Investments Bonds**

Tenure	Issue Date	Face value					As at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)			
Pakistan Investment Bonds - 2 Years	September 20, 2024	-	3,575,000	3,575,000	-	-	-	-	-	-	
Pakistan Investment Bonds - 2 Years	January 16, 2025	-	1,500,000	1,500,000	-	-	-	-	-	-	
Pakistan Investment Bonds - 3 Years	July 04, 2023	100,000	1,650,000	1,750,000	-	-	-	-	-	-	
Pakistan Investment Bonds - 3 Years	February 15, 2024	340,000	482,000	832,000	-	-	-	-	-	-	
Pakistan Investment Bonds - 3 Years	September 20, 2024	-	1,000,000	1,000,000	-	-	-	-	-	-	
Pakistan Investment Bonds - 5 Years	October 13, 2022	-	100,000	100,000	-	-	-	-	-	-	
Pakistan Investment Bonds - 5 Years*	January 17, 2024	200,000	1,357,000	1,554,000	3,000	2,921	3,234	313	0.30	1.18	
Pakistan Investment Bonds - 5 Years	September 20, 2024	-	800,000	800,000	-	-	-	-	-	-	
Pakistan Investment Bonds - 5 Years	January 15, 2025	-	7,700,000	7,700,000	-	-	-	-	-	-	
Pakistan Investment Bonds - 10 Years	September 20, 2024	-	250,000	250,000	-	-	-	-	-	-	
<b>As at June 30, 2025</b>						<b>2,921</b>	<b>3,234</b>	<b>313</b>			
<b>As at June 30, 2024</b>						<b>605,898</b>	<b>602,646</b>	<b>(3,242)</b>			

\* These carry effective yield ranging 15.23% (2024 : 22.40% to 23.39%) per annum.

**5.1.3 Pakistan Investments Bonds - Floating Rate Bond (FRB)**

Tenure	Issue Date	Face value					As at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain			
Pakistan Investment Bond (FRB) - 2 years	October 03, 2024	-	2,050,000	2,050,000	-	-	-	-	-	-	
Pakistan Investment Bond (FRB) - 5 years	September 21, 2023	-	1,050,000	1,050,000	-	-	-	-	-	-	
Pakistan Investment Bond (FRB) - 5 years	April 18, 2024	1,600,000	1,915,000	3,515,000	-	-	-	-	-	-	
Pakistan Investment Bond (FRB) - 5 years	June 27, 2024	-	25,368,000	25,368,000	-	-	-	-	-	-	
Pakistan Investment Bond (FRB) - 5 years	September 05, 2024	-	5,411,000	5,411,000	-	-	-	-	-	-	
Pakistan Investment Bond (FRB) - 5 years	October 03, 2024	-	16,803,000	16,803,000	-	-	-	-	-	-	
Pakistan Investment Bond (FRB) - 5 years	April 17, 2025	-	500,000	500,000	-	-	-	-	-	-	
Pakistan Investment Bond (FRB) - 10 years	April 17, 2025	-	250,000	250,000	-	-	-	-	-	-	
Pakistan Investment Bond (FRB) - 10 years	May 29, 2025	-	500,000	500,000	-	-	-	-	-	-	
<b>As at June 30, 2025</b>						<b>1,540,288</b>	<b>1,545,280</b>	<b>4,994</b>			
<b>As at June 30, 2024</b>											

\* These carry effective yield ranging Nil (2024 : 22.40% to 23.39%) per annum.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

5.1.4 Government of Pakistan (GOP) - Ijara Sukuk

Tenure	Issue Date	Face value				As at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)		
<b>Listed GOP - Ijara Sukuk</b>										
GOP Ijara - 1 year (fixed)	March 15, 2024	22,000	-	22,000	-	-	-	-	-	
GOP Ijara - 1 year (fixed)	July 26, 2024	-	25,000	25,000	-	-	-	-	-	
GOP Ijara - 1 year (fixed)	August 16, 2024	-	50,000	50,000	-	-	-	-	-	
GOP Ijara - 1 year (fixed)	September 18, 2024	-	250,000	250,000	-	-	-	-	-	
GOP Ijara - 1 year (fixed)	October 21, 2024	-	125,000	125,000	-	-	-	-	-	
GOP Ijara - 1 year (fixed)	November 07, 2024	-	250,000	250,000	-	-	-	-	-	
GOP Ijara - 1 year (fixed)	December 04, 2024	-	1,500,000	1,500,000	-	-	-	-	-	
GOP Ijara - 1 year (fixed)	January 09, 2025	-	187,500	187,500	-	-	-	-	-	
GOP Ijara - 3 years (fixed)	January 24, 2024	62,500	-	62,500	-	-	-	-	-	
GOP Ijara - 3 years (fixed)	June 28, 2024	-	75,000	75,000	-	-	-	-	-	
GOP Ijara - 3 years (fixed)	September 18, 2024	-	62,500	62,500	-	-	-	-	-	
GOP Ijara - 3 years (fixed)	October 21, 2024	-	250,000	250,000	-	-	-	-	-	
GOP Ijara - 3 years (fixed)	January 09, 2025	-	62,500	62,500	-	-	-	-	-	
GOP Ijara - 3 years (variable)	January 24, 2024	337,500	-	337,500	-	-	-	-	-	
GOP Ijara - 3 years (variable)	June 28, 2024	-	75,000	75,000	-	-	-	-	-	
GOP Ijara - 3 years (variable)	September 18, 2024	-	62,500	62,500	-	-	-	-	-	
GOP Ijara - 3 years (variable)	October 21, 2024	-	250,000	250,000	-	-	-	-	-	
GOP Ijara - 3 years (variable)	January 09, 2025	-	62,500	62,500	-	-	-	-	-	
GOP Ijara - 5 years (fixed)	January 24, 2024	512,500	-	512,500	-	-	-	-	-	
GOP Ijara - 5 years (fixed)	June 28, 2024	-	75,000	75,000	-	-	-	-	-	
GOP Ijara - 5 years (fixed)	September 18, 2024	-	62,500	62,500	-	-	-	-	-	
GOP Ijara - 5 years (fixed)	October 21, 2024	-	312,500	312,500	-	-	-	-	-	
GOP Ijara - 5 years (fixed)	January 09, 2025	-	62,500	62,500	-	-	-	-	-	



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**5.2 Term Finance Certificates - Listed securities**

Certificates have a face value of Rs 5,000 each unless stated otherwise

Name of investee company	Number of Certificates			As at June 30, 2025				Market value as a percentage of Total Investment
	As at July 01, 2024	Purchased during the year	Sold during the year	As at June 30, 2025	Carrying value	Provision	Net amount	
(Rupees in '000) %								
<b>Miscellaneous</b>								
Pace Pakistan Limited	15,000	-	-	15,000	74,910	(74,910)	-	-
- Due but not received (Note 5.2.1)								
<b>Construction and Material</b>								
Eden Housing Limited	10,415	-	-	10,415	10,251	(10,251)	-	-
- Due but not received (Note 5.2.1)								
<b>As at June 30, 2025</b>					<b>85,161</b>	<b>(85,161)</b>		
<b>As at June 30, 2024</b>					<b>85,161</b>	<b>(85,161)</b>		

**5.2.1 Details of Investments in Below Investment Grade Securities**

Circular No. 7 and the fund's offering document permits investment in both rated and unrated securities. Accordingly, such investments are considered compliant with SECP Regulations and Fund's approved investment policy.

Due to the continuous default by the issuers in meeting coupon payment obligations, the Fund has recognized a full provision against the outstanding principal amounts and has suspended further accrual of mark-up on these instruments.

The Fund has fully provided these investments, with a 100% provision held against the affected securities, as detailed below:

Name of Investments	Type of Instrument	Value of Investment before provision	Provision held if any	Value of Investment after provision	Percentage of net assets	Percentage of gross assets
Pace Pakistan Limited	TFC	-	(74,910)	(74,910)	-	-
Eden Housing Limited	TFC	-	(10,251)	(10,251)	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**5.3 Term Finance Certificates - Unlisted securities**

Name of investee company	Face Value	Number of Certificates			As at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investment	
		As at July 01, 2024	Purchased during the year	Sold during the year	As at June 30, 2025	Carrying value	Market value			Unrealised gain / (loss)
<b>Commercial Banks</b>										
Askari Bank Limited	1,000,000	20	-	-	20	19,900	19,781	(119)	1.85	7.25
Bank AL Habib Limited	5,000	5,000	-	-	5,000	24,591	24,591	-	2.29	9.01
Samba Bank Limited	100,000	400	-	-	400	39,919	39,395	(524)	3.68	14.43
<b>Total as at June 30, 2025</b>						<b>84,410</b>	<b>83,767</b>	<b>(643)</b>		
Total as at June 30, 2024						84,057	84,435	378		

5.4 Significant terms and conditions of term finance certificates outstanding as at June 30, 2025 are as follows:

Name of the issuer	Markup rate per annum	Issue Date	Maturity Date	Rating
<b>Commercial Banks</b>				
Samba Bank Limited	6 months KIBOR + 1.35%	March 01, 2021	March 01, 2031	AA-
Bank AL Habib Limited	6 months KIBOR + 0.75%	September 30, 2021	September 30, 2031	AAA
Askari Bank Limited	3 months KIBOR + 1.20%	March 17, 2020	March 17, 2030	AA

5.5 Unrealised gain on remeasurement of investments at fair value through profit or loss - net

	June 30, 2025	June 30, 2024
Market value as at June 30	272,950	5,237,393
Carrying value as at June 30	271,460	5,230,679
	<u>1,490</u>	<u>6,714</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	June 30, 2025 --- (Rupees in '000)-----	June 30, 2024
<b>6. PROFIT RECEIVABLE</b>			
Term finance certificates		2,672	4,675
Government securities		1,611	244,378
Bank deposits	6.1	<u>41,040</u>	<u>8,636</u>
		<u>45,323</u>	<u>257,689</u>

6.1 These include a balance of Rs. 0.214 million (2024: Rs. Nil) held with MCB Bank Limited, a related party.

	Note	June 30, 2025 --- (Rupees in '000) -----	June 30, 2024
<b>7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE</b>			
Exposure Deposit with the National Clearing Company Pakistan Limited against spread transactions		24,021	4,035
Deposits with:			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		200	200
Advance tax		1,482	1,767
Prepayments		332	296
Receivable against collection account		-	1,461
		<u>28,535</u>	<u>10,259</u>

**8. PAYABLE TO MCB INVESTMENT  
MANAGEMENT LIMITED - MANAGEMENT COMPANY**

Management remuneration payable	8.1	15,017	5,697
Sindh Sales Tax payable on Management remuneration	8.2	2,253	741
Sales load payable		926	109
Allocated expenses payable	8.3	-	405
Selling and marketing expenses payable	8.4	-	4,933
		<u>18,196</u>	<u>11,885</u>

8.1 The Management Company amended the offering document and with effect from September 01, 2024 has charged management fee at the rate up to 2% of net assets of the Fund, calculated on a daily basis. Previously, the Fund charged management fee at the rate up to 15% of the gross earnings of the Fund, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 Sindh Sales Tax on remuneration of the Management Company has been charged at the rate of 15% (2024: 13%).

8.3 Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge allocated expenses to the Fund. However, prior to such amendment, the Management Company charged such allocated expenses to the Fund at their discretion, subject to limits and conditions specified in the offering documents and not being higher than actual expenses.

8.4 Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge selling and marketing expenses to the Fund.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	June 30, 2025 (Rupees in '000)	June 30, 2024
<b>9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee remuneration payable	9.1	15	379
Sindh Sales Tax payable on trustee remuneration	9.2	2	49
		<u>17</u>	<u>428</u>

**9.1** The Trustee is entitled to a remuneration at the rate of 0.075% of net assets per annum plus reimbursement of actual custodial expenses to be paid monthly in arrears.

**9.2** Sindh Sales Tax at 15% (2024: 13%) is charged on trustee fee.

	Note	June 30, 2025 (Rupees in '000)	June 30, 2024
<b>10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Payable to the SECP	10.1	<u>844</u>	<u>379</u>

**10.1** The Fund has charged SECP Fee at the rate of 0.075% of the average daily net assets of the Fund which is payable on monthly basis in arrears.

	Note	June 30, 2025 (Rupees in '000)	June 30, 2024
<b>11. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Withholding tax on capital gain		71,371	14,895
Provision for federal excise duty and related tax	11.1		
-Management fee		16,590	16,590
-Sales Load		4,746	4,746
Auditors' remuneration		597	533
Brokerage		58	184
Legal and professional charges		39	41
Printing expense		-	40
		<u>93,401</u>	<u>37,029</u>

**11.1 Federal Excise Duty payable**

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 04, 2013, a Constitutional Petition was filed in the Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

On July 16, 2016, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 01, 2016. However, the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2025 aggregates to Rs. 21.34 million (2024: Rs. 21.34 million). Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2025 would have been higher by Re. 1.10 (2024: Re. 0.20) per unit.

### 12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2025 and June 30, 2024.

### 13. AUDITORS' REMUNERATION

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Annual audit fee	425	370
Half yearly review fee	250	200
Other certifications	80	80
Out of pocket expenses	66	102
	821	752
Sales Tax	66	60
	886	812

### 14. TAXATION

The Fund's income is exempt from income tax as per Clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by accumulated losses and capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash.

The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management has distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements.

### 15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 2.12% (2024: 2.03%) which includes 0.33% (2024: 0.23%) representing government levies on the Fund such as sales taxes and SECP fee, etc. The prescribed limit for the ratio is 3% (2024: 3%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an 'aggressive fixed income scheme'.

### 16. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS RELATED PARTIES

Related parties / connected persons of the Fund include MCB Investment Management Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of The Regulations and the Trust Deed respectively.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:

The details of transactions and balances at year end with related parties / connected persons are as follows:

		June 30, 2025	June 30, 2024
		----(Rupees in '000)----	
<b>16.1</b>	<b>Details of transactions other than units of the Fund with related parties / connected persons during the year:</b>		
	<b>MCB Investment Management Limited - Management Company</b>		
	Remuneration (including indirect taxes)	298,624	67,619
	Allocated expenses (including indirect taxes)	5,097	5,089
	Selling and marketing expense	-	22,208
	Amount received against issuance to unitholders *	687	-
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration (including indirect taxes)	13,738	4,562
	CDC Settlement charges	142	21
	<b>MCB Bank Limited</b>		
	Profit on bank deposits	782	176
	Bank charges	33	23
	Sale of Rs. 200 million PIBs (2024: Rs. 1,539.25 million Market Treasury bills)	202,784	2,155,858
	*This represents amount reimbursed by the Management Company in the form of dividend to identified unit holders of the Fund in relation to reversal of excess amount charged against reimbursement of selling and marketing expenses as per the direction of Securities and Exchange Commission of Pakistan.		
		June 30, 2025	June 30, 2024
		----(Rupees in '000)----	
<b>16.2</b>	<b>Details of balances with related parties / connected persons as at year end:</b>		
	<b>MCB Investment Management Limited - Management Company</b>		
	Management remuneration payable	15,017	5,697
	Sindh Sales Tax payable on remuneration of the Management Company	2,253	741
	Allocated expenses payable	-	405
	Selling and marketing expenses payable	-	4,933
	Sales load payable	926	109
	Receivable against collection account	-	1,461
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee remuneration payable	15	379
	Sindh Sales Tax payable on trustee remuneration	2	49
	Security deposits	200	200
	<b>MCB Bank Limited</b>		
	Bank deposits	22,681	7,260
	Profit Receivable	214	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**16.3 Transactions during the year with connected persons / related parties in units of the Fund:**

	June 30, 2025							
	As at July 01, 2024	Issued for cash	Redeemed	As at June 30, 2025	As at July 01, 2024	Issued for cash	Redeemed	As at June 30, 2025
	Units (Rupees in '000)							
<b>Associated companies:</b>								
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	-	2,074,053	2,074,053	-	-	133,335	133,493	-
Lahor Staff Provident Fund	-	68,580	-	68,580	-	3,767	-	3,773
Nishat Power Limited	-	159,902,935	159,902,935	-	-	9,579,058	10,021,550	-
Pakgen Power Limited	-	176,041,959	176,041,959	-	-	10,643,884	11,124,172	-
Pakgen Staff Provident Fund	-	202,355	180,074	22,281	-	12,048	10,843	1,226
Security General Insurance Company Limited - Employees Provident Fund Trust	-	2	-	-	2	-	-	-
<b>Director and Key management personnel *</b>	16,534	4,843,301	4,859,827	9	908	305,961	307,423	-
<b>Mandate under discretionary portfolio services</b>	-	16,989,694	16,989,694	-	-	1,092,065	1,094,323	-
<b>Unit holders holding 10% or more units</b>	3,105,616	3,504,495	-	6,610,311	170,616	32,815	-	363,655

\* This reflects the position of related party / connected persons status as at June 30, 2025.

	June 30, 2024							
	As at July 01, 2023	Issued for cash	Redeemed	As at June 30, 2024	As at July 01, 2023	Issued for cash	Redeemed	As at June 30, 2024
	Units (Rupees in '000)							
<b>Associated companies:</b>								
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	556,063	-	556,063	-	30,290	-	30,897	-
Director and Key management personnel *	81,761	1,994,009	2,011,370	44,400	3,364	113,611	115,974	2,439
Unit holders holding 10% or more units	5,443,088	29,257,039	12,789,406	21,910,702	296,493	1,593,895	400,000	1,203,651

\* This reflects the position of related party / connected persons status as at June 30, 2024.

**17. FAIR VALUE OF FINANCIAL INSTRUMENTS**

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

The following table shows financial instruments recognised at fair value, based on:

Levels	Description	Valuation approach and input used
Level 1:	quoted prices in active markets for identical assets or liabilities;	Listed government securities traded on PSX are valued at revaluation rates disseminated by PSX. The fair value of debt securities (other than government securities) is based on the value determined and announced by MUFAP.
Level 2:	those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and	The government securities not listed on a stock exchange and traded are valued at the average rates quoted on electronic quotation system (PKRV / PKFRV / PKISRV). For Debt securities for which MUFAP valuation is not available are valued at face value of the securities.
Level 3:	those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).	The Fund applies discretion on the effective yield as per the allowable limits. The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/50 bps. For unrated securities the allowable limits +50 bps.

The following table shows the carrying amounts of fair values of financial assets and financial liabilities including the levels in the fair value hierarchy:

	June 30, 2025						
	Carrying amount	Fair Value					
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>							
Government Securities	189,183	-	189,183	-	189,183	-	189,183
Term Finance Certificates - Unlisted Securities	83,767	-	83,767	-	24,591	59,176	83,767
	<u>272,950</u>	<u>-</u>	<u>272,950</u>	<u>-</u>	<u>213,774</u>	<u>59,176</u>	<u>272,950</u>
<b>Financial assets not measured at fair value</b>							
Bank balances	-	839,015	839,015				
Profit receivable	-	45,323	45,323				
Deposits and other receivables	-	26,721	26,721				
	<u>-</u>	<u>911,059</u>	<u>911,059</u>				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	15,943	15,943				
Payable to the Trustee	-	15	15				
Payable against redemption of units	-	1,514	1,514				
Accrued expenses and other liabilities	-	650	650				
	<u>-</u>	<u>18,122</u>	<u>18,122</u>				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2024						
	Carrying amount		Fair Value				
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----						
<b>Financial assets measured at fair value</b>							
Government Securities	5,152,958	-	5,152,958	1,572,159	3,580,799	-	5,152,958
Term Finance Certificates - Unlisted Securities	84,435	-	84,435	-	24,600	59,835	84,435
	5,237,393	-	5,237,393	1,572,159	3,605,399	59,835	5,237,393
<b>Financial assets not measured at fair value</b>							
Bank balances	-	101,340	101,340				
Profit receivable	-	257,689	257,689				
Deposits and other receivables	-	8,196	8,196				
Receivable against sale of investment	-	1,412,666	1,412,666				
	-	1,779,891	1,779,891				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	11,144	11,144				
Payable to the Trustee	-	379	379				
Payable against redemption of units	-	13,680	13,680				
Payable against purchase of Investments	-	1,056,777	1,056,777				
Dividend Payable	-	2	2				
Accrued expenses and other liabilities	-	759	759				
	-	1,082,741	1,082,741				

During the year ended June 30, 2024, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

## 18. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mentioned risks. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

### 18.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board of Directors of the Management Company and the regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

#### 18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pakistan Rupees.

#### 18.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2025, the Fund is exposed to such risk on bank balances, investments in term finance certificates and government securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2025 details of Fund's interest bearing financial instruments were as follows:

	Note	June 30, 2025	June 30, 2024
(Rupees in 000)			
<b>Variable rate instrument (financial asset)</b>			
Bank balances	4	838,223	94,937
Pakistan Investment Bond - Floating Rate Bond	5.1.3	-	1,545,280
Term Finance Certificates - Unlisted Securities	5.3	83,767	84,435
GOP - Ijara Sukuk (Variable)	5.1.4	176,845	1,303,022
		<b>1,098,835</b>	<b>3,027,674</b>
<b>Fixed rate instruments (financial assets)</b>			
Market Treasury Bills	5.1.1	9,104	1,057,758
GOP - Ijara Sukuk (Fixed)	5.1.4	-	644,252
Pakistan Investment Bonds	5.1.2	3,234	602,646
		<b>12,338</b>	<b>2,304,656</b>

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based government securities, term finance, and balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 10.988 million (2024: Rs. 30.276 million).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**b) Sensitivity analysis for fixed rate instruments**

As at June 30, 2025, the Fund holds government securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2025, the net income for the year and net assets would be lower / higher by Rs. 0.123 million (2024: Rs. 23.046 million).

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the Fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:

		June 30, 2025				
	Yield / effective interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest risk	Total
<b>On-balance sheet financial instruments</b>						
..... % ..... (Rupees in '000) .....						
<b>Financial Assets</b>						
Bank balances	8.5 to 9.5	838,223	-	-	792	839,015
Investments						
at fair value through profit and loss - net						
- Government Securities	10.95 to 15.23	-	185,949	3,234	-	189,183
- Term Finance Securities	12.64 to 13.40	83,767	-	-	-	83,767
		83,767	185,949	3,234	-	272,950
Profit receivable		-	-	-	45,323	45,323
Deposits and other receivables		-	-	-	26,721	26,721
<b>Sub total</b>		<b>921,990</b>	<b>185,949</b>	<b>3,234</b>	<b>72,836</b>	<b>1,184,009</b>
<b>Financial Liabilities</b>						
Payable to Management Company		-	-	-	15,943	15,943
Payable to Trustee		-	-	-	15	15
Payable against redemption of units		-	-	-	1,514	1,514
Accrued and other liabilities		-	-	-	650	650
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>18,122</b>	<b>18,122</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2024					Total
	Yield / effective interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest risk	
----- % ----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial Assets						
Bank balances	19 to 20.5	94,937	-	-	6,403	101,340
Investments						
at fair value through profit and loss - net						
- Government Securities	12 to 25.54	1,697,109	2,853,203	602,646	-	5,152,958
- Term Finance Securities	6.08 to 23.69	84,435	-	-	-	84,435
		1,781,544	2,853,203	602,646	-	5,237,393
Profit receivable		-	-	-	257,889	257,889
Deposits and other receivables		-	-	-	8,196	8,196
Receivable against sale of investment		-	-	-	1,412,666	1,412,666
Sub total		1,876,481	2,853,203	602,646	1,684,954	7,017,284
Financial Liabilities						
Payable to Management Company		-	-	-	11,144	11,144
Payable to Trustee		-	-	-	379	379
Payable against redemption of units		-	-	-	13,680	13,680
Dividend payable		-	-	-	2	2
Payable against purchase of Investments		-	-	-	1,056,777	1,056,777
Accrued and other liabilities		-	-	-	759	759
Sub total		-	-	-	1,082,741	1,082,741

**18.1.3 Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

### 18.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counterparty credit risks on investments in term finance certificates, bank balances and other financial assets at amortised cost. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major counterparties. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from bank balances and investment in term finance certificate (note 5.3) is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparties credit limits are approved by the Board of Directors. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	June 30, 2025		June 30, 2024	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees in '000)				
Bank Balances	839,015	839,015	101,340	101,340
Investments in government securities	189,183	-	5,152,958	-
Investments in term finance certificates	83,767	83,767	84,435	84,435
Profit receivable	45,323	43,712	257,689	13,311
Deposits and other receivables	26,721	26,721	8,196	8,196
Receivable against sale of investment	-	-	1,412,666	1,412,666
	<b>1,184,009</b>	<b>993,215</b>	<b>7,017,284</b>	<b>1,619,948</b>

The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at June 30, 2025 and June 30, 2024:

Bank Balances by rating category	June 30, 2025		June 30, 2024	
	Rupees in '000	%	Rupees in '000	%
- AAA	99,297	11.84	54,223	53.51
- AA+	739,095	88.09	46,541	45.93
- AA	565	0.07	521	0.51
- AA-	-	0.00	32	0.03
- A+	56	0.01	23	0.02
- A-	2	0.00	-	0.00
	<b>839,015</b>	<b>100.00</b>	<b>101,340</b>	<b>100.00</b>

\* Above ratings are on the basis of available ratings assigned by Pakistan Credit Rating Agency (PACRA) as of June 30, 2025.

Investments in government securities do not expose the Fund to credit risk as the counter party to the investment is the Government of Pakistan and management does not expect to incur any credit loss on such investment.

Deposits are placed with National Clearing Company of Pakistan Limited (NCCPL) and Central Depository Company of Pakistan Limited (CDC) for the purpose of effecting transaction and settlement of listed securities. It is expected that all deposits with NCCPL and CDC will be clearly identified as being assets of the Fund, hence management believes that the Fund does not expect to incur credit losses with respect to these deposits.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

### Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

### Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using the central clearing system.

### 18.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations arising from its financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Fund. Liquidity risk also arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price calculated in accordance with the Fund's constitutive documents and guidelines laid down by the SECP.

Units of the Fund are redeemable on demand at the unit holder's option, however, the Fund does not anticipate significant redemption of units.

The table below analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	June 30, 2025					
	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	----- Rupees in '000 -----					
<b>Financial assets</b>						
Bank balances	839,015	-	-	-	-	839,015
Investments						
- Government Securities	-	-	9,104	180,079	-	189,183
- Term Finance Securities	-	-	-	19,781	63,986	83,767
Profit receivable	41,040	-	4,283	-	-	45,323
Deposits and other receivables	26,721	-	-	-	-	26,721
	906,776	-	13,387	199,860	63,986	1,184,009
<b>Financial liabilities</b>						
Payable to Management Company	15,943	-	-	-	-	15,943
Payable to Trustee	15	-	-	-	-	15
Payable against redemption of units	1,514	-	-	-	-	1,514
Accrued expenses and other liabilities	650	-	-	-	-	650
	18,122	-	-	-	-	18,122
<b>On-balance sheet gap</b>	888,654	-	13,387	199,860	63,986	1,165,887
<b>Total liquidity risk sensitivity gap</b>	888,654	-	13,387	199,860	63,986	1,165,887
<b>Cumulative liquidity risk sensitivity gap</b>	888,654	888,654	902,041	1,101,901	1,165,887	

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

June 30, 2024

	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
Rupees in '000						
<b>Financial assets</b>						
Bank balances	101,340	-	-	-	-	101,340
Investments						
- Government Securities	-	-	1,227,219	3,925,739	-	5,152,958
- Term Finance Securities	-	-	-	-	84,435	84,435
Profit receivable	8,636	-	249,053	-	-	257,689
Deposits and other receivables	8,196	-	-	-	-	8,196
Receivable against sale of investment	1,412,666	-	-	-	-	1,412,666
	1,530,838	-	1,476,272	3,925,739	84,435	7,017,284
<b>Financial liabilities</b>						
Payable to Management Company	11,144	-	-	-	-	11,144
Payable to Trustee	379	-	-	-	-	379
Payable against redemption of units	13,680	-	-	-	-	13,680
Payable against purchase of Investments	1,056,777	-	-	-	-	1,056,777
Accrued expenses and other liabilities	759	-	-	-	-	759
	1,082,739	-	-	-	-	1,082,739
On-balance sheet gap	448,099	-	1,476,272	3,925,739	84,435	5,934,545
Total liquidity risk sensitivity gap	448,099	-	1,476,272	3,925,739	84,435	5,934,545
Cumulative liquidity risk sensitivity gap	448,099	448,099	1,924,371	5,850,110	5,934,545	

**19. UNIT HOLDERS' FUND RISK MANAGEMENT**

The Fund's capital is represented by redeemable units. The Fund is required by the NBFC Regulations, to maintain a minimum fund size of Rs.100 million, to be maintained all the time during the life of the scheme. The units issued by the Fund provides an investor with the right to require redemption for cash at a value proportionate to the unit holder's share in the Fund's net assets at the redemption date.

The Fund's objective in managing the unit holders' fund is to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemption. In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

**20. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER**

Details of members of the Investment Committee of the Fund are as follows:

S. No.	Name	Designation	Qualification	Experience in years
1	Khawaja Khalil Shah	Chief Executive Officer	MBA	33
2	Muhammad Asim	Chief Investment Officer	MBA, CFA	22
3	Awais Abdul Sattar	Portfolio Manager Equities	MBA, CFA	14
4	Saad Ahmed	Head of Fixed Income	MBA	19
5	Syed Abid Iqbal	Head of Equities	MBA	17
6	Syed Mohammad Usama Iqbal	Fund Manager - Fixed Income Funds	Graduate	21
7	Raza Inam	Head of Research	BSc, CFA	11

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

20.1 Mr. Saad Ahmed is the Fund manager. Details of the other funds / plans being managed by him are as follows:

- MCB DCF Income Fund
- MCB Cash Management Optimizer
- Pakistan Cash Management Fund
- MCB Pakistan Sovereign Fund
- Alhamra Daily Dividend Fund
- Alhamra Cash Management Optimizer
- MCB Investment Savings Plan I
- MCB Government Securities Plan I
- Alhamra Government Securities Plan I

	June 30 2025 (Percentage) —%—
<b>21. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID</b>	
1. JS Global Capital Limited	34.48
2. Continental Exchange (Private) Limited	10.68
3. C & M Management (Private) Limited	8.08
4. Alfalah CLSA Securities (Private) Limited	7.67
5. BMA Capital Management Limited	6.96
6. Arif Habib Limited	6.49
7. Invest One Markets (Private) Limited	6.27
8. Vector Capital Private Limited	4.25
9. Icon Management Private Limited	3.30
10. Paramount Capital (Private) Limited	3.01
	June 30 2024 (Percentage) —%—
1. Continental Exchange (Private) Limited	28.38
2. C & M Management (Private) Limited	18.08
3. Alfalah CLSA Securities (Private) Limited	13.00
4. Invest One Markets (Private) Limited	6.85
5. JS Global Capital Limited	5.76
6. Paramount Capital (Private) Limited	5.72
7. Arif Habib Limited	5.23
8. AKD Securities Limited	3.94
9. Optimus Market (Private) Limited	3.79
10. Summit Capital (Private) Limited	3.48

### 22. PATTERN OF UNITHOLDINGS

	As at June 30, 2025			
	Number of unit holders	Number of units	Investment amount (Rupees in '000')	Percentage investment —%—
Individuals	1,317	7,836,140	431,091	40.22
Associated Companies	3	90,864	4,999	0.47
Provident & Pensions fund	15	2,349,340	129,245	12.06
Public Limited Co.	1	38,244	2,104	0.20
Others	22	9,168,913	504,412	47.06
	1,358	19,483,501	1,071,851	100

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

	As at June 30, 2024			
	Number of unit holders	Number of units	Investment amount (Rupees in '000')	Percentage investment —%—
Individuals	1,223	59,214,704	3,252,924	55.14
Director	1	28,913	1,588	0.03
Insurance Companies	2	5,378,145	295,445	5.01
Retirement funds	12	2,873,988	157,881	2.68
Public Limited Companies	4	26,751,454	1,469,578	24.91
Others	26	13,138,424	721,751	12.23
	1,268	107,385,628	5,899,167	100

**23. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS**

The 197th, 198th, 199th, 200th, 201st, 202nd, 203rd, 204th and 205th meeting of the Board of Directors were held on July 24, 2024, July 25, 2024, September 25, 2024, October 16, 2024, October 21, 2024, January 31, 2025, February 04, 2025, April 17, 2025 and April 21, 2025 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

Name of persons attending the meetings	Designation	Number of meetings held	Number of meetings			Meetings Not Attended
			Attendance required	Attended	Leave granted	
Mr. Haroon Rashid	Chairman	9	9	8	1	199th
Mr. Ahmed Jahangir	Director	9	9	8	1	197th
Syed Savail Meekal Hussain	Director	9	9	8	1	201st
Ms. Mavra Adil Khan	Director	9	9	4	5	197th, 198th, 201st, 202nd, 203rd
Mr. Shoaib Mumtaz**	Director	9	5	4	1	201st
Mr. Fahd Kamal Chinoy	Director	9	9	8	1	202nd
Mr. Manzar Mushlaq	Director	9	9	9	-	-
Mr. Muhammad Nauman Chughtai*	Director	9	4	3	1	204th
Mr. Khawaja Khalil Shah	Chief Executive Officer	9	9	9	-	-

\*Appointed on January 6, 2025

\*\*Resigned on December 21, 2024

**24. INTERIM DISTRIBUTION DURING THE YEAR**

	June 30, 2025				
	Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution
	(Rupees in '000)				
For the period ended June 27, 2025	9.5802	June 28, 2025	43,057	94,266	137,323

	June 30, 2024				
	Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution
	(Rupees in '000)				
For the period ended December 27, 2023	5.6149	December 28, 2023	613,278	183,109	796,387
For the period ended February 13, 2024	1.3178	February 14, 2024	73,935	116,502	190,437
For the period ended June 11, 2024	3.0850	June 12, 2024	168,285	162,272	330,557
			855,498	461,883	1,317,381

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**25. CORRESPONDING FIGURES**

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

**26. GENERAL**

Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

**27. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on August 04, 2025 by the Board of Directors of the Management Company.

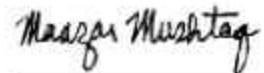
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**PATTERN OF UNITS HOLDING BY SIZE  
FOR THE YEAR ENDED JUNE 30, 2025**

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No. of Unit Holders	Unit holdings	Total units held
802	A. 001-10,000	23,089
231	B. 10,001 – 100,000	148,284
215	C. 100,001 – 1000,000	1,328,640
110	D. 1000,001 & Above	17,983,487
<u>1,358</u>		<u>19,483,501</u>

## PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2025

Performance Information	2025	2024	2023	2022	2021
Total Net Assets Value – Rs. in million	1,071.8513	5,899.1670	1,200.9803	870.3580	629.5960
Net Assets value per unit – Rupees	55.0133	54.9344	54.4717	54.1576	53.9015
Closing Offer Price	56.2786	56.1759	55.7028	55.3816	55.1197
Highest offer price per unit	65.9984	61.4715	64.6443	60.8128	59.1479
Lowest offer price per unit	56.1998	55.6794	55.3555	55.1869	54.9296
Highest Redemption price per unit	64.5146	58.0751	63.2156	59.4688	57.8407
Lowest Redemption price per unit	54.9363	52.6031	54.1321	53.9672	53.7156
Distribution per unit – Rs. *					
Interim	9.5802	10.0177	8.9841	5.3543	3.9355
Final	-	-	-	-	-
<b>Average Annual Return - %</b>					
One year	17.61	20.39	17.24	10.42	7.32
Two year	19.00	18.82	13.83	8.87	10.89
Three year	18.41	16.02	11.66	10.73	9.87
Net Income for the year – Rs. in million	2,431.4123	955.0787	194.549	102.1075	48.0980
Distribution made during the year – Rs. in million	2,430.1175	906.0410	189.395	100.7340	48.0790
Accumulated Capital Growth – Rs. in million	1.2948	49.0377	5.154	1.3735	0.0190
Weighted average Portfolio Duration (years)	1	3	1.2	2.0	1.5

\* Date of Distribution

2025	
Date	Rate
Jun 26, 2025	9.5802

2024	
Date	Rate
Dec 28, 2023	5.6149
Feb 14, 2024	1.3178
Jun 11, 2024	3.085

2023	
Date	Rate
June 16, 2023	8.9841

2022	
Date	Rate
June 24, 2022	5.3543

2021	
Date	Rate
June 25, 2021	3.9355

### Disclaimer

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

**MCB INVESTMENT MANAGEMENT LIMITED**

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