

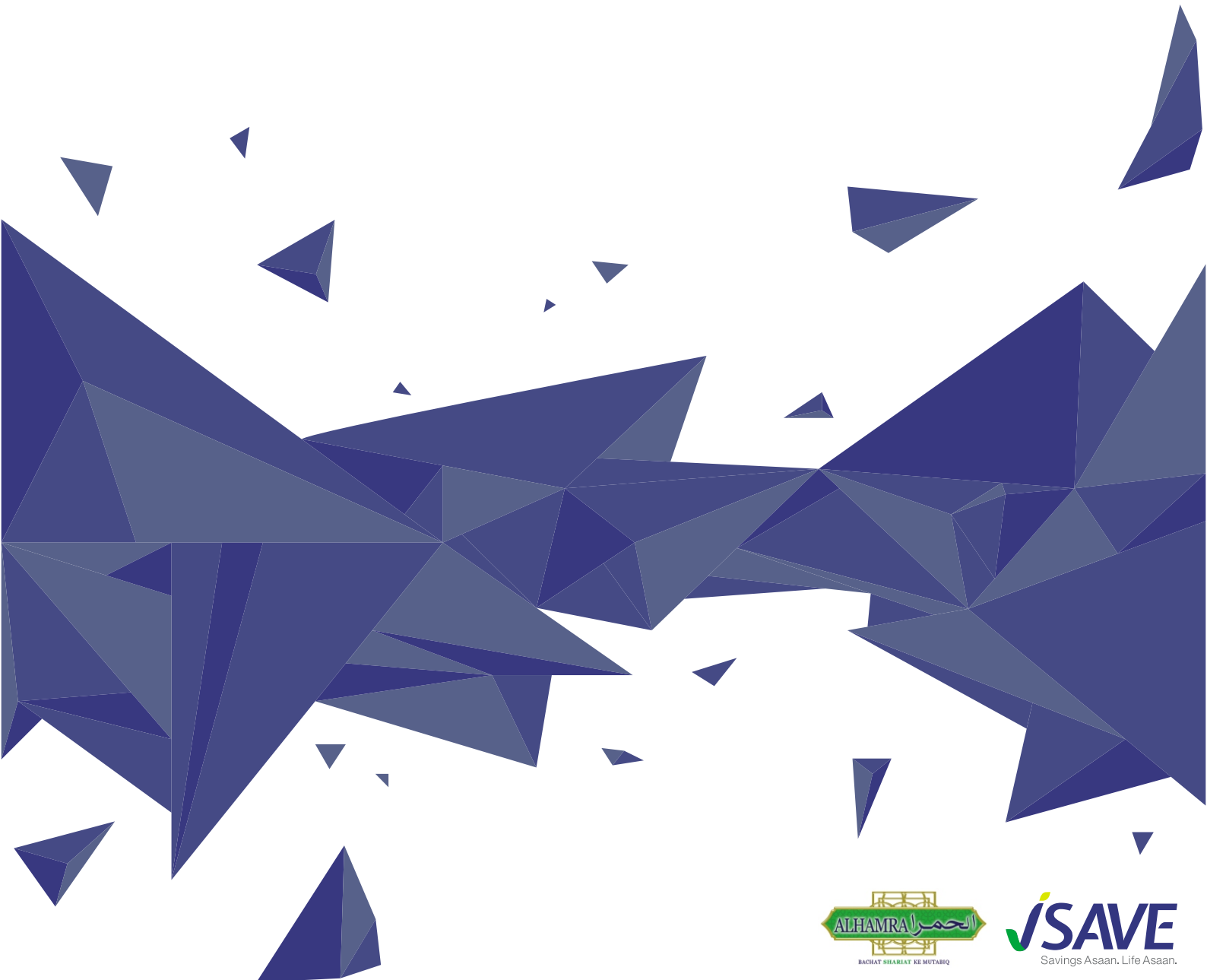


MCB FUNDS
Investments for Life

QUATERLY REPORT

SEPTEMBER
2025
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



MCB DCF FIXED RETURN FUND-II

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Muhammad Nauman Chughtai Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah Mr. Muhammad Nauman Chughtai	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
Chief Executive Officer	Mr. Khawaja Khalil Shah	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Muhammad Rehan Khan	
Trustee	Central Depository Company of Pakistan Ltd. 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.cdcpakistan.com	
Bankers	MCB Bank Limited	
Auditors	Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-75350.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2025

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB DCF Fixed Return Fund II Plans** under *MCB DCF Fixed Return Fund II* accounts review for the quarter ended September 30, 2025.

Economy Review

The country posted a current account deficit of USD 624 million in the first two months of the fiscal year 2026 (2MFY25) compared to a deficit of USD 430 million in the corresponding period last year. Trade Deficit increased by 7.4% YoY as exports rose by 10.2% while imports increased by 8.8% from a low base. The remittances inflows grew at a healthy rate of 7.0% to USD 6.4 billion. The country's external position remained robust as SBP's foreign exchange reserves remained stable around USD 14.4 billion. The local currency depicted strength against the greenback as the USD/PKR appreciated by 0.9% to 281.3 during the fiscal year.

Headline inflation represented by CPI averaged 4.2% during 1QFY26 compared to 9.2% in the corresponding period last year. This sharp decline was driven by the currency's stability over the past one year. Additionally, base effect further contributed to the lower inflation figures.

Pakistan's Revised GDP growth clocked at 3.0% in FY25 with Agricultural, Industrial and Services sectors increasing by 1.5%, 5.3% and 3.0% 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 collection increased by 12.8% in 1QFY26 to PKR 2,885 billion, missing the target by PKR 198 billion. The shortfall is largely attributed to sluggish growth and low inflation.

FUND PERFORMANCE

MCB DCFFR IIP3 was launched on October 22, 2024 with a promised return of 13.00%. The fund will mature on October 16, 2025

Economy & Market – Future Outlook

Going forward we expect GDP growth to clock at 3.5% in FY26. Agriculture Growth is likely to clock at 2.8% as the growth would remained subdued due to recent floods. The lagged impact of interest rate decline would benefit industrial and services sector going forward which are expected to expand by 4.3% and 3.6% respectively.

The continuation of the IMF program is a key positive as it will allow us to tap funding from different sources. We expect SBP reserves to increase to USD 17.5 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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2025

allow Pakistan to consider re-entering the international capital markets to explore options such as Panda bonds in this fiscal year.

Pakistan recorded its first annual current account surplus in FY25 after a gap of 14 years, supported by a rebound in exports and remittances coupled with restrained imports. For FY26, we anticipate a modest current account deficit of around USD 1.5 billion (0.3% of GDP). As import demand gradually recovers amid monetary easing, we expect a measured depreciation in the currency, with the USD/PKR likely to close around 295 by June 2026.

Headline inflation is expected to remain in single digits, aided by currency stability and improved supply conditions. A temporary uptick may occur toward the end of FY26 due to the base effect, keeping average inflation around 6.3% for the year. Core inflation continues to trend lower, reflecting stable exchange rates and subdued domestic demand. We expect it to decline further, reaching low single digits by the close of the 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, we expect the central bank to maintain a data-dependent approach in shaping upcoming monetary policies. We believe there remains room for an additional 50–100 basis point reduction in the policy rate during the current fiscal year.

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 10.3% during 1QFY26 to PKR 4,065 billion. Total money market funds declined by 3.6% since June 2025. Within the money market sphere, conventional funds showed a decline of 4.5% to PKR 933 billion while Islamic funds decreased by 2.7% to PKR 888 billion. In addition, the total fixed Income and Fixed Rate funds increased by about 18.5% since June 2025 to PKR 1,471 billion while Equity and related funds increased by 40.6% to PKR 691 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 44.8%, followed by Income and fixed return funds with 36.2% and Equity and Equity related funds having a share of 17.0% as at the end of September 2025.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 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.

ACKNOWLEDGEMENT

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
October 15, 2025



Manzar Mushtaq
Director
October 15, 2025

ڈائریکٹر رپورٹ

میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈز کی صنعت کے net اثاثہ جات مالی سال 2026ء کی پہلی سہ ماہی کے دوران تقریباً 10.3 فیصد بڑھ کر 4,065 بلین روپے ہو گئے۔ منی مارکیٹ کے کل فنڈز میں جون 2025ء کے بعد سے 3.6 فیصد کمی ہوئی۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 4.5 فیصد کم ہو کر 933 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 2.7 فیصد کم ہو کر 888 بلین روپے ہو گئے۔ مزید برآں، کل فیکسڈ انکم اور فیکسڈ ریٹ فنڈز جون 2025ء کے بعد سے تقریباً 18.5 فیصد بڑھ کر 1,471 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 40.6 فیصد بڑھ کر 691 بلین روپے ہو گئے۔ شعبہ جاتی حصے کے اعتبار سے ستمبر 2025ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 44.8 فیصد حصے کے ساتھ سب سے آگے تھے، اور ان کے بعد انکم اور فیکسڈ ریٹ فنڈز کا 36.2 فیصد حصہ، اور ایکویٹی اور اس سے متعلقہ فنڈز کا 17.0 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 ریسک کے ساتھ سرمایہ کاری کرنے والوں کے لیے موزوں ترین ہوتے ہیں۔ معاشی بحالی کے تیز تر اور وسیع تر ہونے کے ساتھ ساتھ کیپیٹل مارکیٹس، خصوصاً ایکویٹیز، میں گہری دلچسپی برقرار رہے گی۔ ہمارے آپریشنز بلا رکاوٹ 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۔

اظہار تشکر

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

منجانب ڈائریکٹر،

Mansoor Mushtaq

منظر مشتاق

ڈائریکٹر

15 اکتوبر 2025ء

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

15 اکتوبر 2025ء

معیشیت اور مارکیٹ - مستقبل کا منظر نامہ

مستقبل میں ہمیں اُمید ہے کہ مالی سال 2026ء میں جی ڈی پی کی ترقی میں 3.5 فیصد ہوگی۔ زرعی ترقی متوقع طور پر 2.8 فیصد ہوگی، اور حالیہ سیلابوں کے باعث اس میں سست روی دیکھی جائے گی۔ سود کی شرح میں کمی کے تاخیر سے ہونے والے اثر سے صنعت اور خدمات کے شعبوں کو فائدہ ہوگا اور ان میں بالترتیب 4.3 فیصد اور 3.6 فیصد توسیع متوقع ہے۔

آئی ایم ایف پروگرام کا تسلسل ایک اہم مثبت پہلو ہے جس سے مختلف ذرائع سے رقم کے حصول میں مدد ملے گی۔ ہمیں اُمید ہے کہ سال کے اختتام تک ایس بی پی کے ذخائر بڑھ کر 17.5 بلین ڈالر ہو جائیں گے، اور اس کے عوامل بروقت دوطرفہ توسیع، اور آئی ایم ایف اور کثیرالجنہتی ایجنسیوں کی طرف سے آمدات ہیں۔ موجودہ مالی سال میں ہماری خارجی صورتحال میں بہتری آئی ہے جس کی بدولت پاکستان بین الاقوامی کیپیٹل مارکیٹوں میں دوبارہ داخل ہونے پر غور کر سکتا ہے تاکہ پانڈا بانڈز جیسے موقع آزمائے یا جاسکے۔

پاکستان نے مالی سال 2025ء میں 14 برسوں کے بعد اپنا پہلا سالانہ کرنٹ اکاؤنٹ سروس پلس ریکارڈ کیا، جو برآمدات اور ترسیلات میں بحالی اور درآمدات پر قابو کے سبب ممکن ہوا۔ مالی سال 2026ء کے لیے ہمیں کرنٹ اکاؤنٹ میں درمیانے درجے کے خسارے - تقریباً 1.5 بلین ڈالر (جی ڈی پی کا 3 فیصد) کی توقع ہے۔ مالیاتی تسہیل کے پس منظر میں درآمدات کی مانگ میں مستحکم بحالی ہوئی، اور روپے کی قدر میں پیمائش شدہ کمی متوقع ہے، یعنی جون 2026ء تک ایک ڈالر تقریباً 295 روپے کا ہوگا۔

مجموعی افراط زر کا واحد عدد میں رہنے کا امکان ہے، جس کے عوامل روپے کی قدر میں استحکام اور فراہمی کے حالات میں بہتری ہیں۔ مالی سال 2026ء کے اختتام پر base کے اثر کی وجہ سے عارضی طور پر اضافہ ہو سکتا ہے، جس کے باعث سال کی اوسط افراط زر 6.3 فیصد ہو جائے گی۔ بنیادی افراط زر میں بدستور کمی کا رجحان ہے جس سے زیر مبادلہ کی شرحوں میں استحکام اور مقامی طلب کے کم ہونے کی عکاسی ہوتی ہے۔ ہمیں اُمید ہے کہ اس میں مزید کمی ہوگی اور مالی سال کے اختتام تک یہ واحد عدد کی کم سطح پر پہنچ جائے گی۔

مالی سال 2026ء میں مالیاتی خسارہ 4.0 فیصد ہونے کا امکان ہے، جو مالی سال 2006ء سے اب تک کی کم ترین سطح ہوگی۔ یہ بجٹ خسارے میں مالی سال 2022ء کی بلند ترین سطح 7.9 فیصد سے کمی کا چوتھا متواتر سال ہوگا۔ اس کمی کی اہم ترین وجہ فنانس لاگت میں کمی ہے۔ پرائمری سروس پلس سے متعلق آئی ایم ایف کا سخت ہدف بھی مالیاتی نظم و ضبط برقرار رکھنے میں اپنا کردار ادا کرے گا۔

ایس بی پی نے سود کی شرحوں میں جون 2024ء سے مجموعی طور پر 1,100 بی پی ایس کی کمی کی ہے، اور یہ 22.0 فیصد کی بلند سطح سے کم ہو کر 11.0 فیصد پر آگئی ہیں۔ یہ مالیاتی تسہیل بہتر خارجی استحکام اور اس کے ساتھ ساتھ افراط زر کے دباؤ میں کمی کی وجہ سے ممکن ہوئی۔ مستقبل میں ہمیں اُمید ہے کہ اسٹیٹ بینک آئندہ مالیاتی پالیسیوں کو تشکیل دینے میں اعداد و شمار پر منحصر لائحہ عمل برقرار رکھے گا۔ ہم سمجھتے ہیں کہ موجودہ مالی سال کے دوران پالیسی شرح میں مزید 50 سے 100 بیسیس پوائنٹس کمی کی گنجائش ہے۔ حاملین قرض کے لیے ہمیں اُمید ہے کہ منی مارکیٹ فنڈز سال بھر پالیسی شرحوں کی بلاؤ کاوٹ عکاسی جاری رکھیں گے۔

ڈائریکٹر ز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی ڈی سی ایف فیکسڈ ریٹرن فنڈ II پلانز ماتحت ایم سی بی ڈی سی ایف فیکسڈ ریٹرن فنڈ II، کے اکاؤنٹس برائے مدتِ مختتمہ 30 ستمبر 2025ء کا جائزہ پیش خدمت ہے۔

معیشت کا جائزہ

مُلک کا کرنٹ اکاؤنٹ خسارہ مالی سال 2026ء کے پہلے دو ماہ کے دوران 624 ملین ڈالر تھا، جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 430 ملین ڈالر تھا۔ تجارتی خسارے میں 7.4 فیصد سال در سال (YoY) اضافہ ہوا جس کے عوامل برآمدات میں 10.2 فیصد اضافہ اور درآمدات میں کم base سے 8.8 فیصد اضافہ ہے۔ ترسیلات 7.0 فیصد کی بھرپور شرح سے بڑھ کر 6.4 بلین ڈالر تک پہنچ گئیں۔ مُلک کی خارجی صورتحال خواش آئندہ ہی کیونکہ ایس بی پی کے زیرِ مبادلہ کے ذخائر تقریباً 14.4 بلین ڈالر پر مستحکم رہے۔ دورانِ مالی سال مقامی کرنسی نے ڈالر کے مقابلے میں استحکام کا مظاہرہ کیا اور روپے کی قدر 0.9 فیصد بڑھ کر 281.3 ہو گئی۔

مجموعی افراطِ زر، جس کی ترجمانی سی پی آئی سے ہوتی ہے، کا اوسط مالی سال 2026ء کی پہلی سہ ماہی کے دوران 4.2 فیصد رہا، جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 9.2 فیصد تھا۔ اس بڑی کمی کی وجہ گزشتہ سال کے دوران کرنسی کا استحکام ہے۔ مزید برآں، base کے اثر نے بھی افراطِ زر میں کمی میں کردار ادا کیا۔

مالی سال 2025ء میں پاکستان کی جی ڈی پی میں نظرِ ثانی شدہ ترقی 3.0 فیصد ہے، اور اس ضمن میں زرعی، صنعتی اور خدمات کے شعبوں میں بالترتیب 1.5 فیصد، 5.3 فیصد اور 3.0 فیصد ترقی ہوئی۔ زراعت نے اوسط سے کم ترقی پوسٹ کی جس کی وجہ بلند base اثر اور سیلاب سے کپاس کی فصل کو نقصان ہیں۔ مجموعی معاشی اشاروں میں بہتری کی بدولت صنعت اور خدمات کے شعبوں میں بحالی ہوئی۔ مالیاتی جہت میں ایف بی آر ٹیکس وصولی مالی سال 2026ء کی پہلی سہ ماہی میں 12.8 فیصد سے بڑھ کر 2,885 بلین روپے ہو گئی، جو ہدف سے 198 بلین روپے کم ہے۔ اس کمی کی بڑی وجہ سست رفتار ترقی اور کم افراطِ زر ہیں۔

فنڈ کی کارکردگی

ایم سی بی ڈی سی ایف ایف آر II پی 3 کا آغاز 22 اکتوبر 2024ء کو، 13.00 فیصد منافع کے وعدے کے ساتھ کیا گیا۔ فنڈ 16 اکتوبر 2025ء کو میچور ہوگا۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2025

		September 30, 2025		June 30, 2025	
Note		MCB DCF FRF II - Plan 3	Total	MCB DCF FRF II - Plan 3	Total
		Rupees '000'		Rupees '000'	
ASSETS					
Bank balances	4	1,900	1,900	121,431	121,431
Investments	5	25,384	25,384	27,611	27,611
Profit receivable on bank deposit		143	143	518	518
Total assets		27,427	27,427	149,560	149,560
LIABILITIES					
Payable to MCB Investment Management Limited - Management Company	6	4,813	4,813	4,798	4,798
Payable to Central Depository Company of Pakistan Limited - Trustee		1	1	-	-
Payable to Securities and Exchange Commission of Pakistan	7	1	1	222	222
Accrued expense and other liabilities	8	-	-	122,731	122,731
Total liabilities		4,815	4,815	127,751	127,751
NET ASSETS		22,612	22,613	21,809	21,810
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)					
		22,612	22,612	21,809	21,809
CONTINGENCIES AND COMMITMENTS					
	9				
NUMBER OF UNITS IN ISSUE		213,994	213,994	213,994	213,994
NET ASSETS VALUE PER UNIT		105.6652	105.6652	101.9143	101.9143

The annexed notes 1 to 15 form an integral part of these financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

		For the period from July 01, 2025 To Sep 30, 2025		For the period from Sep 10, 2024 To Sep 30, 2024	
Note		MCB DCF FRF II - Plan 3	Total	MCB DCF FRF II - Plan 1	Total
		-----Rupees '000-----		-----Rupees '000-----	
INCOME					
Investments at fair value through profit or loss:					
		10	10	-	-
		662	662	992	992
	5	8	8	1,634	1,634
		146	146	119	119
Total income		826	826	2,745	2,745
EXPENSES					
	6.1	13	13	50	50
	6.2	2	2	7	7
		3	3	3	3
		-	-	1	1
	7	4	4	5	5
		1	1	2	2
Total operating expenses		23	23	68	68
Net income for the period before taxation		803	803	2,677	2,677
	13	-	-	-	-
Net income for the period after taxation		803	803	2,677	2,677
Allocation of net income for the period					
		803	803	2,677	2,677
		-	-	-	-
		803	803	2,677	2,677
Accounting income available for distribution					
		18	18	1,634	1,634
		785	785	1,043	1,043
		803	803	2,677	2,677
Earnings per unit		3.5			

The annexed notes 1 to 15 form an integral part of these financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	For the period from Jul 01, 2025 To Sep 30, 2025		For the period from Sep 10, 2024 To Sep 30, 2024	
	MCB DCF FRF II - Plan 3	Total	MCB DCF FRF II - Plan 1	Total
	-----Rupees '000-----		-----Rupees '000-----	
Net income for the period after taxation	803	803	2,677	2,677
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	803	803	2,677	2,677

The annexed notes 1 to 15 form an integral part of these financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

589 MCB DCF FIXED RETURN FUND-II



Chief Executive Officer

For MCB Investment Management Limited
(Management Company)

Abdullahi

Chief Financial Officer

Margen Montag

Director

The annexed notes 1 to 15 form an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	For the period from Jul 01, 2025 To Sep 30, 2025		For the period from Sep 10, 2024 To Sep 30, 2024	
Note	MCB DCF FRF II - Plan 3	Total	MCB DCF FRF II - Plan 1	Total
	-----Rupees '000-----		-----Rupees '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	803	803	2,677	2,677
Adjustments for:				
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	(8)	(8)	(1,634)	(1,634)
	795	795	1,043	1,043
Increase in assets				
Investments	2,235	2,235	(110,875)	(110,875)
Profit receivable on bank deposits	375	375	(136)	(136)
	2,610	2,610	(111,011)	(111,011)
Increase in liabilities				
Payable to Management Company	15	15	57	57
Payable to Trustee	1	1	4	4
Payable to Securities and Exchange Commission of Pakistan	(221)	(221)	5	5
Accrued expense and other Liabilities	(122,731)	(122,731)	10	10
	(122,936)	(122,936)	76	76
Net cash used in operating activities	(119,531)	(119,531)	(109,892)	(109,892)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received against issuance of units	-	-	111,097	111,097
Amount paid against redemption of units	-	-	-	-
Distributions made during the period	-	-	(106)	(106)
Net cash generated from financing activities	-	-	110,991	110,991
Net increase in cash and cash equivalents during the period	(119,531)	(119,531)	1,099	1,099
Cash and cash equivalents at the beginning of the period	121,431	121,431	-	-
Cash and cash equivalents at the end of the period	12	1,900	1,099	1,099

The annexed notes 1 to 15 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 CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 MCB DCF Fixed Return Fund II (the Fund / the Scheme / the Trust / the Unit Trust / MCB DCFFRFII) has been established through the Trust Deed (the Deed) dated September 11, 2023 under the Sindh Trust Act, 2020 (the Sindh Trust Act) entered into and between MCB Investment Management Limited, (the Management Company), and Central Depository Company of Pakistan Limited, (the Trustee). The Securities and Exchange Commission of Pakistan (SECP) has authorised the Fund to offer units of plans under the umbrella of MCB DCFFRFII and has registered the Fund as a notified entity under the Non Banking Finance Companies and Notified Entities Regulations, 2008 ("the Regulations") vide letter No SCD/AMCW/DCFFRF-II/2023/193/MF-NE-146 dated November 13, 2023. SECP has approved the Offering Document under the Regulations vide its Letter No. SCD/AMC/MCBDCFFRFII/399/2023 dated January 31, 2024.

1.2 The 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 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-end collective investment scheme categorised as a "Fixed rate / Return schemes". The duration of the Fund is perpetual. The Fund may launch plans with different duration and promised fixed return to the unit holders who hold the investment till maturity. Each plan can invest in fixed income securities. Investors will be intimated at the time of investment a promised rate of return which will be delivered at the time of maturity of the Plan.

The fund is not listed on Pakistan Stock Exchange Limited (PSX).

1.4 Below are details of the Plans which were launched, existed or matured during the period from July 01, 2025 to September 30, 2025:

S. No.	Name of Plan	Launch Date	Maturity Date	Status	Promised Return
1	MCB DCF Fixed Return Fund II - Plan 3	October 22, 2024	October 16, 2025	Active	13.00%

1.5 The Fund has been established as a shell structure to facilitate the launch of multiple fixed return plans under its umbrella. As at September 30, 2025, the aggregate Net Assets of the existing plans under the Fund are below the minimum prescribed threshold as required under the relevant regulations. Subsequent to the quarter end, the Management Company has obtained approval from the Securities and Exchange Commission of Pakistan (SECP) vide letter No. SCD/AMCW/DCFFRF-II/2023/92 dated October 07, 2025 for the launch of a new plan titled "MCB DCF Fixed Return Fund II – Plan 6" under the Fund. After the completion of all pre-requisites, the Management Company intends to launch the approved plan which will enable the fund to meet the minimum Net Assets requirement as per the regulations.

1.6 The objective of the Fund is to provide attractive fixed return of the Investment Plan(s) under the Fund, by investing in Fixed Income Securities

1.7 The Pakistan Credit Rating Agency (PACRA) has maintained asset manager rating of AM1 dated October 03, 2025 to the Management Company and the stability rating of AAA(f) to the Fund dated July 07, 2025.

1.8 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 Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the 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 VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The figures presented in these financial statements also include figures of plans launched and matured during the period and, are therefore not comparable

- 2.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2025. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2025 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2025, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2024.
- 2.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2025. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2025. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2025.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are considered either not to be relevant or do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are considered either not to be relevant or do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.5 Earnings per unit

Earnings/(Loss) per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company, the determination of the same is not practicable.

4 BANK BALANCES

Note	September 30, 2025		June 30, 2025	
	MCB DCF FRF II - Plan 3	Total	MCB DCF FRF II - Plan 3	Total
	Rupees '000'		Rupees '000'	
4.1	1,900	1,900	121,431	121,431

- 4.1** These balances are maintained with MCB Bank (a related party) as at September 30, 2025.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

5 INVESTMENTS

Financial assets 'at fair value through profit or loss' - net
Government securities
Market treasury bills

Tenor	Issue Date	Face value			As at September 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at September 30, 2025	Carrying value	Market value		
(Rupees '000')									
MCB DCF Fixed Return II Plan 3									
Treasury bills - 12 months *	October 17, 2024	-	25,500	-	25,500	25,376	25,384	8	112
Total as at September 30, 2025 (Un-Audited)						25,376	25,384	8	112
As at June 30, 2025 (Audited)						27,510	27,611	101	

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

		September 30, 2025		June 30, 2025	
6	PAYABLE TO MCB INVESTMENTS MANAGEMENT LIMITED - MANAGEMENT COMPANY	MCB DCF FRF II - Plan 3	Total	MCB DCF FRF II - Plan 3	Total
		(Rupees '000')		(Rupees '000')	
	Management remuneration payable	6.1	4185	4,172	4,172
	Sindh Sales Tax payable on management remuneration	6.2	628	626	626
			4,813	4,798	4,798

- 6.1 In accordance with the requirements of S.R.O. 600(I)/2025 dated April 10, 2025, issued by the Securities and Exchange Commission of Pakistan (SECP), the Fund, with effect from July 1, 2025 can charge management fee up to 1.00% per annum of the average daily net assets of the Scheme. During the period ended September 30, 2025, the Fund has charged management fee within the limit as specified by the commission.

During the year ended June 30, 2025, the Fund was allowed to charge management fee at the rate up to 1.75% per annum of the average daily net assets in each plan.

The management fee is calculated on a daily basis and paid to the Management Company on a monthly basis in arrears.

- 6.2 Sindh Sales Tax on management fee has been charged at 15%

7 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		September 30, 2025		June 30, 2025	
		MCB DCF FRF II - Plan 3	Total	MCB DCF FRF II - Plan 3	Total
		(Rupees '000')		(Rupees '000')	
	Payable to the SECP	1	1	222	222
		1	1	222	222

In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the fund has charged SECP fee at the rate of 0.075% of average Net Assets of the scheme, calculated on daily basis. The fee is paid to the commission on monthly basis in arrears.

		September 30, 2025		June 30, 2025	
8	ACCRUED EXPENSES AND OTHER LIABILITIES	MCB DCF FRF II - Plan 3	Total	MCB DCF FRF II - Plan 3	Total
		(Rupees '000')		(Rupees '000')	
	Other payable	-	-	122,731	122,731
		-	-	122,731	122,731

9 CONTINGENCIES AND COMMITMENTS

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

10 TOTAL EXPENSE RATIO

MCB DCF Fixed Return II - Plan 3

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2025 is 0.42% which includes 0.12% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

11 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 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income to be earned during current year to the unit holders, therefore, no provision for taxation has been made in this condensed interim financial information during the period. 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

12 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the respective Plans include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the respective Plans of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. 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 to the Management Company of the respective Plans of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration to the Trustee of the respective Plans of the Fund is determined in accordance with the provisions of the Trust Deed.

Details of transactions and balances with related parties / connected persons during the period are as follows:

12.1 Details of transactions other than units of the fund with related parties / connected persons during the period

	For the period from July 01, 2025 To Sep 30, 2025		For the period from Sep 10, 2024 To Sep 30, 2024	
	MCB DCF FRF II - Plan 3	Total	MCB DCF FRF II - Plan 1	Total
	(Rupees '000')		(Rupees '000')	
MCB Investment Management Limited - Management Company				
Remuneration (including indirect taxes)	15	15	57	57
Allocated expenses	-	-	-	-
Marketing and Selling Expenses	-	-	-	-
	<u>15</u>	<u>15</u>	<u>57</u>	<u>57</u>
Central Depository Company of Pakistan Limited - Trustee				
Remuneration (including indirect taxes)	3	3	4	4
MCB Bank Limited				
Bank charges	1	1	2	2
Profit on balances with banks	146	146	119	119
	<u>147</u>	<u>147</u>	<u>121</u>	<u>121</u>

12.2 Details of balances with related parties / connected persons as at period end

	September 30, 2025		June 30, 2025	
	MCB DCF FRF II - Plan 3	Total	MCB DCF FRF II - Plan 3	Total
	(Rupees '000')		(Rupees '000')	
MCB Investment Management Limited - Management Company				
Management remuneration payable	4,185	4,185	4,172	4,172
Sindh Sales Tax payable on management remuneration	628	628	626	626
Allocated expenses	-	-	-	-
Marketing and selling expense	-	-	-	-
	<u>4,813</u>	<u>4,813</u>	<u>4,798</u>	<u>4,798</u>
Central Depository Company of Pakistan Limited - Trustee				
Trustee remuneration payable	1	1	-	-
Sindh Sales Tax payable on trustee remuneration	-	-	-	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
MCB Bank Limited				
Balance with bank	1,900	1,900	121,431	121,431
Profit receivable on bank balances	143	143	518	518
	<u>2,043</u>	<u>2,043</u>	<u>121,949</u>	<u>121,949</u>

12.3 Transactions during the period with connected persons / related parties in units of the Fund:

	September 30, 2025							
	As at July 01, 2025	Issued for cash	Redeemed	As at Sep 30, 2025	As at July 01, 2025	Issued for cash	Redeemed	As at Sep 30, 2025
	Units				Rupees '000'			
MCB DCF FIXED RETURN II - PLAN 3								
Unit holders holding 10% or more	213,994	-	-	213,994	21,809	-	-	22,612

	September 30, 2024							
	As at Sep 10, 2024	Issued for cash	Redeemed	As at Sep 30, 2024	As at Sep 10, 2024	Issued for cash	Redeemed	As at Sep 30, 2024
	Units				Rupees '000'			
MCB DCF FIXED RETURN II - PLAN 1								
<u>Group associated companies</u>								
MCB Investment Management Ltd	-	1,110,000	109,285	1,000,716	-	111,000	8,612	102,388

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

13. 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.

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

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

14. GENERAL

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

14.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 15, 2025 by the Board of Directors of the Management Company.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

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