



MCB FUNDS
Investments for Life

ANNUAL REPORT 2026

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 Ms. Sadia Muzaffar Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Ms. Sadia Muzaffar 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 Ms. Sadia Muzaffar Mr. Khawaja Khalil Shah	Member Member Member Member
IT & Digital Risk Management Committee	Ms. Mavra Adil Khan Mr. Ahmed Jahangir Mr. Khawaja Khalil Shah Mr. Syed Sohail Ahmed Mr. Shabbir Hussain Mr. Muhammad Arsalan Mr. Raheel Iqbal (CISO)	Chairman Member Member Member Member Member Member
Chief Executive Officer	Mr. Khawaja Khalil Shah	
Chief Operating & Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary & Financial Controller	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 YEAR ENDED JUNE 30, 2026

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 year ended June 30, 2026.

Economy Review

The country posted a current account deficit of USD 139 million in fiscal year 2026 (FY26) compared to a surplus of USD 1,838 million in the corresponding period last year. Trade Deficit increased by 25.4% YoY as exports declined by 4.6% while imports increased by 9.0%. The remittances inflows grew at a healthy rate of 8.6% to USD 41.6 billion. The country's external position remained robust as SBP's foreign exchange reserves increased to around USD 18.4 billion compared to USD 14.5 billion at the end of the last fiscal year. The local currency depicted strength against the greenback as the USD/PKR appreciated by 2.0% to 278.2 during the period.

Headline inflation, as measured by the Consumer Price Index, averaged 7.0% during FY26, compared with 4.5% in the previous year. The acceleration was primarily driven by higher global oil prices, which translated into increased domestic fuel prices and generated broader second-round inflationary pressures across transportation, energy-intensive goods, and other components of the consumer basket.

Pakistan's provisional GDP growth clocked at 3.7% in FY26 with Agricultural, Industrial and Services sectors increasing by 2.9%, 3.5% and 4.1% respectively. On the fiscal front, FBR tax collection increased by 10.7% during FY26 to PKR 13,004 billion, exceeding the twice downward-revised target by PKR 21 billion. Meanwhile, the fiscal deficit narrowed substantially to PKR 3,778 billion (3.0% of GDP) from PKR 6,168 billion (5.4% of GDP) in the previous year. This marked improvement was primarily supported by lower financing costs, stronger revenue mobilization, and continued fiscal discipline.

Fund Performance

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

Economy & Market – Future Outlook

The renewed escalation in the Iran–US conflict has triggered a sharp increase in global oil prices, with Brent crude trading at around USD 100 per barrel at the time of writing amid concerns over potential supply disruptions through the Strait of Hormuz and the Bab al-Mandab Strait. This has immediate macroeconomic implications, particularly for oil-importing economies like Pakistan, as higher oil prices raise the import bill, fuel inflation, and exert pressure on the currency. However, the situation remains highly fluid, with outcomes dependent on the duration and intensity of the conflict. If tensions do not escalate further, the impact on macros is likely to remain manageable, but a prolonged conflict could keep oil prices elevated and pose additional risks to inflation, external balances, and overall economic stability.

Given the increase in global oil prices and refinery margins, we now expect Pakistan's current account deficit to widen to approximately USD 2.5 billion, or 0.5% of GDP, in FY27, compared with USD 139 million, or 0.03% of GDP, in FY26. Elevated oil prices remain the key downside risk to the external account. Based on our estimates, every USD 10 per barrel increase above our base-case oil price assumption of USD 80 per barrel could add approximately USD 2.0 billion to the import bill and, by extension, the current account deficit. Nevertheless, the continuation of the IMF program remains an important source of external stability, as it should facilitate Pakistan's access to multilateral, bilateral and commercial financing. Pakistan's

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2026

continued geopolitical relevance may also support additional inflows from friendly countries. In this regard, Saudi Arabia has recently provided an additional USD 3.0 billion in deposits and extended its existing USD 5.0 billion facility for a further three years. The currency outlook will remain closely linked to the trajectory of international oil prices, external financing flows and broader geopolitical conditions. Under our base case, we have assumed approximately 5.0% depreciation in the Pakistani rupee and expect the USD/PKR exchange rate to close at around 292 by June 2027.

Higher international oil prices, together with corresponding adjustments in domestic fuel prices, are also expected to keep inflationary pressures elevated in the near term. We now project average CPI inflation of approximately 8.4% in FY27, compared with 7.0% in FY26. On the growth front, GDP is expected to expand by between 3.5% and 4.0% in FY27, although any further escalation in the Middle East conflict would pose a downside risk to this forecast. On the fiscal front, we expect the fiscal deficit to normalize to 3.6% of GDP in FY27 compared to 3.0% GDP in FY26. Fiscal deficit is expected to remain contained due to IMF strict requirement to generate a primary surplus of PKR 2.8 trillion (2.0% of GDP).

The Monetary Policy Committee increased the policy rate by 100 basis points to 11.5% at its April 2026 meeting, following an extended period of monetary easing, and subsequently maintained the rate at its June 2026 meeting. Going forward, developments in the Middle East are likely to remain a key driver of macroeconomic variables and, by extension, the monetary policy outlook. We expect the central bank to maintain a data-dependent approach in shaping upcoming policy decisions.

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 14.3% during FY26 to PKR 4,209 billion. Total money market funds declined by 0.9% since June 2025. Within the money market sphere, conventional funds showed a decrease of 6.5% to PKR 914 billion while Islamic funds increased by 5.0% to PKR 957 billion. In addition, the total fixed Income and Fixed Rate funds increased by about 15.9% since June 2025 to PKR 1,440 billion while Equity and related funds increased by 62.3% to PKR 797 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 44.5%, followed by Income and fixed return funds with 34.2% and Equity and Equity related funds having a share of 18.9% as at the end of June 2026.

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. For medium to long term investors 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.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2026

CORPORATE GOVERNANCE

The Fund is committed to implement the highest standards of corporate governance. The Board comprises of eight (8) members including Chief Executive Officer (CEO) and has a diverse mix of gender and knowledge. The Board consists of 2 female and 6 male directors, categorized as follows:

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

The details of above are as under:

Sr. No.	Name	Status	Membership in other Board Committees
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 IT&DRMC**Committee
4.	Mr. Manzar Mushtaq	Non-Executive Director	Audit Committee
5.	Ms. Sadia Muzaffar	Independent Director	Audit Committee (Chairman)
6.	Mr. Fahd Kamal Chinoy	Independent Director	HR&R* Committee (Chairman)
7.	Ms. Mavra Adil Khan	Independent Director	HR&R* Committee IT&DRMC**Committee (Chairman)
8.	Mr. Khawaja Khalil Shah	Executive Director	HR&R* Committee IT&DRMC**Committee

* HR&R stands for Human Resource and Remuneration

** IT&DRMC stands for IT & Digital Risk Management Committee

Management is continuing to comply with the provisions of best practices set out in the code of corporate governance.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2026

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;
- j. As at June 30, 2026, 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, 2026 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, 2026:

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2026

1. Meeting of the Audit Committee.

During the year, eight (8) 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. Sadia Muzaffar*	8	2	2	-
2. Syed Savail Meekal Hussain**	8	6	6	-
3. Mr. Ahmed Jahangir	8	8	8	-
4. Mr. Manzar Mushtaq	8	8	8	-

* Appointed on February 07, 2026

** Resigned on February 06, 2026

2. Meeting of the Human Resource and Remuneration Committee.

During the year, two (2) meeting of the Human Resource and Remuneration 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. Mr. Fahd Kamal Chinoy	2	2	2	-
2. Mr. Khawaja Khalil Shah	2	2	2	-
3. Mr. Muhammad Nauman Chughtai	2	2	2	-
4. Mr. Ahmed Jahangir	2	2	2	-
5. Ms. Mavra Adil Khan	2	2	2	-

3. Meeting of the IT & Digital Risk Management Committee.

During the year, one (1) meeting of the IT & Digital Risk Management Committee were held. The attendance of each participant is as follows:

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2026

Name of Persons	Number of meetings held	Number of meetings		
		Attendance required	Attended	Leave granted
1. Ms. Mavra Adil Khan	1	1	1	-
2. Mr. Ahmed Jahangir	1	1	1	-
3. Mr. Khawaja Khalil Shah	1	1	1	-
4. Syed Sohail Ahmed	1	1	1	-
5. Mr. Shabbir Hussain	1	1	1	-
6. Mr. Muhammad Arsalan	1	1	1	-
7. Mr. Raheel Iqbal (CISO)*	1	1	1	-

* The Company has outsourced its Information Security function to Risk Associates. Pursuant to the outsourcing arrangement, Risk Associates has nominated Mr. Raheel Iqbal to perform the duties of the Chief Information Security Officer (CISO) on behalf of Risk Associates.

n. No trades were carried out in the Units of the Fund 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.

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, 2026. 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, 2027 and the Board has also endorsed the recommendation of the Audit Committee. **M/s. Yousuf Adil Chartered Accountants** also expressed their willingness to act as the Fund's external auditors.

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY
FOR THE YEAR ENDED JUNE 30, 2026**

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, 2026



Manzar Mushtaq
Director
August 04, 2026

ڈائریکٹرز رپورٹ

n. دوران سال مینجمنٹ کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانسئل آفیسر، کمپنی سیکریٹری اور چیف انٹرنل آڈیٹر اور ان کے شریک حیات اور نابالغ بچوں نے فنڈ کے یونٹس میں کوئی خرید و فروخت نہیں کی۔

خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز M/s یوسف عادل چارٹرڈ اکاؤنٹنٹس 30 جون 2026ء کو ختم ہونے والے مالی سال کے آڈٹ کی تکمیل کے بعد ریٹائر ہو گئے ہیں۔ آڈٹ کمیٹی نے 30 جون 2027ء کو ختم ہونے والے مالی سال کے لیے کمپنی کے خارجی آڈیٹرز کے طور پر M/s یوسف عادل چارٹرڈ اکاؤنٹنٹس کی تقرری کی تجویز پیش کی ہے، اور بورڈ نے بھی اس تجویز کی توثیق کی ہے۔
M/s یوسف عادل چارٹرڈ اکاؤنٹنٹس نے بھی فنڈ کے خارجی آڈیٹرز کے طور پر کام کرنے کے لیے رضامندی کا اظہار کیا 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 اُن کا شکریہ ادا کرتا ہے۔
مزید براں، ڈائریکٹرز مینجمنٹ ٹیم کی کاوشوں کو خراج تحسین پیش کرتے ہیں۔

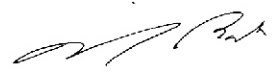
منجانب ڈائریکٹرز،

Manzar Mushtaq

منظر مشتاق

ڈائریکٹر

04 اگست 2026ء



خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

04 اگست 2026ء

ڈائریکٹرز رپورٹ

2. ہیومن ریسورس اور ریمونڈیشن کمیٹی کی میٹنگز

دوران سال، ہیومن ریسورس اور ریمونڈیشن کمیٹی کی دو (2) میٹنگ ہوئیں۔ شرکاء کی حاضری مندرجہ ذیل ہے:

میٹنگز کی تعداد			منعقدہ میٹنگز کی تعداد	نام
منظور شدہ چھٹی	حاضری	مطلوبہ حاضری		
-	2	2	2	1. جناب فہد کمال چنائے
-	2	2	2	2. جناب خواجہ خلیل شاہ
-	2	2	2	3. جناب محمد نعمان چغتائی
-	2	2	2	4. جناب احمد جہانگیر
-	2	2	2	5. محترمہ ماوراء عادل خان

3. آئی ٹی اینڈ ڈیجیٹل رسک مینجمنٹ کمیٹی کی میٹنگز

دوران سال آئی ٹی اینڈ ڈیجیٹل رسک مینجمنٹ کمیٹی کی ایک (1) میٹنگ ہوئی۔ شرکاء کی حاضری مندرجہ ذیل ہے:

میٹنگز کی تعداد			منعقدہ میٹنگز کی تعداد	نام
منظور شدہ چھٹی	حاضری	مطلوبہ حاضری		
-	1	1	1	1. محترمہ ماوراء عادل خان
-	1	1	1	2. جناب احمد جہانگیر
-	1	1	1	3. جناب خواجہ خلیل شاہ
-	1	1	1	4. سید سہیل احمد
-	1	1	1	5. جناب شبیر حسین
-	1	1	1	6. جناب محمد ارسلان
-	1	1	1	7. جناب راجیل اقبال (سی آئی ایس او)*

* کمپنی نے انفارمیشن سکیورٹی (معلومات کی حفاظت) کے شعبے کو آؤٹ سورس کر کے رسک ایسو سیٹس کو سونپ دیا ہے۔ اس انتظام کے تحت رسک ایسو سیٹس نے اپنی جانب سے جناب راجیل اقبال کو چیف انفارمیشن سکیورٹی آفیسر (سی آئی ایس او) کے طور پر نامزد کیا ہے۔

ڈائریکٹرز رپورٹ

k. 30 جون 2026ء 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 مؤثر طریقہ کار نافذ کیا گیا ہے؛

m. بورڈ آف ڈائریکٹرز کی میٹنگ میں حاضری کی تفصیلات مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔ سالِ مختتمہ 30 جون 2026 کے دوران کمیٹی میٹنگز کی تفصیلات درج ذیل ہیں:

1. آڈٹ کمیٹی کی میٹنگز

دورانِ سال، آڈٹ کمیٹی کی آٹھ (8) میٹنگ ہوئیں۔ شرکاء کی حاضری مندرجہ ذیل ہے:

میٹنگز کی تعداد			منعقدہ میٹنگز کی تعداد	نام
منظور شدہ چھٹی	حاضری	مطلوبہ حاضری		
-	2	2	8	1. محترمہ سعدیہ مظفر*
-	6	6	8	2. جناب سید ساویل میقال حسین**
-	8	8	8	3. جناب احمد جہانگیر
-	8	8	8	4. جناب منظر مشتاق

* 07 فروری 2026ء کو تقرری ہوئی

** 06 فروری 2026ء کو مستعفی ہو گئے

بورڈ آف ڈائریکٹرز کمپنی کے تمام اہم معاملات کا جائزہ لیتے ہیں۔ اس میں مندرجہ ذیل معاملات شامل ہیں، لیکن صرف ان تک محدود نہیں: کمپنی کی حکمت عملی کی سمت، سالانہ کاروباری منصوبے اور اہداف، طویل المیعاد سرمایہ کاریوں کے فیصلے۔ بورڈ آف ڈائریکٹرز کارپوریٹ گورننس کے اعلیٰ معیار برقرار رکھنے کے لیے پُر عزم ہیں۔

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. کمپنی کی درست بکس آف اکاؤنٹس تیار کی گئی ہیں؛

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

d. مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات (جس حد تک ان کا پاکستان میں اطلاق ہوتا ہے) نان-بینکنگ فنانس کمپنیز (اسٹیٹسمنٹ اینڈ ریگولیشنز) رولز 2003، نان-بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینسٹیز ریگولیشنز 2008، متعلقہ ٹرسٹ ڈیڈ کے تقاضوں اور سیکیورٹیز 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. کمپنی کے کاروبار جاری رکھنے کی صلاحیت میں کوئی بڑے 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 چارہ جز اور ڈیوٹیز، اگر کوئی ہیں تو، کو آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کر دیا گیا ہے؛

i. پراویڈنٹ / گریپچوٹی اور پینشن فنڈ کی سرمایہ کاریوں کی قدر کے بیان کا اطلاق فنڈ پر نہیں ہوتا لیکن مینجمنٹ کمپنی پر ہوتا ہے، چنانچہ ڈائریکٹرز رپورٹ میں اس حوالے سے کوئی بیان شامل نہیں کیا گیا ہے؛

j. 30 جون 2026ء کو کمپنی ضابطہء اخلاق کے ریگولیشن نمبر 19 میں بیان کردہ ڈائریکٹرز ٹریننگ پروگرام کے تقاضوں پر عمل پیرا ہے؛

ڈائریکٹرز رپورٹ

کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیار کے لئے پرعزم ہے۔

بورڈ آف (8) ارکان پر مشتمل ہے، بشمول چیف ایگزیکٹو آفیسر (سی ای او)۔ یہ ارکان صنف اور علم کا ایک متنوع امتزاج ہیں۔
بورڈ میں 2 خاتون اور 6 مرد ڈائریکٹرز شامل ہیں، جن کی زمرہ بندی درج ذیل ہے:

* 4 نان-ایگزیکٹو ڈائریکٹرز؛

* 3 انڈپنڈنٹ ڈائریکٹرز؛ اور

* 1 ایگزیکٹو ڈائریکٹر (سی ای او)

تفصیل درج ذیل ہے:

نمبر شمار	نام	حیثیت	دیگر بورڈ کمیٹیوں میں رکنیت
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، آئی ٹی اینڈ ڈی آر ایم سی ** کمیٹی
4.	جناب منظر مشتاق	نان-ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5.	محترمہ سعدیہ مظفر	انڈپنڈنٹ ڈائریکٹر	آڈٹ کمیٹی (چیرمین)
6.	جناب فہد کمال چنائے	انڈپنڈنٹ ڈائریکٹر	ایچ آر اینڈ آر کمیٹی * (چیرمین)
7.	محترمہ ماوراء عادل خان	انڈپنڈنٹ ڈائریکٹر	ایچ آر اینڈ آر * کمیٹی، آئی ٹی اینڈ ڈی آر ایم سی ** کمیٹی (چیرمین)
8.	جناب خواجہ خلیل شاہ	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر * کمیٹی، آئی ٹی اینڈ ڈی آر ایم سی ** کمیٹی

* ہیومن ریسورس اینڈ ریمونریشن

** آئی ٹی اینڈ ڈیجیٹل ریسک مینجمنٹ کمیٹی

برائے جون 2025 کے بعد سے فکسڈ انکم اور فکسڈ ریٹ فنڈ کے مجموعی حجم میں تقریباً 15.9 فیصد اضافہ ہوا اور یہ 1,440 بلین روپے تک پہنچ گئے، جبکہ ایکویٹی اور اس سے متعلقہ فنڈز میں 62.3 فیصد اضافہ ہوا اور ان کی مالیت 797 بلین روپے ہو گئی۔

جون 2026 کے اختتام پر مختلف زمروں میں حصص (Segment Share) کے اعتبار سے منی مارکیٹ فنڈز تقریباً 44.5 فیصد حصص کے ساتھ سرفہرست رہے، اس کے بعد انکم اور فکسڈ ریٹ فنڈز کے حصص 34.2 فیصد، اور ایکویٹی اور ایکویٹی سے منسلک فنڈز کے حصص 18.9 فیصد رہے۔

میوچل فنڈز صنعت کے مستقبل کا منظر نامہ

منی مارکیٹ فنڈز کو بہتر نقدیت کا فائدہ اٹھانا چاہیے کیونکہ یہ درمیانی سے طویل مدت 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 بلاؤ کاؤٹ جاری رہے، اور ڈیجیٹل رسائی اور صارفین کو اچھا تجربہ فراہم کرنے کے معاملے میں ہماری بہتر استعداد کی بدولت ہم آئن 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 سپرنٹ (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۔ اس کے نتیجے میں کمپنی کا نام ایم سی بی-اے ایچ سے تبدیل کر کے ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ کر دیا گیا۔

کے ڈپازٹس فراہم کیے ہیں اور اپنی موجودہ 5.0 بلین ڈالر کی سہولت کی مدت میں مزید تین سال کی توسیع کی ہے۔ کر کے مستقبل کے امکانات بدستور عالمی سطح پر تیل کی قیمتوں کے رجحان، بیرونی مالی معاونت کی آمد اور وسیع تر جغرافیائی و سیاسی حالات سے گہرا تعلق رکھیں گے۔ ہماری بنیادی صورتحال کے مفروضے کے تحت ہم نے روپے کی قدر میں تقریباً 5.0 فیصد کی فرض کی ہے، اونی توقع ہے کہ جون 2027 تک ڈالر اور روپے کا تناسب تقریباً 292 روپے پر پہنچ جائے گا۔

عالمی سطح پر تیل کی بڑھی ہوئی قیمتیں اور ان کے مطابق ملکی سطح پر ایندھن کی قیمتوں میں کی جانے والی تبدیلیاں قلیل مدت میں مہنگائی کے دباؤ کو بلند رکھنے کا باعث بنیں گی۔ اب ہماری توقع ہے کہ مالی سال 2027 میں 'سی پی آئی' افراط زر تقریباً 8.4 فیصد رہے گی، جبکہ مالی سال 2026 میں یہ 7.0 فیصد تھی۔ شرح نمو کے حوالے سے مالی سال 2027 میں 'جی ڈی پی' میں 3.5 فیصد سے 4.0 فیصد کے درمیان اضافے کی توقع ہے۔ تاہم مشرق وسطیٰ کے تنازعے میں مزید کسی بھی اضافے سے اس شرح نمو کی پیش گوئی پر خطرہ پیدا ہو سکتا ہے۔ مالیاتی محاذ پر ہماری توقع ہے کہ مالی سال 2027 میں مالیاتی خسارہ 'جی ڈی پی' کے 3.6 فیصد تک معقول پر آجائے گا، جبکہ مالی سال 2026 میں یہ 'جی ڈی پی' کا 3.0 فیصد تھا۔ مالیاتی خسارہ محدود رہنے کی توقع ہے کیونکہ آئی ایم ایف کی جانب سے 2.8 ٹریلین روپے (جی ڈی پی کے 2.0 فیصد) کے بنیادی سرپلس کے حصول کی سخت شرط عائد ہے۔

مانیٹری پالیسی کمیٹی (ایم پی سی) نے طویل عرصے تک جاری رہنے والی مالیاتی تسہیل کے بعد اپریل 2026 کے اجلاس میں پالیسی شرح میں 100 بیس پوائنٹس کا اضافہ کرتے ہوئے اسے 11.5 فیصد کر دیا، اور بعد ازاں جون 2026 کے اجلاس میں اس شرح کو برقرار رکھا۔ مستقبل میں مشرق وسطیٰ میں ہونے والی پیش رفت مجموعی معاشی عوامل اور اس کے نتیجے میں مانیٹری پالیسی کے مستقبل کے امکانات کو متاثر کرنے والا ایک اہم عنصر رہنے کا امکان ہے۔ ہماری توقع ہے کہ مرکزی بینک آئندہ پالیسی فیصلے کرتے وقت اعداد و شمار اور معاشی صورتحال پر منحصر حکمت عملی اختیار کرے گا۔

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

میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈز کی صنعت کے net اثاثہ جات مالی سال 2026ء کے دوران تقریباً 14.3 فیصد بڑھ کر 4,209 بلین روپے ہو گئے۔ منی مارکیٹ کے کل فنڈز میں جون 2025ء کے بعد سے 0.9 فیصد کمی ہوئی۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 6.5 فیصد کم ہو کر 914 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 5.0 فیصد بڑھ کر 957 بلین روپے ہو گئے۔ مزید

فنڈ کی کارکردگی

ایم سی بی ڈی سی ایف ایف آر ایف 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 ہو گیا۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

ایران اور امریکا کے درمیان تنازعے میں حالیہ دوبارہ پیدا ہونے والی کشیدگی نے عالمی سطح پر تیل کی قیمتوں میں نمایاں اضافہ کر دیا ہے۔ برینٹ خام تیل کی قیمت تقریباً 100 ڈالر فی بیرل کے قریب رہی، جبکہ آبنائے ہرمز اور آبنائے باب المندب کے ذریعے تیل کی ترسیل میں ممکنہ رکاوٹوں کے خدشات موجود ہیں۔ اس صورتحال کے فوری مجموعی معاشی اثرات مرتب ہوتے ہیں، خاص طور پر پاکستان جیسی تیل درآمد کرنے والی معیشتوں پر تیل کی بڑھی ہوئی قیمتیں درآمدی بل پر بوجھ، مہنگائی میں اضافے اور کرنسی پر دباؤ کا سبب بنتی ہیں۔ تاہم صورتحال ابھی تک انتہائی غیر یقینی اور تیزی سے تبدیلی کی طرف مائل ہے، اور اس کے نتائج کا انحصار تنازعے کی مدت اور شدت پر رہے گا۔ اگر کشیدگی میں مزید اضافہ نہ ہوا تو مجموعی معاشی اثرات پر قابو پانا ممکن ہوگا، تاہم اگر تنازعہ طویل عرصے تک جاری رہا تو تیل کی قیمتیں بلند سطح پر برقرار رہ سکتی ہیں اور مہنگائی، بیرونی مالیاتی توازن اور مجموعی معاشی استحکام کے لیے مزید خطرات پیدا ہو سکتے ہیں۔

عالمی سطح پر تیل کی قیمتوں اور ریفرنسری کے منافعوں کے فرق میں اضافے کے پیش نظر اب ہماری توقع ہے کہ پاکستان کا کرنٹ اکاؤنٹ خسارہ مالی سال 2027 میں بڑھ کر تقریباً 2.5 بلین ڈالر (جی ڈی پی کا 0.5 فیصد) ہو جائے گا، جبکہ مالی سال 2026 میں یہ 139 ملین ڈالر (جی ڈی پی کا 0.03 فیصد) تھا۔ تیل کی بڑھی ہوئی قیمتیں بیرونی کھاتے کے لیے بدستور سب سے بڑا منفی پہلو ہے۔ ہمارے اندازوں کے مطابق اگر ہماری بنیادی مفروضہ کردہ قیمت 80 ڈالر فی بیرل سے اوپر تیل کی قیمت میں ہر 10 ڈالر فی بیرل اضافہ ہوتا ہے تو درآمدی بل میں تقریباً 2.0 بلین ڈالر کا اضافہ ہو سکتا ہے، اور اس کے نتیجے میں کرنٹ اکاؤنٹ خسارہ بھی اتنی ہی حد تک بڑھ سکتا ہے۔ اس کے باوجود آئی ایم ایف پروگرام کا جاری رہنا بیرونی معاشی استحکام کا ایک اہم ذریعہ ہے، کیونکہ اس سے پاکستان کو کثیر الملکی، دو طرفہ اور تجارتی مالی معاونت تک رسائی حاصل ہونے میں سہولت ملنی چاہیے۔ پاکستان کی مسلسل جغرافیائی و سیاسی اہمیت بھی دوست ممالک سے مزید رقوم کی آمد میں معاون ثابت ہو سکتی ہے۔ اس حوالے سے سعودی عرب نے حال ہی میں مزید 3.0 بلین ڈالر

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی ڈی سی ایف فیکسڈ ریٹرن فنڈ II پلانز زیر انتظام ایم سی بی ڈی سی ایف فیکسڈ ریٹرن فنڈ II کے اکاؤنٹس برائے سال مختتمہ 30 جون 2026ء کا جائزہ پیش خدمت ہے۔

معیشہ کا جائزہ

مُلک نے مالی سال 2026 میں 139 ملین ڈالر کا کرنٹ اکاؤنٹ خسارہ ریکارڈ کیا، جبکہ گزشتہ سال اسی مدت میں 1,838 ملین ڈالر کا سرپلس تھا۔ برآمدات میں 4.6 فیصد کمی، جبکہ درآمدات میں 9.0 فیصد اضافہ ہونے کے باعث تجارتی خسارے میں سال در سال (YoY) 25.4 فیصد اضافہ ہوا۔ ترسیلات زر میں 8.6 فیصد کمی اچھی شرح سے اضافہ ہوا اور یہ 41.6 بلین ڈالر تک پہنچ گئیں۔ مُلک کی بیرونی مالیاتی صورتحال مضبوط رہی کیونکہ اسٹیٹ بینک آف پاکستان (ایس بی پی) کے زیرِ مبادلہ کے ذخائر گزشتہ مالی سال کے اختتام پر 14.5 بلین ڈالر کے مقابلے میں بڑھ کر تقریباً 18.4 بلین ڈالر ہو گئے۔ مقامی کرنسی نے امریکی ڈالر (گرین بیک) کے مقابلے میں استحکام کا مظاہرہ کیا اور اس عرصے کے دوران USD/PKR شرح 2.0 فیصد کمی بہتری کے ساتھ 278.2 تک پہنچ گئی۔

ہیڈ لائن افراطِ زر، جس کی پیمائش کنزیومر پرائس انڈیکس (سی پی آئی) کے ذریعے کی جاتی ہے، مالی سال 2026 کے دوران اوسطاً 7.0 فیصد رہی، جبکہ گزشتہ سال یہ 4.5 فیصد تھی۔ مہنگائی میں یہ اضافہ بنیادی طور پر عالمی سطح پر تیل کی بڑھتی ہوئی قیمتوں کے باعث ہوا، جس کے نتیجے میں مُلک میں ایندھن کی قیمتوں میں اضافہ ہوا اور ٹرانسپورٹ، زیادہ توانائی استعمال کرنے والی اشیاء اور دیگر اشیاء صرف پر بھی بالواسطہ اضافی مہنگائی کا دباؤ پیدا ہو گیا۔

پاکستان کی عارضی 'جی ڈی پی' شرح نمو مالی سال 2026 میں 3.7 فیصد رہی، جبکہ زراعت، صنعت اور خدمات کے شعبوں میں بالترتیب 2.9 فیصد، 3.5 فیصد اور 4.1 فیصد اضافہ ہوا۔ مالیاتی محاذ پر مالی سال 2026 کے دوران ایف بی آر کی ٹیکس وصولیوں میں 10.7 فیصد اضافہ ہوا، اور یہ 13,004 بلین روپے تک پہنچ گئیں، جو دو مرتبہ کم کیے گئے نظرِ ثانی شدہ ہدف سے بھی 21 بلین روپے زیادہ ہے۔ دریں اثناء مالیاتی خسارہ گزشتہ سال 6,168 بلین روپے (جی ڈی پی کا 5.4 فیصد) کے مقابلے میں کم ہو کر 3,778 بلین روپے (جی ڈی پی کا 3.0 فیصد) رہ گیا۔ اس نمایاں بہتری کی بنیادی وجوہات میں کم مالیاتی اخراجات، محصولات کی بہتر وصولی اور مسلسل مالیاتی نظم و ضبط شامل تھے۔

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2026

Fund Type and Category

MCB Pakistan DCF Fixed Return Fund II Plan 3 Fixed Term Scheme.

Fund Benchmark

PKRV/PIB Rates on the last date of IOP of the CIS with maturity period corresponding to the maturity of CIS.

Investment Objective

The Objective of MCB DCF Fixed Return Fund II Plan 3 (MCB DCFFRF IIP3) is to provide promised fixed return to the Unit Holders by investing in Fixed Income Securities.

Manager's Review

The fund posted an Annualized return of 14.60% during the period under review against the benchmark return of 13.31% from July 01, 2025 to September 30, 2025. Exposure in T-Bills was 92.6%.

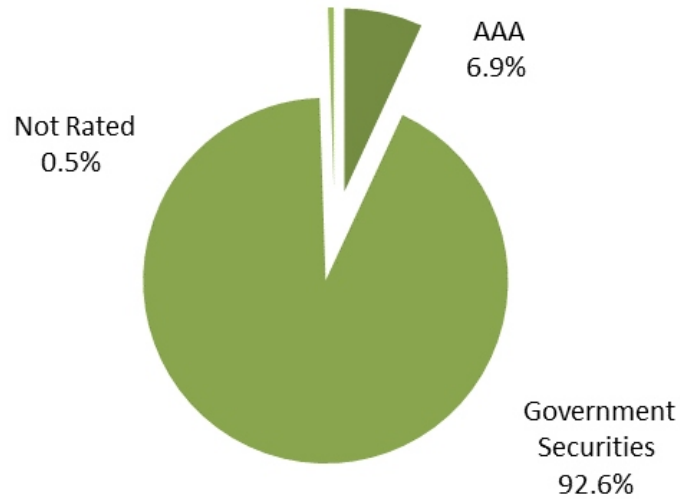
The Net Assets of the Fund as at September 30, 2025 stood at Rs. 23 million and the Net Asset Value (NAV) per unit was Rs. 105.6652.

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

Asset Allocation (%age of Total Assets)	Sep-25
Cash	6.9%
T-Bills	92.6%
Others including receivables	0.5%

**REPORT OF THE FUND MANAGER
FOR THE YEAR ENDED JUNE 30, 2026**

Asset Quality as on September 30, 2025 (% of total assets)



Syed Mohammad Usama Iqbal
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

MCB DCF FIXED RETURN FUND II

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 MCB DCF Fixed Return Fund II (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, 2026 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: August 24, 2026



INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (021) 3454 6494-7
www.yousufadil.com

INDEPENDENT AUDITOR'S REPORT To the Unit Holders of MCB DCF Fixed Return Fund II

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MCB DCF Fixed Return Fund II** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the period from July 01, 2025 to October 16, 2025 (the period) and notes including a summary of 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, 2026, and of its financial performance and its cash flows for the period 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 as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 1.5 to the financial statements in which it is disclosed that the Management Company intends to continue the Fund's operation and launch new plans subsequent to the year end therefore these financial statements have been prepared on going concern basis. Our opinion is not modified in respect of this matter.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

Responsibilities of Management and the 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.
- 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.

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INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

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 (Establishment and Regulation) Rules, 2003 and 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 25, 2026

UDIN: AR202610057uRBTHb7lp

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STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2026

		June 30, 2026	June 30, 2025
		MCB DCF	
		FRF II - Plan 3	
	Note	-----	(Rupees in '000) -----
ASSETS			
Bank balances	4	-	121,431
Investments	5	-	27,611
Profit on bank deposit		-	518
Total assets		-	149,560
LIABILITIES			
Payable to the MCB Investment Management Limited - Management Company	6	-	4,798
Payable to the Securities and Exchange Commission of Pakistan	8	-	222
Accrued expenses and other liabilities	9	-	122,731
Total liabilities		-	127,751
NET ASSETS		-	21,809
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			21,809
CONTINGENCIES AND COMMITMENTS	10		
NUMBER OF UNITS IN ISSUE		-	213,994
NET ASSET VALUE PER UNIT	3.7	-	101.9143

The annexed notes from 1 to 21 are 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, 2026

For the period
from July 01,
2025 to October
16, 2025

MCB DCF
FRF II - Plan 3

Note --(Rupees in '000)--

INCOME

Income from government securities		786
Profit on bank deposits		98
Capital gain on sale of investments - net		10
Unrealised gain on remeasurement of investments at fair value through profit or loss - net	5.2	-
Other income		-
Total income		894

EXPENSES

Remuneration of MCB Investment Management Limited - Management Company	6.1	22
Sindh Sales Tax on remuneration of the Management Company	6.2	3
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.	4
Sindh Sales Tax on remuneration of Trustee		1
Securities and Exchange Commission of Pakistan fee	8.	5
Bank charges		6
Total operating expenses		41

Net income for the period before taxation **853**

Taxation 11 -

Net income for the period after taxation **853**

Allocation of net income for the period

Net income for the period	853
Income already paid on units redeemed	-
	853

Accounting income available for distribution

- Relating to capital gains	10
- Excluding capital gains	843
	853

Earnings per unit 3.10

The annexed notes from 1 to 21 are 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, 2026

For the period from September 10, 2024 to May 02, 2025	For the period from October 16, 2024 to February 20, 2025	For the period from October 22, 2024 to June 30, 2025	For the period from October 28, 2024 to April 17, 2025	For the period from November 12, 2024 to May 02, 2025	Total
MCB DCF FRF II - Plan 1	MCB DCF FRF II - Plan 2	MCB DCF FRF II - Plan 3	MCB DCF FRF II - Plan 4	MCB DCF FRF II - Plan 5	

Note ----- (Rupees in '000) -----

INCOME

Income from government securities	12,118	386,656	482,732	861,807	60,880	1,809,744
Profit on bank deposits	301	7,217	3,004	12,216	941	23,679
Capital gain on sale of investments - net	-	-	22,810	8,448	-	25,707
Unrealised gain on remeasurement of investments at fair value through profit or loss - net	5.2 -	-	101	-	-	101
Other income	-	-	-	238	-	238
Total income	12,419	393,873	508,647	882,709	61,821	1,859,469

EXPENSES

Remuneration of MCB Investment Management Limited - Management Company	6.1	583	5,654	8,878	13,162	1,418	29,695
Sindh Sales Tax on remuneration of the Management Company	6.2	87	848	1,332	1,974	213	4,454
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	42	1,540	2,078	3,659	274	7,593
Sindh Sales Tax on remuneration of Trustee		6	231	312	549	41	1,139
Securities and Exchange Commission of Pakistan fee	7	57	2,099	2,834	4,989	373	10,352
Brokerage expenses		-	-	-	26	-	26
Bank charges		9	9	12	8	6	44
Total operating expenses		784	10,381	15,446	24,367	2,325	53,303
Net income from operating activities before taxation		11,635	383,492	493,201	858,342	59,496	1,806,166
Taxation	11	-	-	-	-	-	-
Net income for the period after taxation		11,635	383,492	493,201	858,342	59,496	1,806,166
Allocation of net income for the period							
Net income for the period		11,635	383,492	493,201	858,342	59,496	1,806,166
Income already paid on units redeemed		(1,132)	(382,487)	(490,926)	(856,010)	(58,373)	(1,788,928)
		10,503	1,005	2,275	2,332	1,123	17,238

Accounting income available for distribution

- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	10,503	1,005	2,275	2,332	1,123	17,238
	10,503	1,005	2,275	2,332	1,123	17,238

Earnings per unit 3.10

The annexed notes from 1 to 21 are 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, 2026**

For the period from July 01, 2025 to October 16, 2025
MCB DCF FRF II - Plan 3
--(Rupees in '000)--

Net income for the period after taxation	853
Other comprehensive income for the period	-
Total comprehensive income for the period	853

The annexed notes from 1 to 21 are 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, 2026

For the period from September 10, 2024 to May 02, 2025	For the period from October 16, 2024 to February 20, 2025	For the period from October 22, 2024 to June 30, 2025	For the period from October 28, 2024 to April 17, 2025	For the period from November 12, 2024 to May 02, 2025	Total
MCB DCF FRF II - Plan 1	MCB DCF FRF II - Plan 2	MCB DCF FRF II - Plan 3	MCB DCF FRF II - Plan 4	MCB DCF FRF II - Plan 5	

----- (Rupees in '000) -----

Net income for the period after taxation	11,635	383,492	493,201	858,342	59,496	1,806,166
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	11,635	383,492	493,201	858,342	59,496	1,806,166

The annexed notes from 1 to 21 are 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, 2026

For the year ended June 30, 2026			
MCB DCF FRF II - Plan 3			
Capital Value	Undistributed Income	Total	
----- (Rupees in '000) -----			
Net assets at beginning of the period	21,399	410	21,809
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-
- Element of income	-	-	-
	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-
- Amount paid out of element of income	-	-	-
	-	-	-
Total comprehensive income for the period	-	853	-
Distribution on October 16, 2025 at the rate Re 3.9871 per unit.	-	(853)	-
Net income for the period after distribution	-	-	-
Net assets at maturity / period end	21,399	410	21,809
Paid to unit holders on maturity	(21,399)	(410)	(21,809)
Net assets at the end of the period	-	-	-
Undistributed income brought forward			
- Realised		309	
- Unrealised		101	
		410	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		853	
		853	
Distributions during the year		(853)	
Amount paid at Maturity		(410)	
Undistributed income carried forward		-	
Undistributed income carried forward			
- Realised		-	
- Unrealised		-	
		-	
		(Rupees)	
Net assets value per unit at the beginning of the period		101.9143	
Net assets value per unit at end of the period		-	

The annexed notes from 1 to 21 are 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, 2026

For the period from September 10, 2024 to May 02, 2025			For the period from October 16, 2024 to February 20, 2025			For the period from October 22, 2024 to June 30, 2025		
MCB DCF FRF II - Plan 1			MCB DCF FRF II - Plan 2			MCB DCF FRF II - Plan 3		
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total

(Rupees in '000)

Net assets at the beginning of the period

Issuance of 1,110,967 units in MCB DCF FRF II Plan I, 79,000,000 units in MCB DCF FRF II Plan II and 55,013,994 units in MCB DCF FRF II Plan III.

- Capital value (at net asset value per unit at the beginning of the period)
- Element of income

111,097	-	111,097	7,900,000	-	7,900,000	5,501,399	-	5,501,399
-	-	-	-	-	-	-	-	-
111,097	-	111,097	7,900,000	-	7,900,000	5,501,399	-	5,501,399

Redemption of 110,251 units in MCB DCF FRF II Plan 1, 78,800,000 units in MCB DCF FR II Plan 2 and 54,800,000 units in MCB DCF FR II Plan 3.

- Capital value (at net asset value per unit at the beginning of the period)
- Element of income - net

(11,025)	-	(11,025)	(7,880,000)	-	(7,880,000)	(5,480,000)	-	(5,480,000)
-	(1,132)	(1,132)	-	(382,487)	(382,487)	-	(490,926)	(490,926)
(11,025)	(1,132)	(12,157)	(7,880,000)	(382,487)	(8,262,487)	(5,480,000)	(490,926)	(5,970,926)

Total comprehensive income for the period
Interim distribution during the period

-	11,635	11,635	-	383,492	383,492	-	493,201	493,201
-	(10,503)	(10,503)	-	(1,005)	(1,005)	-	(1,865)	(1,865)
-	1,132	1,132	-	382,487	382,487	-	491,336	491,336

Net assets at the end of the period / maturity of plan

100,072	-	100,072	20,000	-	20,000	21,399	410	21,809
---------	---	---------	--------	---	--------	--------	-----	--------

Paid to unit holders on maturity

(100,072)	-	(100,072)	(20,000)	-	(20,000)	-	-	-
-----------	---	-----------	----------	---	----------	---	---	---

Net assets at the end of the period

-	-	-	-	-	-	21,399	410	21,809
---	---	---	---	---	---	--------	-----	--------

Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

-	-	-
10,503	1,005	2,275
10,503	1,005	2,275
(10,503)	(1,005)	(1,865)
-	-	410

Cash distribution during the period

Undistributed income carried forward

Undistributed income carried forward comprising of:

- Realised
- Unrealised

-	-	309
-	-	101
-	-	410
(Rupees)	(Rupees)	(Rupees)

Net asset value per unit at the end of the period

-	-	101.9143
---	---	----------

The annexed notes from 1 to 21 are 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, 2026

For the period from October 28, 2024 to April 17, 2025			For the period from November 12, 2024 to May 02, 2025			Total		
MCB DCF FRF II - Plan 4			MCB DCF FRF II - Plan 5					
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total

(Rupees in '000)

Net assets at the beginning of the period

- - - - -

Issue of 150,000,000 units in MCB DCF FRF II Plan IV and 10,370,611 units in MCB DCF FRF II Plan V.

- Capital value (at net asset value per unit at the beginning of the period)
- Element of income

15,000,000	-	15,000,000	1,037,061	-	1,037,061	29,549,557	-	29,549,557
-	-	-	-	-	-	-	-	-
15,000,000	-	15,000,000	1,037,061	-	1,037,061	29,549,557	-	29,549,557

Redemption of 149,806,613 units in MCB DCF FRF II Plan IV and 10,270,611 units in MCB DCF FRF II Plan V.

- Capital value (at net asset value per unit at the beginning of the period)
- Element of income - net

(14,980,661)	-	(14,980,661)	(1,027,061)	-	(1,027,061)	(29,378,747)	-	(29,378,747)
-	(856,010)	(856,010)	-	(58,373)	(58,373)	-	(1,788,928)	(1,788,928)
(14,980,661)	(856,010)	(15,836,671)	(1,027,061)	(58,373)	(1,085,434)	(29,378,747)	(1,788,928)	(31,167,675)

Total comprehensive income for the period

-	858,342	858,342	-	59,496	59,496	-	1,806,166	1,806,166
-	(2,332)	(2,332)	-	(1,123)	(1,123)	-	(16,828)	(16,828)
-	856,010	856,010	-	58,373	58,373	-	1,789,338	1,789,338

Interim distribution during the period

Net assets at the end of the period / maturity of plan

19,339	-	19,339	10,000	-	10,000	170,810	410	171,220
--------	---	--------	--------	---	--------	---------	-----	---------

Paid to unit holders on maturity

(19,339)	(19,339)	(10,000)	(10,000)	(149,411)	(149,411)
----------	----------	----------	----------	-----------	-----------

Net assets at the end of the period

-	-	-	-	-	21,399	410	21,809
---	---	---	---	---	--------	-----	--------

Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

-	-
2,322	1,123
2,332	1,123

Cash distribution during the period

(2,332)	(1,123)
---------	---------

Undistributed income carried forward

-	-
---	---

Undistributed income carried forward comprising of:

- Realised income
- Unrealised income

-	-
-	-
-	-

(Rupees)

(Rupees)

Net asset value per unit at the end of the period

-	-
---	---

The annexed notes from 1 to 21 are 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, 2026

For the period from
July 01, 2025 to
October 16, 2025

MCB DCF
FRF II - Plan 3

Note

--(Rupees in '000)--

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation 853

Decrease / (increase) in assets

Investments - net		27,611
Profit receivable on bank deposits		518
		28,129

Increase / (decrease) in liabilities

Payable to MCB Investment Management Limited - Management Company		(4,798)
Payable to Central Depository Company of Pakistan Limited - Trustee		-
Payable to the Securities and Exchange Commission of Pakistan		(222)
Accrued expenses and other liabilities		(122,731)
		(127,751)

Net cash used in operating activities (98,769)

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from issuance of units		-
Payments on redemption of units		-
Distributions made during the period		(853)
Paid to unit holders on maturity		(21,809)
Net cash used in financing activities		(22,662)

Net decrease in cash and cash equivalents (121,431)

Cash and cash equivalents at the beginning of the period 121,431

Cash and cash equivalents at the end of the period -

The annexed notes from 1 to 21 are 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, 2026

For the period from September 10, 2024 to May 02, 2025	For the period from October 16, 2024 to February 20, 2025	For the period from October 22, 2024 to June 30, 2025	For the period from October 28, 2024 to April 17, 2025	For the period from November 12, 2024 to May 02, 2025	Total
MCB DCF FRF II - Plan 1	MCB DCF FRF II - Plan 2	MCB DCF FRF II - Plan 3	MCB DCF FRF II - Plan 4	MCB DCF FRF II - Plan 5	

Note ----- (Rupees in '000) -----

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation 11,635 383,492 493,201 858,342 59,496 1,806,166

Adjustments for non cash items:

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

5.2 - - (101) - - (101)
11,635 383,492 493,100 858,342 59,496 1,806,065

(Increase) / decrease in assets

Investments - net

Profit on bank deposit

-	-	(27,510)	-	-	(27,510)
-	-	(518)	-	-	(518)
-	-	(28,028)	-	-	(28,028)

Increase / (decrease) in liabilities

Payable to MCB Investment Management Limited - Management Company

Payable to the Securities and Exchange Commission of Pakistan

Accrued expenses and other liabilities

-	-	4,798	-	-	4,798
-	-	222	-	-	222
-	-	122,731	-	-	122,731
-	-	127,751	-	-	127,751

Net cash generated in operating activities

11,635 383,492 592,823 858,342 59,496 1,905,788

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from issuance of units

Payments on redemption of units

Distributions made during the period

Paid to unit holders on maturity

Net cash generated from financing activities

111,097	7,900,000	5,501,399	15,000,000	1,037,061	29,549,557
(12,157)	(8,262,487)	(5,970,926)	(15,836,671)	(1,085,434)	(31,167,675)
(10,503)	(1,005)	(1,865)	(2,332)	(1,123)	(16,828)
(100,072)	(20,000)	-	(19,339)	(10,000)	(149,411)
(11,635)	(383,492)	(471,392)	(858,342)	(59,496)	(1,784,357)

Net increase in cash and cash equivalents

- - 121,431 - - 121,431

Cash and cash equivalents at the beginning of the period

- - - - -

Cash and cash equivalents at the end of the period

- - 121,431 - - 121,431

The annexed notes from 1 to 21 are 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, 2026

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 vides 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.

Below are details of the Plans which were launched, existed or matured during the year from July 01, 2025 to June 30, 2026:

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	Matured	13.00%

- 1.4** The Management Company, in its correspondence with the SECP sought clarification on the requirement prescribed under sub-regulation 3(a) and 3(b) of Regulation 54 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 whereby the Fund's net assets were required to be at a minimum of Rs. 100 million and certain other compliances in relation to minimum fund size. SECP responded to the Management Company that in case the CIS is established under a shell structure and offers perpetual and / or fixed maturity investment plans, the requirement of Rs. 100 million does not apply, however, Fixed maturity plans shall be launched with minimum plan-size of Rs. 50 million at the time of launch shall be applicable on each such investment plan, as stipulated in the Circular No. 25 of 2024 dated December 23, 2025.
- 1.5** During the year all plans of the Fund has been matured and as at June 30, 2026 statement of assets and liabilities has nil balances and accordingly the Fund has no active plans as of June 30, 2026. However, the Management Company has obtained approval of the Offering Documents for Plan 6, intends to launch these plans subsequent to the reporting date. Based on the Management Company's intention to continue the Fund's operations in the normal course, these financial statements have been prepared on a going concern basis.
- 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) Limited has assigned Management quality rating of AM1 dated October 03, 2025 to the Management Company.
- 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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

- International Financial Reporting Standards (IFRS Standards) 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 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 figure presented in these financial statements also include figures of plans launched and matured during the period and , are therefore not comparable

2.2 New amendment that is effective for the year ended June 30, 2026

The following amendment is effective for the year ended June 30, 2026. These amendment is 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.

- Lack of Exchangeability (Amendments to IAS 21)

2.3 Standards and amendments to IFRS that are not yet effective

The following standards 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 except for the amendment of "IFRS 09 regarding the classification and measurement of financial instruments" when applied may impact the timing of recognition and derecognition of financial instrument and "IFRS 18 Presentation and Disclosures in Financial Statements" when applied may impact the presentation of "Income Statement" with certain additional disclosures in the financial statements. The impact of these amendments and standards is being evaluated the by Management Company.

	Effective from accounting period beginning on or after:
- Amendments IFRS 9 and IFRS 7 regarding the 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 and IFRS 7 regarding power purchase arrangements	January 01, 2026
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
- IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
- IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

Other than the aforesaid standard and amendment, 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 20 Regulatory Assets and Regulatory Liabilities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

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, judgments 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, judgments 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)
- Taxation (notes 3.4 and 11)
- Classification and measurement of financial liabilities (note 3.1.2.1)
- Contingencies and commitments (note 9)
- Provisions (note 3.3)

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

2.5 Basis of measurement

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

2.6 Functional and presentation currency

Items included in these 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently in 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

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 (FVOCI), profit 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 other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income 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 FVOCI criteria are classified as at fair value through profit or loss (FVTPL). In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL 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:

Basis of valuation of government 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 limits +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.

The SECP/Commission has 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

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 method or at FVTPL.

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

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 period, as reduced by capital gains and accumulated loss, whether realised or unrealised, is distributed to the unit holders as cash dividend.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

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 the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

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 period 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 distributors 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.

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 holders 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 as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income from investments in 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 the Management Company, Trustee fee and SECP fee are recognised in the Income Statement on an accrual basis. Moreover, auditors' remuneration of the fund is borne by the Management Company.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026	June 30, 2025
	MCB DCF	
	FRF II - Plan 3	
Note	-----	(Rupees in '000) -----
4.1	-	121,431

4. BANK BALANCES

In saving account

4.1 This carried profit at the rate of Nil (2025:9.5%).

5. INVESTMENTS

Investments at fair value through profit or loss* - net

Market Treasury Bills

5.1	-	27,611
-----	---	--------

5.1 Market Treasury Bills

Tenure	Issue Date	Face value				As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised gain		
----- (Rupees in '000) ----- (%) -----										
MCB DCF Fixed Return II Plan 3										
Treasury bills - 12 months	October 17, 2024	28,500	-	28,500	-	-	-	-	-	-
As at June 30, 2026										
As at June 30, 2025						27,510	27,611	101		

* These carry effective yield of Nil (2025: 13.5%) per annum.

	June 30, 2026	June 30, 2025
	MCB DCF	
	FRF II - Plan 3	
Note	-----	(Rupees in '000) -----

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

Market value of investments

Less: carrying value of investments

5.1	-	27,611
5.1	-	27,510
	-	101

6. PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable

Sindh Sales Tax payable on Management remuneration

6.1	-	4,172
6.2	-	626
	-	4,798

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

6.1 Pursuant to the amendments in the NBFC Regulations, 2008 by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for a Fixed Rate/Return Scheme is capped at 1% per annum, calculated on the basis of the average daily net assets, effective from July 01, 2025. Prior to this amendment the management fee was allowed to charge at the rate of up to 1.75% per annum of the net assets of the Scheme.

6.2 Sindh Sales Tax on remuneration of the Management Company has been charged at the rate of 15% (June 30, 2025: 15%).

7. REMUNERATION OF CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

The Trustee remuneration shall consist of reimbursement of actual custodial expenses / charges plus 0.055% per annum of the net assets to be paid monthly in arrears. Sindh Sales Tax at 15% is charged on Trustee fee.

		June 30, 2026	June 30, 2025
		MCB DCF	
		FRF II - Plan 3	
	Note	----- (Rupees in '000) -----	
8. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Payable to SECP	8.1	-	222

8.1 The Fund has charged SECP Fee at the rate of 0.075% of net assets calculated on daily basis and payable monthly in arrears.

		June 30, 2026	June 30, 2025
		MCB DCF	
		----- (Rupees in '000) -----	
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax on capital gains		-	122,731

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

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 NBFC Regulations, 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. 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.

Since the management 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

12. TOTAL EXPENSE RATIO

MCB DCF Fixed Return Fund II Plan 3

The total annualised expense ratio of the Plan from July 01, 2025 to October 16, 2025 is 0.63%, (June 30, 2025: 0.41%) which includes 0.13%, (June 30, 2025 0.12%) representing government levies on the Plan such as sales taxes, fee of SECP, etc. However, Pursuant to the amendments in the NBFC Regulations, 2008 by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum Total Expense Ratio limits have been lifted by the SECP applicable to Collective Investment Schemes, effective from July 01, 2025.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

13. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, MCB Islamic Bank Limited (being 100% subsidiary of the Holding 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 Fund.

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 NBFC Regulations, 2008 and the Trust Deed respectively.

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:

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

June 30, 2026
MCB DCF
FRF II - Plan 3
(Rupees in '000)

MCB Investment Management Limited - Management Company

Remuneration of the Management Company	22
Sindh Sales Tax on remuneration of the Management Company	3

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	4
Sindh Sales Tax on remuneration of the Trustee	1

MCB Bank Limited

Profit on bank deposits	98
Bank charges	6

June 30, 2025					
MCB DCF FRF II - Plan 1	MCB DCF FRF II - Plan 2	MCB DCF FRF II - Plan 3	MCB DCF FRF II - Plan 4	MCB DCF FRF II - Plan 5	Total

----- (Rupees in '000) -----

MCB Investment Management Limited - Management Company

Remuneration of the Management Company	583	5,654	8,878	13,162	1,418	29,695
Sindh Sales Tax on remuneration of the Management Company	87	848	1,332	1,974	213	4,454
	670	6,502	10,210	15,136	1,631	34,149

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	42	1,540	2,078	3,659	274	7,593
Sindh Sales Tax on remuneration of the Trustee	6	231	312	549	41	1,139
	48	1,771	2,390	4,208	315	8,732

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2025					
	MCB DCF FRF II - Plan 1	MCB DCF FRF II - Plan 2	MCB DCF FRF II - Plan 3	MCB DCF FRF II - Plan 4	MCB DCF FRF II - Plan 5	Total
	----- (Rupees in '000) -----					
MCB Bank Limited						
Profit on bank deposits	301	7,217	3,004	12,216	941	23,679
Bank charges	9	9	12	8	6	44
	310	7,226	3,016	12,224	947	23,723

June 30, 2026

**MCB DCF
FRF II - Plan 3**

(Rupees in '000)

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

MCB Investment Management Limited - Management Company

Management fee payable	-
Sindh Sales Tax payable on remuneration of the Management Company	-

MCB Bank Limited

Bank deposits	-
Profit receivable on bank deposits	-

June 30, 2025

**MCB DCF
FRF II - Plan 3**

(Rupees in '000)

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

MCB Investment Management Limited - Management Company

Management fee payable	4,172
Sindh Sales Tax payable on remuneration of the Management Company	626

MCB Bank Limited

Bank deposits	121,431
Profit receivable on bank deposits	518

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

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

	For the year ended June 30, 2026					
	As at July 01, 2025	Issued for cash	Redeemed	As at June 30, 2026	As at July 01, 2025	Issued for cash
	----- Units ----- (Rupees in '000) -----					
Group / associated company						
MCB DCF Fixed Return Fund II Plan 3						
Unit holders holding 10% or more*	213,994	-	213,994	-	21,809	-
Group / associated companies						
MCB Investment Management Limited - Management company	-	-	-	-	-	-
Total associated Companies	213,994	-	213,994	-	21,809	-

* This reflects the position of related party / connected persons status as at June 30, 2026.

	For the period from September 10, 2024 to June 30, 2025					
	As at September 10, 2024	Issued for cash	Redeemed	As at June 30, 2025	As at September 10, 2024	Issued for cash
	----- Units ----- (Rupees in '000) -----					
Group / associated company						
MCB DCF Fixed Return Fund II Plan I						
Group / associated companies						
MCB Investment Management Limited - Management company	-	1,078,693	1,078,693	-	-	107,869
MCB DCF Fixed Return Fund II Plan II						
Unit holders holding 10% or more	-	79,000,000	79,000,000	-	-	7,900,000
MCB DCF Fixed Return Fund II Plan III						
Unit holders holding 10% or more	-	55,013,994	54,800,000	213,994	-	5,501,399
MCB DCF Fixed Return Fund II Plan IV						
Unit holders holding 10% or more	-	150,000,000	150,000,000	-	-	15,000,000
MCB DCF Fixed Return Fund II Plan V						
Unit holders holding 10% or more	-	10,270,611	10,270,611	-	-	1,027,061
Group / associated companies						
MCB Investment Management Limited - Management company	-	100,000	100,000	-	-	10,000
Total associated Companies	-	295,471,720	295,257,726	213,994	-	29,547,172
						21,809

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

14. 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:

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.
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).
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 show the carrying amount and 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	
----- (Rupees in '000) -----							
Financial assets measured at fair value							
Market Treasury Bills	27,611	-	27,611	-	27,611	-	27,611
Financial assets not measured at fair value							
Bank balances	-	121,431	121,431				
Profit on bank deposit	-	518	518				
	-	121,949	121,949				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	4,172	4,172				

During the period 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.

15. FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

15.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the 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 and the regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

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

15.1.1 Currency risk

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

15.1.2 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, 2026 details of Fund's profit bearing financial instruments were as follows:

	Note	June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
Variable rate instruments (financial asset)			
Bank balances	4	-	121,431
Fixed rate instruments (financial assets)			
Market Treasury Bills	5	-	27,611

a) Sensitivity analysis for variable rate instruments

As at June 30, 2026, the Fund had nil net assets and did not hold any interest-bearing bank balances or other profit-sensitive financial instruments. Accordingly, the Fund was not exposed to cash flow interest rate risk at the reporting date (2025: In case of a 100 basis points increase / decrease in the applicable profit rates, with all other variables held constant, the net income and net assets of the Fund would have been higher / lower by Rs. 0.838 million.)

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2026, the Fund had nil net assets and did not hold any GOP Ijarah Sukuk or other fixed-rate financial instruments. Accordingly, the Fund was not exposed to fair value profit rate risk as at the reporting date, and no sensitivity analysis has been presented (2025: In case of a 100 basis points increase / decrease in the rates announced by the Financial Market Association of Pakistan (FMAP), with all other variables held constant, the net income and net assets of the Fund would have been lower / higher by Rs. 0.191 million.)

As at June 30, 2026, the Fund had no on-balance sheet financial instruments that were exposed to interest rate risk, as the Fund's net assets were nil and it had no investment portfolio. Accordingly, no yield / profit rate sensitivity analysis has been presented for the reporting date.

Particulars	As at June 30, 2025					Total
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	
	(%)	Upto three months	More than three months and up to one year	More than one year		
On-balance sheet financial instruments						
Financial assets						
Bank balances	9.5	121,431	-	-	-	121,431
Investments	13.5	-	27,611	-	-	27,611
Profit on bank deposit		-	-	-	518	518
		121,431	27,611	-	518	149,560
Financial liabilities						
Payable to Management Company		-	-	-	4,172	4,172
		-	-	-	4,172	4,172

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

15.1.3 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. Since the Fund is not allowed to invest in equity securities, hence it is not exposed to equity price risk.

15.2 Credit risk

Credit risk represents the risk of financial loss to the fund if a counterparty fails to discharge its contractual obligations. As at June 30, 2026, the Fund's net assets were Nil and it did not hold any financial assets, including bank balances, profit receivables or investments, that were exposed to credit risk. Accordingly, the fund was not exposed to credit risk. Accordingly, the fund was not exposed to any material credit risk as at reporting date.

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

	June 30, 2026		June 30, 2025	
	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) -----				
Banks balances	-	-	121,431	121,431
Investments	-	-	27,611	-
Profit on bank deposit	-	-	518	518
	-	-	149,560	121,949

The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at June 30, 2026 and June 30, 2025.

Bank Balances by rating category

Rating	June 30, 2026		June 30, 2025	
	(Rupees '000)	(%)	(Rupees '000)	(%)
AAA	-	-	121,431	100

Above ratings are on the basis of available ratings assigned by Pakistan Credit Rating Agency (PACRA) as of June 30, 2026 and 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

15.3 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. 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 Fund is exposed to liquidity risk as the unit holders of the plans are paid on their maturity dates.

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 '00 0) -----					
Financial assets					
Bank balances	121,431	-	-	-	121,431
Investments	-	-	-	-	-
Profit receivable	518	-	-	-	518
	121,949	-	-	-	121,949
Financial liabilities					
Payable to Management Company	-	-	-	-	-
	-	-	-	-	-
On-balance sheet gap	121,949	-	-	-	121,949
Total liquidity risk sensitivity gap	121,949	-	-	-	121,949
Cumulative liquidity risk sensitivity gap	121,949	121,949	121,949	121,949	121,949

16. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

Name	Designation	Qualification	Experience in years
Mr. Khawaja Khalil Shah	Chief Executive Officer	MBA	34
Mr. Muhammad Asim	Chief Investment Officer	MBA, CFA	23
Mr. Awais Abdul Sattar	Portfolio Manager Equities	MBA, CFA	15
Mr. Saad Ahmed	Head of Fixed Income	MBA	20
Mr. Syed Muhammad Usama Iqbal	Manager - Fixed Income	Graduate	22
Mr. Raza Inam	Head of Research	BSc, CFA	12

16.1 Mr. Syed Usama Iqbal is the fund manager. Details of the other funds being managed by him are as follows:

- Alhamra Islamic Income Fund
- Alhamra Islamic Money Market Fund
- Alhamra Smart Portfolio Fund
- Pakistan Income Fund
- MCB Pakistan Fixed Return Fund
- Alhamra Wada Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

17. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 206th, 207th, 208th, 209th, 210th, 211th, 212th, 213th, 214th and 215th meeting of the Board of Directors were held on July 29, 2025, August 04, 2025, August 20, 2025, September 10, 2025, October 10, 2025, October 15, 2025, January 28, 2026, February 02, 2026 and April 16, 2026 and April 21, 2026 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	Number of meetings			Meetings Not Attended
			Attendance required	Attended	Leave Granted	
Mr. Haroon Rashid	Chairman	10	10	9	1	211th
Mr. Ahmed Jahangir	Director	10	10	10	-	-
Mr. Syed Savail Meekal Hussain*	Director	10	8	8	-	-
Ms. Sadia Muzaffar**	Director	10	2	2	-	-
Ms. Mavra Adil Khan	Director	10	10	10	-	-
Mr. Muhammad Noman Chughtai	Director	10	10	7	3	208th, 210th and 212th
Mr. Fahd Kamal Chinoy	Director	10	10	8	2	210th and 211th
Mr. Manzar Mushtaq	Director	10	10	10	-	-
Mr. Khawaja Khalil Shah	Chief Executive Officer	10	10	10	-	-

* Resigned on Feb 06, 2026

** Appointed on Feb 07, 2026

18. 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.50 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.

19. 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.

20. GENERAL

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

21. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 04 August, 2026 by the Board of Directors of the Management Company.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2026

MCBDCFFRFII P1

Performance Information	2026	2025
Total Net Assets Value – Rs. in million	-	110.4685
Net Assets value per unit – Rupees	-	110.3895
Closing Offer Price	-	-
Closing Repurchase Price	-	110.3895
Highest offer price per unit	-	100.0000
Lowest offer price per unit	-	100.0000
Highest Redemption price per unit	-	110.3895
Lowest Redemption price per unit	-	100.0686
Distribution per unit – Rs. *		
Interim	-	10.4849
Final	-	-
Average Annual Return - %		
One year (Inception Date 11-Sep-24)	-	16.32%
Two year	-	NA
Three year	-	NA
Net (loss) / Income for the period – Rs. in million	-	11.6347
Distribution made during the year – Rs. in million	-	11.6347
Accumulated Capital Growth – Rs. in million	-	0.0000

* Date of Distribution

2025	
Date	Rate
13-Sept-24	0.0954
05-May-25	10.3895

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.

MCBDCFFRFII P2

Performance Information	2026	2025
Total Net Assets Value – Rs. in million	-	21.0051
Net Assets value per unit – Rupees	-	105.0255
Closing Offer Price	-	-
Closing Repurchase Price	-	105.0255
Highest offer price per unit	-	100.0000
Lowest offer price per unit	-	100.0000
Highest Redemption price per unit	-	105.0255
Lowest Redemption price per unit	-	100.0639
Distribution per unit – Rs. *		
Interim	-	5.0255
Final	-	-
Average Annual Return - %		
One year (Inception Date 17-Oct-24)	-	14.36%
Two year	-	NA
Three year	-	NA
Net (loss) / Income for the period – Rs. in million	-	383.4924
Distribution made during the year – Rs. in million	-	383.4924
Accumulated Capital Growth – Rs. in million	-	0.0000

* Date of Distribution

2025	
Date	Rate
21-Feb-25	5.0255

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.

PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2026

MCBDCFFRFII P3

Performance Information	2026	2025
Total Net Assets Value – Rs. in million	22.6622	21.8090
Net Assets value per unit – Rupees	105.9014	101.9143
Closing Offer Price	-	101.9143
Closing Repurchase Price	105.9014	101.9143
Highest offer price per unit	102.0985	100.0000
Lowest offer price per unit	102.0985	100.0000
Highest Redemption price per unit	106.0793	109.3290
Lowest Redemption price per unit	102.0985	100.1987
Distribution per unit – Rs. *		
Interim	3.9871	9.3290
Final	-	-
Average Annual Return - %		
One year (Inception Date 22-Oct-24)	14.60%	16.61%
Two year	15.61%	NA
Three year		NA
Net (loss) / Income for the period – Rs. in million	0.8530	493.2013
Distribution made during the year – Rs. in million	0.8530	492.7916
Accumulated Capital Growth – Rs. in million	0.0000	0.4097

* Date of Distribution

2026	
Date	Rate
October 17, 2026	3.9871

2025	
Date	Rate
June 23, 2025	9.3290

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.

MCBDCFFRFII P4

Performance Information	2026	2025
Total Net Assets Value – Rs. in million	-	21.6709
Net Assets value per unit – Rupees	-	112.0597
Closing Offer Price	-	-
Closing Repurchase Price	-	112.0597
Highest offer price per unit	-	100.0000
Lowest offer price per unit	-	100.0000
Highest Redemption price per unit	-	112.0597
Lowest Redemption price per unit	-	100.1126
Distribution per unit – Rs. *		
Interim	-	12.0597
Final	-	-
Average Annual Return - %		
One year (Inception Date 28-Oct-24)	-	13.31%
Two year	-	NA
Three year	-	NA
Net (loss) / Income for the period – Rs. in million	-	858.3422
Distribution made during the year – Rs. in million	-	858.3422
Accumulated Capital Growth – Rs. in million	-	0.0000

* Date of Distribution

2025	
Date	Rate
18-Apr-25	12.0597

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.

PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2026

MCBDCFFRFII P5

Performance Information	2026	2025
Total Net Assets Value – Rs. in million	-	11.1231
Net Assets value per unit – Rupees	-	111.2306
Closing Offer Price	-	-
Closing Repurchase Price	-	111.2306
Highest offer price per unit	-	100.0000
Lowest offer price per unit	-	100.0000
Highest Redemption price per unit	-	111.2306
Lowest Redemption price per unit	-	99.8050
Distribution per unit – Rs. *		
Interim	-	11.2306
Final	-	
Average Annual Return - %		
One year (Inception Date 12-Nov-24)	-	12.32%
Two year	-	NA
Three year	-	NA
Net (loss) / Income for the period – Rs. in million	-	59.4957
Distribution made during the year – Rs. in million	-	59.4957
Accumulated Capital Growth – Rs. in million	-	0.0000

* Date of Distribution

2025	
Date	Rate
05-May-25	11.2306

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.

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