



MCB FUNDS
Investments for Life

ANNUAL REPORT 2026

Funds Under Management of
MCB Investment Management Limited



PAKISTAN INCOME ENHANCEMENT FUND

TABLE OF CONTENTS

1	Fund's Information	180
2	Report of the Director of the Management Company	181
3	Report of the Fund Manager	197
4	Trustee Report to the Unit Holders	199
5	Independent Auditor's Report to the Unit Holders	200
6	Statement of Assets and Liabilities	201
7	Income Statement	202
8	Statement of Other Comprehensive Income	203
9	Statement of Movement in Unit Holder's Fund	204
10	Cash Flow Statement	205
11	Notes to and Forming Part of the Financial Statements	206
12	Pattern of Units Holding by Size	230
13	Performance Table	231

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 Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited	U Micro Finance Bank Limited NRSP Micro Finance Bank Limited JS Bank Limited Zarai Taraqiat Bank Limited Habib Bank Limited National Bank of Pakistan
Auditors	Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahr-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 **Pakistan Income Enhancement Fund** 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

During the period under review, the fund generated a return of 17.66% against its benchmark return of 11.31%.

WAM of fund stood at 0.5 years at June end. The fund was mainly invested in PIBs & GoP Ijara Sukuk. At period-end, the fund was 44% invested in PIBs, 15.7% in GoP Ijara Sukuk.

The Net Assets of the fund as at June 30, 2026 stood at Rs. 2,062 million as compared to Rs.1,072 million as at June 30, 2025 registering an increase of 92.35%.

The Net Asset Value (NAV) per unit as at June 30, 2026 was Rs. 55.4375 as compared to opening NAV of Rs. 55.0133 per unit as at June 30, 2025 registering an increase of Rs. 0.4242 per unit.

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

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

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 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

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

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.

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

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

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. The Fund remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange, which clearly defined the role and responsibilities of Board of Directors and Management.

The Board of Directors is pleased to report that:

- a. The financial statements, present fairly the state of affairs, the results of operations, cash flows and changes in equity;
- b. Proper books of accounts of the fund have been maintained;
- c. Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.;
- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further;

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

- 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:

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

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

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	-

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

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

S.No.	Name	Designation	Investment	Redemption	Dividend Distribution
			No. of Units		
1	Sara Mushtaq	w/o Manzar Mushtaq	0.02	-	-
2	Haroun Rashid	Director/Chairman	793,728.54	793,728.54	-
3	Khawaja Khalil Shah	Director/ Chief Executive Officer	-	-	0.77

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** has also expressed their willingness to act as the Fund's external auditors.

ACKNOWLEDGMENT

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

On behalf of Directors,



Khawaja Khalil Shah
Chief Executive Officer
August 04, 2026



Manzar Mushtaq
Director
August 04, 2026

ڈائریکٹرز رپورٹ

n. دورانِ سال منجمنٹ 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 خرید و فروخت کی۔

نمبر شمار	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
یونٹس کی تعداد					
1.	سارہ مشتاق	اہلیہ منظر مشتاق	0.02	-	-
2.	ہارون رشید	ڈائریکٹر / چیئر مین	793,728.54	793,728.54	-
3.	خولجہ خلیل شاہ	ڈائریکٹر / چیف ایگزیکٹو آفیسر	-	-	0.77

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 برآں، ڈائریکٹرز منجمنٹ ٹیم کی کاوشوں کو خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز،

Manzar Mushtaq

منظر مشتاق

ڈائریکٹر

04 اگست 2026ء

خولجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

04 اگست 2026ء

ڈائریکٹر رپورٹ

2. ہیومن ریسورس اور ریمپوزیشن کمیٹی کی میٹنگز

دوران سال، ہیومن ریسورس اور ریمپوزیشن 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 سوئپ 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				
منظور شدہ چھٹی	حاضری	مطلوبہ حاضری	منعقدہ میٹنگز کی تعداد	نام
-	2	2	8	1. محترمہ سعدیہ مظفر *
-	6	6	8	2. جناب سید ساویل میکال 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 اکاؤٹنگ پالیسیوں کا اطلاق کیا گیا ہے، جو مالیاتی گوشواروں سے منسلک اہم نکات میں مذکور ہیں، اور اکاؤٹنگ 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 فائننس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) رولز 2003، نان-بینکنگ فائننس کمپنیز اینڈ نوٹیفائیڈ اینسٹیز ریگولیشنز 2008، متعلقہ ٹرسٹ ڈیڈز کے تقاضوں اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کی تعمیل کی گئی ہے؛

e. انٹرئل 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 چارجز اور ڈیوٹیز، اگر کوئی ہیں تو، کو آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کر دیا گیا ہے؛

i. پراویڈنٹ / گریپوٹی اور پنشن 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 رسک 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 رسک کے ساتھ سرمایہ کاری کرنے والوں کے لیے موزوں ترین ہوتے ہیں۔ معاشی بحالی کے تیز تر اور وسیع تر ہونے کے ساتھ ساتھ 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 سیونگزن اینڈ انویسٹمنٹس لمیٹڈ (ایم سی بی-اے ایچ) کی پیرنٹ (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۔

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 کے ڈپازٹس فراہم کیے ہیں اور اپنی موجودہ 5.0 بلین ڈالر کی سہولت کی مدت میں مزید تین سال کی توسیع کی ہے۔ کرنسی 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، اور 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

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 17.66 فیصد تھا، جبکہ اس کے بالمقابل بنچ مارک منافع 11.31 فیصد تھا۔ فنڈ کی بالوزن اوسط میچورٹی (WAM) جون کے اختتام پر 0.5 سال تھی۔ فنڈ کی زیادہ تر سرمایہ کاری پاکستان انویسٹمنٹ بانڈز (پی آئی بی) اور حکومت پاکستان کے اجارہ سٹک میں تھی، جو اختتام مدت پر بالترتیب 44 فیصد اور 15.7 فیصد تھی۔ 30 جون 2026 کو فنڈ کے net اثاثہ جات 2,062 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2025 کو 1,072 ملین روپے تھے، چنانچہ 92.35 فیصد اضافہ ہوا۔ 30 جون 2026 کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 55.4375 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2025 کو ابتدائی این اے وی فی یونٹ 55.0133 روپے تھی، چنانچہ 0.4242 روپے فی یونٹ اضافہ ہوا۔

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۔ بریٹ 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 ریفرنری 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

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم اینہینسمنٹ فنڈ کے اکاؤنٹس برائے سال مختتمہ 30 جون 2026ء کا جائزہ پیش خدمت ہے۔

معیشت کا جائزہ

ملک 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۔ ملک کی بیرونی مالیاتی صورتحال مضبوط رہی کیونکہ اسٹیٹ بینک آف پاکستان (ایس بی پی) کے زرمبادلہ 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 افراط 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 ملک میں ایندھن کی قیمتوں میں اضافہ ہوا اور ٹرانسپورٹ، زیادہ توانائی استعمال کرنے والی اشیاء اور دیگر اشیائے 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 نظر 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

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

Fund Benchmark

90% Six (6) months PKRV Rates + 10% Six (6) months average of the highest rates on savings account of three (3) AA rated scheduled bank as selected by MUFAP.

Investment Objective

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

Manager's Review

During the period under review, the fund generated a return of 17.66% against its benchmark return of 11.31%. WAM of fund stood at 0.5 years. At period-end, the fund was 44% invested in PIBs, 15.7% in GOP Ijara Sukuk, and 7% in T-Bills.

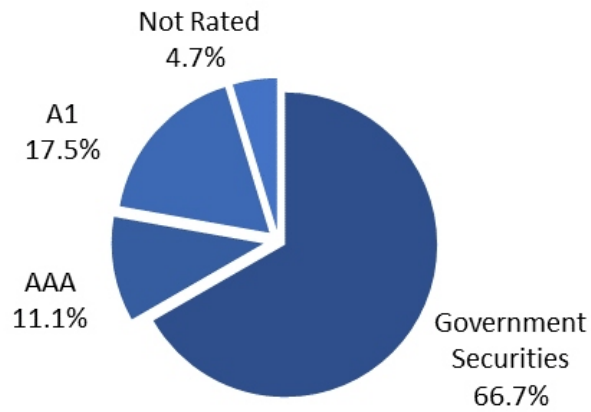
The Net Assets of the fund as at June 30, 2026 stood at Rs. 2,062 million as compared to Rs. 1,072 million as at June 30, 2025 registering a decrease of 92.35%. The Net Asset Value (NAV) per unit as at June 30, 2026 was Rs. 55.4375 as compared to opening NAV of Rs. 55.0133 per unit as at June 30, 2025 registering an increase of Rs. 0.4245 per unit.

Asset Allocation as on June 30, 2026 (% of total assets)

Asset Allocation (%age of Total Assets)	Jun-26
Others including receivables	4.7%
PIBs	44%
GOP Ijara Sukuk	15.7%
T-Bills	7.0%
TFCs / Sukuks	18.7%
Cash	9.9%

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

Asset Quality as of June 30, 2026 (% of total assets)



Mr. Saad Ahmed
Fund Manager

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

PAKISTAN INCOME ENHANCEMENT FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Pakistan Income Enhancement Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 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: September 01, 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 Pakistan Income Enhancement Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Pakistan Income Enhancement Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes 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 year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

S. No.	Key audit matter	How the matter was addressed in our audit
1	Valuation and existence of investments As disclosed in note 5 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 1,826 million as at June 30, 2026, consisting of government securities and term finance certificates which represent a significant item on the statement of assets and liabilities of the Fund. We have identified the existence and valuation as the significant areas during our audit of investment.	We performed the following procedures during our audit of investments: • tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies; • matched the number of Term Finance Certificates, listed GOP Ijarah Sukuks, Pakistan Investment Bonds and Market Treasury Bills held by the Fund with the Central Depository Company's Account Statement and check for reconciliation of the differences if any;

ISO 27001 Certified Since 2017
Karachi | Islamabad | Lahore

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

S. No.	Key audit matter	How the matter was addressed in our audit
		matched government securities held by the Fund with the securities appearing in the Investors' Portfolio Securities Account Statement and check for reconciliation of the differences if any;

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

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

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

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

Responsibilities of Management 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.

ISO 27001 Certified Since 2017
Karachi | Islamabad | Lahore

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (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: AR2026100572B7f5xcnU

ISO 27001 Certified Since 2017
Karachi | Islamabad | Lahore

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2026

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	212,357	839,015
Investments	5	1,826,081	272,950
Profit receivable	6	46,682	45,323
Advances, deposits, prepayments and other receivable	7	52,844	28,535
Total assets		2,137,964	1,185,823
LIABILITIES			
Payable to MCB Investment Management Limited - Management Company	8	8,818	18,196
Payable to Central Depository Company of Pakistan Limited - Trustee	9	440	17
Payable to the Securities and Exchange Commission of Pakistan	10	383	844
Payable against redemption of units		11,481	1,514
Accrued expenses and other liabilities	11	54,734	93,401
Total liabilities		75,856	113,972
NET ASSETS		2,062,108	1,071,851
UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,062,108	1,071,851
CONTINGENCIES AND COMMITMENTS	12		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		37,196,944	19,483,501
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT	3.7	55.4375	55.0133

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026 ----- (Rupees in '000) -----	June 30, 2025
INCOME			
Income from government securities		194,414	2,139,210
Income from term finance certificates		16,682	14,592
Profit on bank deposits		87,305	160,858
Capital (loss) / gain on sale of investments - net		(38,155)	451,695
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss - net	5.5	(7,368)	1,490
Other income		1,306	1,633
Reversal of provision against defaulted Term Finance Certificate	5.2.1	234,462	-
(Loss) / Income on spread transactions	5.4.1	(6,697)	-
Dividend Income		34,108	-
Total income		516,057	2,769,478
EXPENSES			
Remuneration of MCB Investment Management Limited - Management Company	8.1	43,792	259,673
Sindh Sales Tax on remuneration of Management Company	8.2	6,569	38,951
Allocated expenses		-	4,432
Sindh Sales Tax on allocated expenses		-	665
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	2,217	11,946
Sindh Sales Tax on remuneration of Trustee	9.2	333	1,792
Securities and Exchange Commission of Pakistan fee	10	2,217	11,946
Brokerage and settlement charges		5,493	5,428
Fees and subscription		691	622
Legal and professional charges		206	204
Auditors' remuneration	13	948	886
Bank charges		181	1,521
Total expenses		62,648	338,066
Net income before taxation		453,409	2,431,412
Taxation	14	-	-
Net income after taxation		453,409	2,431,412
Allocation of net income for the year:			
Net income for the year after taxation		453,409	2,431,412
Income already paid on units redeemed		(312,081)	(2,335,851)
		141,328	95,561
Accounting income available for distribution			
Relating to capital gains		-	16,118
Excluding capital gains		141,328	79,443
		141,328	95,561
Earnings per unit	3.10		

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026 ----- (Rupees in '000) -----	June 30, 2025 ----- (Rupees in '000) -----
Net income for the year after taxation	453,409	2,431,412
Other comprehensive income	-	-
Total comprehensive income for the year	453,409	2,431,412

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026			June 30, 2026		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Note ----- (Rupees in '000) -----						
Net assets at beginning of the year	912,145	159,707	1,071,852	5,740,756	158,412	5,899,167
Issue of units 456,811,411 (2025: 1,504,641,904 units)						
- Capital value (at net asset value per unit at the beginning of the year)	25,130,703	-	25,130,703	82,656,600	-	82,656,600
- Element of income	272,266	-	272,266	10,921,967	-	10,921,967
	25,402,969	-	25,402,969	93,578,567	-	93,578,567
Redemption of 439,097,968 units (2025: 1,592,544,031 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(24,156,228)	-	(24,156,228)	(87,485,451)	-	(87,485,451)
- Amount paid out of element of income relating to 'Net income for the year after taxation'	(154,858)	(312,081)	(466,939)	(10,878,670)	(2,335,851)	(13,214,520)
	(24,311,086)	(312,081)	(24,623,167)	(98,364,121)	(2,335,851)	(100,699,971)
Total comprehensive income for the year	-	453,409	453,409	-	2,431,412	2,431,412
Interim dividend distribution on June 12, 2026 at the rate of 9.220 per unit (2025: 9.5802 per unit on June 27, 2025)	(113,133)	(129,822)	(242,955)	(43,057)	(94,266)	(137,323)
Net income for the year after distribution	(113,133)	323,587	210,454	(43,057)	2,337,146	2,294,089
Net assets at end of the year	1,890,895	171,213	2,062,108	912,145	159,707	1,071,852
Undistributed income brought forward						
- Realised		158,217			151,698	
- Unrealised		1,490			6,714	
		159,707			158,412	
Accounting income available for distribution						
- Relating to capital gains		-			16,118	
- Excluding capital gains		141,328			79,443	
		141,328			95,561	
Distributions during the year		(129,822)			(94,266)	
Undistributed income carried forward		171,213			159,707	
Undistributed income carried forward:						
- Realised		178,581			158,217	
- Unrealised		(7,368)			1,490	
		171,213			159,707	
		(Rupees)			(Rupees)	
Net asset value per unit at beginning of the year		55.0133			54.9344	
Net asset value per unit at end of the year		55.4375			55.0133	

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026	June 30, 2025
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	453,409	2,431,412
Adjustments for non cash items:		
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss - net	7,368	(1,490)
	460,777	2,429,922
(Increase) / decrease in assets		
Investments - net	(1,560,499)	4,965,933
Profit receivable	(1,359)	212,366.00
Advances, deposits, prepayments and other receivable	(24,309)	(18,276)
	(1,586,167)	5,160,023
(Decrease) in liabilities		
Payable to MCB Investment Management Limited - Management Company	(9,378)	6,311
Payable to Central Depository Company of Pakistan Limited - Trustee	423	(411)
Payable to the Securities and Exchange Commission of Pakistan	(461)	465
Payable against purchase of investments	-	(1,056,777)
Dividend payable	-	(2)
Accrued expenses and other liabilities	(38,667)	56,372
	(48,083)	(994,042)
Net cash (used in) / generated from operating activities	(1,173,473)	6,595,903
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution made during the year	(129,822)	(94,266)
Amount received against issuance of units	25,289,837	94,948,176
Amount paid against redemption of units	(24,613,200)	(100,712,138)
Net cash generated from / (used in) financing activities	546,815	(5,858,228)
Net (decrease) / increase in cash and cash equivalents during the year	(626,658)	737,675
Cash and cash equivalents at beginning of the year	839,015	101,340
Cash and cash equivalents at end of the year	212,357	839,015

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Income Enhancement Fund (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB Investment Management Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated June 26, 2008 and July 07, 2008 consequent to which Trust Deed was executed on July 14, 2008 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). After the promulgation of Sindh Trust Act, 2020 (the Sindh Trust Act), on August 13, 2021 the Trust Deed of the Fund was registered under the Sindh Trust Act.
- 1.2 Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and has been categorised as 'Aggressive Fixed Income Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by the SECP, and offers units for public subscription on a continuous basis. The units are listed on the Pakistan Stock Exchange Limited (PSX).
- 1.4 The Fund primarily invests in debt securities, government securities, secured debt securities, money market transactions, reverse repurchase transactions, spread transactions and transactions under Margin Trading System.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of "AM1" dated 3 October, 2025 to the Management Company and "A+(f)" as stability rating dated April 24, 2026 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

2.2 New amendments that are effective for the year ended June 30, 2026

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Lack of Exchangeability (Amendments to IAS 21)

2.3 Standard 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 amendment and standard 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 amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 Regulatory Assets and Regulatory Liabilities

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)
- Provision (note 3.3)
- Taxation (notes 3.4 and 14)
- Classification and measurements of financial liabilities (note 3.1.2.1)
- Contingencies and Commitments (note 12)

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

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

2.5 Functional and presentation currency

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

2.6 Basis of measurement

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Financial instruments

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

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

3.1.1 Financial assets

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

3.1.1.1 Classification and measurement of financial assets

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

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

Basis of valuation of debt securities:

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

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

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

3.1.1.3 Impairment of financial assets

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

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

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

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

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

3.1.1.4 Derecognition

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

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

3.1.2 Financial liabilities

3.1.2.1 Classification and measurement of financial liabilities

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

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

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

3.1.2.2 Derecognition

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

3.1.3 Offsetting of financial instruments

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

3.2 Cash and cash equivalents

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

3.3 Provisions

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

3.4 Taxation

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

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

3.5 Dividend distribution and appropriations

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

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

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

3.6 Issue and redemption of units

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

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

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

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

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 classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income / profit from investments in term finance certificates / sukuks, and government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

3.9 Expenses

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

3.10 Earnings per unit

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

	Note	June 30, 2026	June 30, 2025
4. BANK BALANCES		----- (Rupees in '000) -----	
In current accounts	4.1	308	792
In savings accounts	4.2	212,049	838,223
		<u>212,357</u>	<u>839,015</u>

4.1 These include a balance of Rs. 0.103 million (2025: Rs. 0.775 million) held with MCB Bank Limited, a related party.

4.2 These carry profit at rates ranging between 8.5% to 13% (2025: 8.5% to 9.5%) per annum. These include balances of Rs. 81.728 million (2025: Rs. 21.906 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate ranging between 8.5% to 13% (2025: 9.5%) per annum.

	Note	June 30, 2026	June 30, 2025
5. INVESTMENTS		----- (Rupees in '000) -----	
Investments at fair value through profit or loss			
Government Securities	5.1	1,426,389	189,183
Term Finance Certificates - Listed Securities	5.2	-	-
Term Finance Certificates - Unlisted Securities	5.3	399,692	83,767
Listed equity securities	5.4	-	-
		<u>1,826,081</u>	<u>272,950</u>

5.1 Government Securities:

Market Treasury Bills	5.1.1	149,622	9,104
Pakistan Investment Bonds	5.1.2	940,092	3,234
Pakistan Investment Bonds - Floating Rate Bond	5.1.3	-	-
Listed GOP - Ijarah Sukuk	5.1.4	336,675	-
Unlisted GOP - Ijarah Sukuk	5.1.4	-	176,845
		<u>1,426,389</u>	<u>189,183</u>

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

5.1.1 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		Sold / matured during the year	As at June 30, 2026	Carrying value	Market value			Unrealised gain / (loss)
		Purchased during the year								
(Rupees in '000)										
Treasury Bills - 1 month	September 04, 2025	-	125,000	125,000	-	-	-	-	-	
Treasury Bills - 3 months	May 15, 2025	-	125,000	125,000	-	-	-	-	-	
Treasury Bills - 3 months	October 30, 2025	-	150,000	150,000	-	-	-	-	-	
Treasury Bills - 3 months	December 11, 2025	-	100,000	100,000	-	-	-	-	-	
Treasury Bills - 3 months	December 26, 2025	-	50,000	50,000	-	-	-	-	-	
Treasury Bills - 6 months	May 29, 2025	-	150,000	150,000	-	-	-	-	-	
Treasury Bills - 6 months	August 21, 2025	-	250,000	250,000	-	-	-	-	-	
Treasury Bills - 12 months	October 17, 2024	9,000	-	9,000	-	-	-	-	-	
Treasury Bills - 12 months	November 14, 2024	400	-	400	-	-	-	-	-	
Treasury Bills - 12 months	May 15, 2025	-	250,000	250,000	-	-	-	-	-	
Treasury Bills - 12 months*	July 10, 2025	-	150,000	-	150,000	149,680	149,622	(58)	0.07	
As at June 30, 2026						149,680	149,622	(58)		
As at June 30, 2025						9,085	9,104	19		

* This carrying effective yield of 10.79% (2025: 12.03% to 12.75%) per annum.

5.1.2 Pakistan Investments Bonds

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 during the year	As at June 30, 2026	Carrying value	Market value (loss) / gain		
(Rupees in '000)									
Pakistan Investment Bonds - 2 Years*	January 16, 2025	-	1,000,000	-	1,000,000	947,582	940,092	(7,490)	51.48
Pakistan Investment Bonds - 5 Years	January 17, 2024	3,000	-	3,000	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	January 16, 2025	-	250,000	250,000	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	July 17, 2025	-	600,000	600,000	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	January 15, 2026	-	350,000	350,000	-	-	-	-	-
As at June 30, 2026						947,582	940,092	(7,490)	
As at June 30, 2025						2,921	3,234	313	

* This carrying effective yield of 11.04% (2025: 15.23%) per annum.

5.1.3.3 Pakistan Investments Bonds - Floating Rate Bond (FRB)

5.1.4 Government of Pakistan (GOP) - Ijarah Sukuk

* This carrying effective yield of 11.69% (2025: 10.95% to 11.04%) per annum.

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

5.2 Listed debt securities - Term finance certificates

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

Name of investee company	Note	Number of certificates			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	Provision			Net amount				
(Certificates)										(Rupees in '000)			(%)	
Miscellaneous														
Pace Pakistan Limited	5.2.1	15,000	-	15,000	-	-	-	-	-	-	-	-	-	
- Due but not received														
Construction and Material														
Eden Housing Limited	5.2.2	10,415	-	-	10,415	10,251	(10,251)	-	-	-	-	-	-	
- Due but not received														
As at June 30, 2026														

5.2.1 Settlement Agreement with Pace (Pakistan) Limited

Due to the continuous default by PACE (Pakistan) Limited in meeting its principal and mark-up obligations on its Term Finance Certificates ("TFCs"), the Fund had previously recognized a full provision amounting to Rs. 74,910,000 against the outstanding principal and suspended the accrual of mark-up on this exposure. Accordingly, the investment was fully provided for, with 100% impairment recognized in the books of accounts.

During the current year, PACE (Pakistan) Limited through an extraordinary general meeting (EOGM) of its members held on September 24, 2025 obtained approval for settlement of outstanding principal amount of TFCs through issuance of ordinary shares of Pace (Pakistan) Limited (hereinafter referred as Pace). The Fund was offered 13.80 million ordinary shares in respect of its proportionate holding in TFCs of Pace. Considering this as a material event, the Fund discontinued issuance of units of the Fund with effect from September 25, 2025 till the issuance of shares.

The Fund by virtue of being an Income fund is not allowed to make investments in equity securities. The Fund approached SECP for its approval for holding equity securities in the Fund at the time the proposal for settlement of TFCs was shared by Pace. The SECP through its letter allowed the Fund to acquire these equity shares with an undertaking to dispose them within 30 days from its receipt and had also mentioned certain additional requirements to be complied with by the Management Company of the Fund.

Sisley Group Company Limited, an associated company of Pace offered an option to the Fund for acquisition of TFCs by the nominee of the associated company of PACE (Pakistan) Limited against transfer of 13.80 million ordinary shares of Pace (Pakistan) Limited. Consequently, on January 19, 2026 the Fund entered into an agreement whereby the Fund agreed to transfer the TFCs in exchange of 13.8 million ordinary shares of Pace. On February 09, 2026, the Fund received 13.80 million ordinary shares of Pace as full and final settlement of the outstanding principal and accrued mark-up on the defaulted TFCs. The market value of shares on the settlement date was Rs. 16.99 per share. In accordance with applicable accounting principles and the terms of settlement, the Fund has recognised income equivalent to the fair value (market value) of the shares amounting to Rs. 234.462 million on the same date. Accordingly, the temporary suspension on issuance of fresh units in the Fund was lifted with effect from February 11, 2026.

5.2.2 Details of Investments in Below Investment Grade Securities

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

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

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

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

Name of investee company	Type of Instrument	Value of Investment before provision	Provision held if any	Value of Investment after provision
Eden Housing Limited	Term finance certificates	10,251	(10,251)	-
As at June 30, 2026		10,251	(10,251)	-
As at June 30, 2025		85,161	(85,161)	-

5.3 Term Finance Certificates - Unlisted securities

Name of investee company	Number of Certificates			As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 01, 2025	Purchased during the year	Sold during the year	As at June 30,2026	Carrying value	Market value		
(Rupees in '000)								
Commercial Banks								
Askari Bank Limited - TFC**	20	-	20	-	-	-	-	-
Bank AL Habib Limited - TFC***	5,000	-	-	5,000	24,581	24,692	111	1.35
Samba Bank Limited - TFC*	400	-	400	-	-	-	-	-
Textile								
RYK Mills Limited Sukuk*	-	175	-	175	175,000	175,000	-	9.58
Cable and Electrical								
Pakistan Cables Limited Sukuk*	-	200	-	200	200,000	200,000	-	10.95
Total as at June 30, 2026					399,581	399,692	111	
Total as at June 30, 2025					84,410	83,767	(643)	

* Nominal Value of this term finance certificate is Rs.100,000 per

** Nominal Value of this term finance certificate is Rs.1000,000 per

*** Nominal Value of this term finance certificate is Rs.5,000 per

Significant terms and conditions of term finance certificates outstanding as at June 30, 2026 are as follows:

Name of the issuer	Markup rate per annum	Issue Date	Maturity Date	Rating
Commercial Banks				
Askari Bank Limited - TFC	3 months KIBOR + 1.20%	March 17, 2020	March 17, 2030	AA
Samba Bank Limited - TFC	6 months KIBOR + 1.35%	March 01, 2021	March 01, 2031	AA-
Bank AL Habib Limited - TFC	6 months KIBOR + 0.75%	September 30, 2021	September 30, 2031	AAA
Textile				
RYK Mills Limited Sukuk	3 months KIBOR + 1.40%	April 03, 2026	October 05, 2026	A1
Cables and Electrical				
Pakistan Cables Limited Sukuk	3 months KIBOR + 0.9%	May 06, 2026	November 06, 2026	A1

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

5.4 Investment in equity securities

Name of the Investee Company	Number of shares					As at June 30, 2026			Market value as a percentage of net assets	Percentage in relation to paid-up capital of the investee company (%)
	As at July 01, 2025	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2026	Carrying Value	Market value	Unrealised gain		
(Number of shares)										
(Rupees in '000')										
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise.										
Cable & Electrical Goods										
Pak Elektron Limited	-	1,943,000	-	1,943,000	-	-	-	-	-	-
Cement										
Fauji Cement Company Limited	-	1,672,500	-	1,672,500	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	850,000	-	850,000	-	-	-	-	-	-
Pioneer Cement Limited	-	275,000.00	-	275,000	-	-	-	-	-	-
D.G. Khan Cement Company Limited*	-	50,000	-	50,000	-	-	-	-	-	-
Lucky Cement Limited	-	15,000.00	-	15,000	-	-	-	-	-	-
Commercial Banks										
National Bank of Pakistan	-	3,296,500	-	3,296,500	-	-	-	-	-	-
Bank Al Habib Limited	-	2,280,000	-	2,280,000	-	-	-	-	-	-
Habib Bank Limited	-	911,500	-	911,500	-	-	-	-	-	-
Fertilizer										
Fauji Fertilizer Company Limited	-	300,000	-	300,000	-	-	-	-	-	-
Oil & Gas Exploration Companies										
Oil & Gas Development Company Limited	-	1,451,000	-	1,451,000	-	-	-	-	-	-
Pakistan Petroleum Limited	-	194,000	-	194,000	-	-	-	-	-	-
Oil And Gas Marketing Companies										
Pakistan State Oil Company Limited	-	301,000	-	301,000	-	-	-	-	-	-
Power Generation & Distribution										
Hub Power Company Limited	-	347,000	-	347,000	-	-	-	-	-	-
Technology & Communication										
Pakistan Telecommunication Company Limited	-	202,500	-	202,500	-	-	-	-	-	-
Property										
Pace (Pakistan) Limited	-	13,800,000	-	13,800,000	-	-	-	-	-	-
As at June 30, 2026										
As at June 30, 2025										

*This represent transaction in shares with related parties.

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

5.4.1 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchases equity securities in ready settlement market and sells the securities in future settlement market on the same day, resulting in spread income / (loss) due to difference in ready and future stock prices.

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
5.5 Unrealised gain on remeasurement of investments at fair value through profit or loss - net			
Market value of investments	5.1.1, 5.1.2, 5.1.3, 5.1.4 5.2 & 5.3	1,826,081	272,950
Less: Carrying value of investments	5.1.1, 5.1.2, 5.1.3, 5.1.4 5.2 & 5.3	1,833,449	271,460
		<u>(7,368)</u>	<u>1,490</u>

6. PROFIT RECEIVABLE

Term finance certificates		10,169	2,672
Government securities		-	1,611
Bank deposits	6.1	36,513	41,040
		<u>46,682</u>	<u>45,323</u>

6.1 This include a balance of Rs. 13.065 million (2025: Rs. 0.214 million) held with MCB Bank Limited, a related party.

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE			
Exposure Deposit with the National Clearing Company Pakistan Limited against spread transactions		46,749	24,021
Deposits with:			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		200	200
Advance tax	7.1	3,007	1,482
Prepayments		366	332
Receivable against collection account		22	-
		<u>52,844</u>	<u>28,535</u>

7.1 This includes advance tax amounting to Rs: 1.65 million deducted under Section 151A of the Income Tax Ordinance, 2001 introduced through Finance Act, 2025 by withholding agents on capital gains arising from the disposal of debt securities during the year. The Fund had applied for the requisite exemption certificate; however, pending its receipt, the tax was deducted by the withholding agents. Management is of the view that the amount deducted is refundable and, accordingly, has been recognised as advance tax in these financial statements.

8. PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable	8.1	7,667	15,017
Sindh Sales Tax payable on Management remuneration	8.2	1,150	2,253
Sales load payable		1	926
		<u>8,818</u>	<u>18,196</u>

8.1 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 money market scheme is capped at 1.5% 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 upto 2% per annum of the net assets of the scheme. The management fee is payable to the management company on a monthly basis in arrears.

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

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

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration payable	9.1	383	15
Sindh Sales Tax payable on Trustee remuneration	9.2	57	2
		<u>440</u>	<u>17</u>

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

9.2 Sindh Sales Tax at the rate of 15% (2025: 15%) is charged on Trustee fee.

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Payable to the SECP	10.1	383	844

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

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax on capital gain		32,697	71,371
Provision for federal excise duty and related tax	11.1		
-Management fee		16,590	16,590
-Sales load		4,746	4,746
Auditors' remuneration		659	597
Brokerage		-	58
Legal and professional charges		41	39
		<u>54,734</u>	<u>93,401</u>

11.1 Federal Excise Duty payable

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

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

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 01, 2016. However, the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2026 aggregates to Rs. 21.34 million (2025: Rs. 21.34 million). Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2026 would have been higher by Re. 0.57 (2025: Re. 1.10) per unit.

12. CONTINGENCIES AND COMMITMENTS

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

13. AUDITORS' REMUNERATION

	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----	
Annual audit fee	450	425
Half yearly review fee	275	250
Other certifications	105	80
Out of pocket expenses	48	66
	<u>878</u>	<u>821</u>
Sales Tax	70	66
	<u>948</u>	<u>886</u>

14. 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.

15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period from July 01, 2025 to June 30, 2026 based on the current period results is 2.12% (2025: 2.1%) which includes 0.32% (2025: 0.33%) representing Government Levy, SECP fee and other related charges. 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 categorised as an 'aggressive fixed income scheme', effective from July 01, 2025.

16. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS RELATED PARTIES

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

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

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

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:

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

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

	June 30, 2026	June 30, 2025
	------(Rupees in '000)-----	
16.1 Details of transactions other than units of the Fund with related parties / connected persons during the year:		
MCB Investment Management Limited - Management Company		
Remuneration (including indirect taxes)	50,361	298,624
Allocated expenses (including indirect taxes)	-	5,097
Amount Received against issuance to unitholders*	-	687
Central Depository Company of Pakistan Limited - Trustee		
Remuneration (including indirect taxes)	2,550	13,738
CDC Settlement charges	77	142
MCB Bank Limited		
Profit on bank deposits	14,404	782
Bank charges	19	33
Purchase of - Face value 10,300,000,000 (2025: Nil)	9,958,528	-
Sale of - Face value 10,300,000,000 (2025: Rs. 200 million Pakistan Investment Bonds)*	9,962,145	202,784
Pakistan Cables Limited		
Purchase of Short Term Sukuk	200,000	-
* This represents amount reimbursed by the Management Company in the form of dividend to identified unit holders of the fund in relation to reversal of excess amount charged against reimbursement of selling and marketing expenses as per the direction of Securities and Exchange Commission of Pakistan.		
	June 30, 2026	June 30, 2025
	------(Rupees in '000)-----	
16.2 Details of balances with related parties / connected persons as at year end:		
MCB Investment Management Limited - Management Company		
Management remuneration payable	7,667	15,017
Sindh Sales Tax payable on remuneration of the Management Company	1,150	2,253
Sales load payable	1	926
Receivable against collection account	22	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	383	15
Sindh Sales Tax payable on Trustee remuneration	57	2
Security deposits	200	200
MCB Bank Limited		
Bank deposits	81,831	22,681
Profit receivable	13,065	214
Pakistan Cables Limited		
Short Term Sukuk	200,000	-

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

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

	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	Redeemed	As at June 30, 2026
	Units				(Rupees in '000)			
Associated companies:								
MCB Investment Management Limited	-	13,633,067	10,037,491	3,595,576	-	10,037,491	555,000	199,330
Lalpir Staff Provident Fund	68,580	-	68,580	-	3,773	68,580	3,803	-
Security General Insurance Co. Ltd. Employees Provident Fund Trust	2	-	-	2	-	-	-	-
Haroun Rashid	-	793,729	793,729	-	-	793,729	43,873	-
Pakgen Staff Provident Fund	22,282	-	22,282	-	1,226	22,282	1,235	-
Director and Key management personnel *	12	2,688,724	2,652,049	36,687	1	856,277	104,476	2,034
Mandate under discretionary portfolio services	-	-	-	-	-	1,092,065	1,094,323	-
Unit holders holding 10% or more units	3,649,268	611,602	-	4,260,870	200,758	32,815	-	236,212

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

	June 30, 2025							
	As at July 01, 2024	Issued for cash	Redeemed	As at June 30, 2025	As at July 01, 2025	Issued for cash	Redeemed	As at June 30, 2025
	Units				(Rupees in '000)			
Associated companies:								
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	-	2,074,053	2,074,053	-	-	133,335	133,493	-
Lalpir Staff Provident Fund	-	68,580	-	68,580	-	3,767	-	3,802
Nishat Power Limited	-	159,902,935	159,902,935	-	-	9,579,058	10,021,550	-
Pakgen Power Limited	-	178,041,959	178,041,959	-	-	10,643,884	11,124,172	-
Pakgen Staff Provident Fund	-	202,355	180,074	22,281	-	12,048	10,843	1,235
Security General Insurance Company Limited - Employees Provident Fund Trust	-	2	-	2	-	-	-	-
Director and Key management personnel *	16,534	4,843,301	4,859,827	9	908	305,961	307,423	-
Mandate under discretionary portfolio services	-	16,989,694	16,989,694	-	-	1,092,065	1,094,323	-
Unit holders holding 10% or more units	3,105,816	3,504,495	-	6,610,311	170,616	32,815	-	363,655

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

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

June 30, 2026							
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							
Government Securities	1,426,389	-	1,426,389	336,675	1,089,714	-	1,426,389
Term Finance Certificates - Unlisted Securities	399,692	-	399,692	-	-	399,692	399,692
	1,826,081	-	1,826,081	336,675	1,089,714	399,692	1,826,081
Financial assets not measured at fair value							
Bank balances	-	212,357	212,357				
Profit receivable	-	46,682	46,682				
Deposits and other receivables	-	49,471	49,471				
	-	308,510	308,510				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	7,668	7,668				
Payable to the Trustee	-	383	383				
Payable against redemption of units	-	11,481	11,481				
Accrued expenses and other liabilities	-	651	651				
	-	20,183	20,183				

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							
Government Securities	189,183	-	189,183	-	189,183	-	189,183
Term Finance Certificates - Unlisted Securities	83,767	-	83,767	-	24,591	59,176	83,767
	272,950	-	272,950	-	213,774	59,176	272,950
Financial assets not measured at fair value							
Bank balances	-	839,015	839,015				
Profit receivable	-	45,323	45,323				
Deposits and other receivables	-	26,721	26,721				
	-	911,059	911,059				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	15,943	15,943				
Payable to the Trustee	-	15	15				
Payable against redemption of units	-	1,514	1,514				
Accrued expenses and other liabilities	-	650	650				
	-	18,122	18,122				

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

18. FINANCIAL RISK MANAGEMENT

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

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

18.1 Market risk

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

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

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

18.1.1 Currency risk

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

18.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, the Fund is exposed to such risk on bank balances, investments in term finance certificates and government securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2026 details of Fund's interest bearing financial instruments were as follows:

		June 30, 2026	June 30, 2025
	Note	-----Rupees in 000-----	
Variable rate instrument (financial asset)			
Bank balances	4	212,049	838,223
Pakistan Investment Bond - Floating Rate Bond	5.1.3	-	-
Term Finance Certificates - Unlisted Securities	5.3	399,692	83,767
GOP - Ijara Sukuk (Variable)	5.1.4	-	176,845
		611,741	1,098,835
Fixed rate instruments (financial assets)			
Market Treasury Bills	5.1.1	149,622	9,104
GOP - Ijara Sukuk (Fixed)	5.1.4	-	-
Pakistan Investment Bonds	5.1.2	940,092	3,234
		1,089,714	12,338

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based government securities, term finance, and balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 6.117 million (2025: Rs. 10.988 million).

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

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2026, the Fund holds government securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2026, the net income for the year and net assets would be lower / higher by Rs. 10.897 million (2025: Rs. 0.123 million).

- c) Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the Fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

June 30, 2026						
	Yield / effective interest rate	Up to three months	More than three months and up to	More than one year	Not exposed to yield / interest	Total
On-balance sheet financial instruments	(%)	(Rupees in '000)				
Financial Assets						
Bank balances	8.5 to 9.5	212,049	-	-	308	212,357
Investments						
at fair value through profit and loss - net		-				
- Government Securities	10.95 to 11.04	149,622	1,276,767	-	-	1,426,389
- Term Finance Securities - Unlisted Securities	12.64 to 13.40	-	375,000	24,692	-	399,692
		149,622	1,651,767	24,692	-	1,826,082
Profit receivable		-	-	-	46,682	46,682
Deposits and other receivables		-	-	-	49,471	49,471
Sub total		361,671	1,651,767	24,692	96,461	2,134,591
Financial Liabilities						
Payable to Management Company		-	-	-	7,668	7,668
Payable to Trustee		-	-	-	383	383
Payable against redemption of units		-	-	-	11,481	11,481
Accrued and other liabilities		-	-	-	651	651
Sub total		-	-	-	20,183	20,183

June 30, 2025						
Yield / effective interest rate	Up to three months	More than three months and up to one	More than one year	Not exposed to yield / interest risk	Total	
----- % ----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial Assets						
Bank balances	8.5 to 9.5	838,223	-	-	792	839,015
Investments						
at fair value through profit and loss - net						
- Government Securities	10.95 to 11.04	-	185,949	3,234	-	189,183
- Term Finance Securities	12.64 to 13.40	83,767	-	-	-	83,767
		83,767	185,949	3,234	-	272,950
Profit receivable		-	-	-	45,323	45,323
Deposits and other receivables		-	-	-	26,721	26,721
Sub total		921,990	185,949	3,234	72,836	1,184,009
Financial Liabilities						
Payable to Management Company		-	-	-	15,943	15,943
Payable to Trustee		-	-	-	15	15
Payable against redemption of units		-	-	-	1,514	1,514
Accrued and other liabilities		-	-	-	650	650
Sub total		-	-	-	18,122	18,122

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

18.1.3 Price risk

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

18.2 Credit risk

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

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

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

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

	June 30, 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) -----			
Bank balances	212,357	212,357	839,015	839,015
Investments in Government Securities	1,426,389	-	189,183	-
Investments in term finance certificates - Unlisted Securities	399,692	399,692	83,767	83,767
Profit receivable	46,682	46,682	45,323	43,712
Deposits and other receivables	49,471	49,471	26,721	26,721
	2,134,591	708,202	1,184,009	993,215

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

	June 30, 2026		June 30, 2025	
	Rupees in '000	%	Rupees in '000	%
- AAA	211,751	99.71	99,297	11.84
- AA+	548	0.26	739,095	88.09
- AA	33	0.02	565	0.07
- A+	23	0.01	56	0.01
- A-	2	0.00	2	0.00
	212,357	100.00	839,015	100.00

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

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

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

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

Concentration of credit risk

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

Settlement risk

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

18.3 Liquidity risk

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

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

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

June 30, 2026					
Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
----- (Rupees in '000) -----					
Financial assets					
Bank balances	212,357	-	-	-	212,357
Investments					
- Government Securities	-	149,622	1,276,767	-	1,426,389
- Term Finance Securities - Unlisted Securities	-	375,000	-	24,692	399,692
Profit receivable	36,513	10,169	-	-	46,682
Deposits and other receivables	49,471	-	-	-	49,471
	298,341	159,791	1,651,767	-	24,692
					2,134,591
Financial liabilities					
Payable to Management Company	7,668	-	-	-	7,668
Payable to Trustee	383	-	-	-	383
Payable against redemption of units	11,481	-	-	-	11,481
Accrued expenses and other liabilities	651	-	-	-	651
	20,183	-	-	-	20,183
On-balance sheet gap	278,157	159,791	1,651,767	-	24,692
					2,114,408
Total liquidity risk sensitivity gap	278,157	159,791	1,651,767	-	24,692
					2,114,408
Cumulative liquidity risk sensitivity gap	278,157	437,948	2,089,716	2,089,716	2,114,407

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

June 30, 2025

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

19. UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

20. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

S. No.	Name	Designation	Qualification	Experience in years
1	Khawaja Khalil Shah	Chief Executive Officer	MBA	34
2	Muhammad Asim	Chief Investment Officer	MBA, CFA	23
3	Awais Abdul Sattar	Portfolio Manager Equities	MBA, CFA	15
4	Saad Ahmed	Head of Fixed Income	MBA	20
6	Syed Mohammad Usama Iqbal	Fund Manager - Fixed Income Funds	Graduate	22
7	Raza Inam	Head of Research	BSc, CFA	12

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

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

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

21. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

**June 30
2026
-----(%)----**

1	JS Global Capital Limited	48.19
2	Top Line Securities (Private) Limited	23.62
3	Growth Securities (Private) Limited	18.87
4	K Trade Securities limited	3.85
5	Summit Capital (Private) Limited	1.95
6	Currency Market Association	1.23
7	Continental Exchange (Private) Limited	1.03
8	Icon Management Private Limited	0.53
9	Invest One Markets (Private) Limited	0.51
10	Optimus Markets (Private) Limited	0.21

June 30 2025
-----(%)----

1	JS Global Capital Limited	34.48
2	Continental Exchange (Private) Limited	10.68
3	C & M Management (Pvt) Limited	8.08
4	Alfalsh CLSA Securities (Private) Limited	7.67
5	BMA Capital Management Limited	6.96
6	Arif Habib Limited	6.49
7	Invest One Markets (Private) Limited	6.27
8	Vector Capital Private Limited	4.25
9	Icon Management Private Limited	3.30
10	Paramount Capital (Private) Limited	3.01

As at June 30, 2026			
Number of unit holders	Number of units	Investment amount	Percentage investment

(Rupees in
'000')

------(%)-----

PATTERN OF UNITHOLDINGS

22.

Individuals	1,368	23,652,573	1,311,242	63.59
Director	1	7	-	0.00
Associated Companies	1	3,595,578	199,330	9.67
NBFC	1	30	2	0.00
Retirement funds	14	1,754,018	97,238	4.72
Others	23	8,194,738	454,296	22.03
	1,408	37,196,944	2,062,108	100

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

	As at June 30, 2025			
	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage investment -----(%)----
Individuals	1,317	7,836,140	434,417	21.07
Director	-	-	-	-
Insurance companies	-	-	-	-
Retirement funds	18	2,440,204	135,279	6.56
Public limited companies	1	38,244	2,120	0.10
Others	22	9,168,913	508,302	24.65
	1,358	19,483,501	1,080,118	100

23. 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 held	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	-	-
Syed Savail Meekal Hussain*	Director	10	8	8	-	-
Ms. Sadia Muzaffar**	Director	10	2	2	-	-
Ms. Mavra Adil Khan	Director	10	10	10	-	-
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

25. CORRESPONDING FIGURES

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

26. GENERAL

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

27. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 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

**PATTERN OF UNITS HOLDING BY SIZE
FOR THE YEAR ENDED JUNE 30, 2026**

No. of Unit Holders	Unit holdings	Total units held
1,209	A. 001-10,000	895,776
139	B. 10,001 – 100,000	5,112,495
54	C. 100,001 – 1000,000	16,677,247
6	D. 1000,001 & Above	14,511,426
1,408		37,196,944

PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2026

Performance Information	2026	2025	2024	2023	2022
Total Net Assets Value – Rs. in million	2062.1080	1,071.8513	5,899.1670	1,200.9803	870.3580
Net Assets value per unit – Rupees	55.4375	55.0133	54.9344	54.4717	54.1576
Closing Offer Price	56.7126	56.2786	56.1759	55.7028	55.3816
Highest offer price per unit	65.7121	65.9984	61.4715	64.6443	60.8128
Lowest offer price per unit	56.2886	56.1998	55.6794	55.3555	55.1869
Highest Redemption price per unit	64.2347	64.5146	58.0751	63.2156	59.4688
Lowest Redemption price per unit	55.0231	54.9363	52.6031	54.1321	53.9672
Distribution per unit – Rs. *					
Interim	9.22	9.5802	10.0177	8.9841	5.3543
Final		-	-	-	-
Average Annual Return - %					
One year	17.66	17.61	20.39	17.24	10.42
Two year	17.64	19.00	18.82	13.83	8.87
Three year	18.55	18.41	16.02	11.66	10.73
Net Income for the year – Rs. in million	453.4090	2,431.4123	955.0787	194.5490	102.1075
Distribution made during the year – Rs. in million	441.9030	2,430.1175	906.0410	189.3950	100.7340
Accumulated Capital Growth – Rs. in million	11.5060	1.2948	49.0377	5.1540	1.3735
Weighted average Portfolio Duration (years)	0.50	0.88	3.00	1.20	2.00

* Date of Distribution

2026	
Date	Rate
Jun 12, 2026	9.22

2025	
Date	Rate
Jun 26, 2025	9.5802

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

2023	
Date	Rate
June 16, 2023	8.9841

2022	
Date	Rate
June 24, 2022	5.3543

Disclaimer

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

MCB INVESTMENT MANAGEMENT LIMITED

Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

UAN: (+92-21) 111 468 378 (111 INVEST)

URL: www.mcbfunds.com, **Email:** info@mcbfunds.com
