



MCB FUNDS
Investments for Life

ANNUAL REPORT 2025

MCB KPK Govt Employees Pension Fund Managed by
MCB Investment Management Limited



Savings Amanah. Life Amanah.

MCB KPK GOVT. EMPLOYEES PENSION FUND

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Vision

“To be the most coveted Savings and Investment company,
while leading the effort to make the saving
population and industry grow”

Mission

“To be the preferred Savings and Investment Manager in Pakistan
by being best in class in customer services
and maximizing stakeholders’ value”

Core Values

HONESTY

We ensure to build trust through responsible actions and honest relationships with our colleagues, customers and stakeholders

INTEGRITY

We work with integrity in everything we do, and embody our principles when working with stakeholders as well as internal and external customers. We assure to promote the integrity for the ultimate benefit for everyone

ETHICS

As a trusted custodian of customer funds, we are committed to conforming to the highest level of ethical standards in the workplace that involves putting customer interest first and maintaining our stakeholders trust in the Company

PROFESSIONALISM

We value everyone and treat our external and internal customers and our stakeholders with respect, dignity and professionalism

FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Muhammad Nauman Chughtai Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah Mr. Muhammad Nauman Chughtai	Chairman Member Member Member Director
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
Chief Executive Officer	Mr. Khawaja Khalil Shah	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Muhammad Rehan Khan	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
Bankers	Habib Metropolitan Bank Limited	
Auditors	BDO Ebrahim & Co. Chartered Accountants 2nd Floor, Block-C, Lakson Square, Building No.1 Sarwar Shaheed Road, Karachi	
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 PENSION FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2025

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB KPK Government Employees Pension Fund-Money Market Sub Fund** accounts review for the year ended June 30, 2025.

Economy Review

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

The country posted a current account Surplus of USD 0.7 billion in the first eight months of the fiscal year 2025 (8MFY25) compared to a deficit of USD 1.7bn in the corresponding period last year. The major contributor towards improving current account was the remittances inflows which skyrocketed by 32.5% to USD 24.0bn. Trade Deficit increased by 17.4% YoY as exports rose by 7.2% while imports increased by 11.4% from a low base. The country's external position improved with SBP's foreign exchange reserves increasing to USD 10.7bn as of Mar-25 end compared to USD 9.4bn at the end of last fiscal year. This was on account of current account surplus and flows from IMF and multilateral sources. The local currency remained broadly stable as the USD/PKR depreciated by 0.7% to 280.2 during the period under review.

Headline inflation represented by CPI averaged 5.4% during 9MFY25 compared to 27.2% in the corresponding period last year. This sharp decline was driven by the currency's stability over the past one year, which led to stable food and energy prices. Additionally, the large decline in wheat prices and base effect further contributed to the lower inflation figures.

The country's GDP grew by 1.7% in the second quarter of the financial year 2024-25 as compared to 1.7% in the corresponding period last year. Agriculture grew by 1.1%, Services sector grew by 2.6% while industrial sector witnessed a decline of 0.2%. Historic high interest rates and political uncertainty were the major culprits behind the subdued industrial output. On the fiscal side, FBR tax collections rose by 26.8% in the first nine months of FY25, reaching PKR 8,452 billion—falling short of the target by PKR 716 billion. The shortfall is largely attributed to reduced tax collection from imports due to a slowdown in trade, sluggish growth and low inflation.

Fund Performance

The money market sub-fund generated a return of 15.08% during the period. The fund's exposure towards cash stood at 33%.

The Net Assets of the Fund as at June 30, 2025 stood at Rs. 82.76 million. The Net Asset Value (NAV) per unit as at June 30, 2025 was Rs. 128.2374.

Economy & Market – Future Outlook

Going forward we expect GDP growth to clock at 4.1% in FY26. Agriculture Growth is likely to clock at 3.9% as it would recover due to base effect. The lagged impact of

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

interest rate decline would benefit industrial and services sector going forward which are expected to expand by 4.4% and 4.0% respectively.

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

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

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

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

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

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

Mutual Fund Industry Review

The Net Assets of the open-end mutual funds industry increased by about 43.1% during FY25 to PKR 3,684 billion. Total money market funds grew by about 44.4% since June 2024. Within the money market sphere, conventional funds showed a growth of 55.3% to PKR 977 billion while Islamic funds increased by 34.3% to PKR 912 billion. In addition, the total fixed Income and Fixed Rate funds increased by about 29.2% since June 2024 to PKR 1,242 billion while Equity and related funds increased by 92.3% to PKR 491 billion.

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

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

Mutual Fund Industry Outlook

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

HOLDING COMPANY

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

EXTERNAL AUDITORS

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

ACKNOWLEDGEMENT

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

On behalf of Directors,



Khawaja Khalil Shah
Chief Executive Officer
August 04, 2025

ڈائریکٹرز رپورٹ

اظہار تشکر

فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز 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 مینجمنٹ ٹیم کی کاوشوں کو خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز،



خولبہ خلیل شاہ

چیف ایگزیکٹو آفیسر

04 اگست 2025ء

ڈائریکٹرز رپورٹ

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

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

میوچل فنڈز صنعت کے مستقبل کا منظر نامہ

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

ہولڈنگ کمپنی

18 اپریل 2023ء کو ایم سی بی بینک لمیٹڈ (ایم سی بی) نے، ایم سی بی-عارف حبیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ (ایم سی بی-اے ایچ) کی پیورٹ (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۔

خارجی آڈیٹرز

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

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

اشیائے خورد و نوش کی قیمتوں میں کمی اور روپے میں استحکام کے باعث ہیڈلائن (مجموعی) افراط زر کم سطح (ایک ہندسے پر مبنی عدد) پر رہے گی۔ مالی سال 2026ء کے اختتام تک base اثر کے باعث افراط زر میں عارضی طور پر اضافہ ہوگا۔ مالی سال 2026ء میں اوسط افراط زر 5.6 فیصد ہونے کا امکان ہے۔ روپے کے استحکام اور مجموعی طلب کے عوامل کے باعث بنیادی افراط زر میں مسلسل کمی ہوتی رہی۔ ہمیں اُمید ہے کہ اگلے مالی سال کے اختتام تک بنیادی افراط زر بتدریج کم ہو کر ایک ہندسے پر مبنی عدد تک پہنچ جائے گی۔ مالیاتی جہت میں ہم سمجھتے ہیں کہ مالی سال 2026ء میں مالیاتی خسارہ 4.0 فیصد ہوگا، جو مالی سال 2006ء کے بعد سے کم ترین سطح ہوگی۔ چنانچہ یہ بجٹ خسارے میں کمی کا چوتھا مسلسل سال ہوگا، کیونکہ یہ مالی سال 2022ء میں 7.9 فیصد کی بلند ترین سطح تک پہنچ گیا تھا۔ اس کمی کی سب سے بڑی وجہ مالیاتی لاگت میں کمی ہے۔ مالیاتی نظم و ضبط برقرار رکھنے میں بنیادی سرپلس سے متعلق آئی ایم ایف کے سخت اہداف بھی اپنا کردار ادا کریں گے۔

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

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

میوچل فنڈ صنعت کا جائزہ

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

ڈائریکٹرز رپورٹ

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

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران منی مارکیٹ ذیلی فنڈ نے 15.08 فیصد منافع بنایا۔ فنڈ کی نقد میں سرمایہ کاری 33 فیصد تھی۔ 30 جون 2025ء کو فنڈ کے net اثاثہ جات 82.76 ملین روپے تھے، جبکہ net اثاثہ جاتی قدر (این اے وی) فی یونٹ 128.2374 روپے تھی۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

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

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

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی KPK گورنمنٹ ایمپلائیز پینشن فنڈ - منی مارکیٹ ڈیلی فنڈ کے اکاؤنٹس
برائے سال مختتمہ 30 جون 2025ء کا جائزہ پیش خدمت ہے۔

معیشت کا جائزہ

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

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

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

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

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

Fund Type and Category

KPK Govt. Employees' Pension Fund (KPKPF) is an open-end Voluntary Pension Scheme.

Investment Objective

The Investment Objective of the Money Market Sub-Fund is to earn return from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund.

Manager's Review

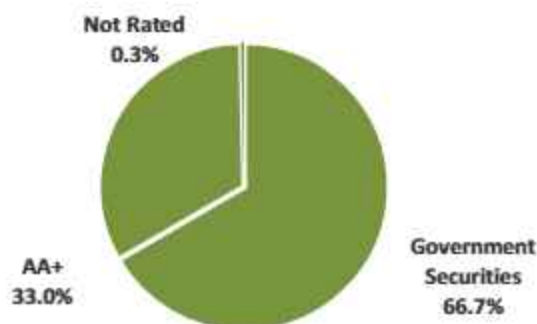
The fund posted an annualized return of 15.08% during the period under review. Cash exposure was 33.0% and exposure in T-Bills was 66.7% at year end.

The Net Assets of the Fund as at June 30, 2025 stood at Rs. 82.76 million as compared to Rs. 42.56 million as at June 30, 2024 registering an increase of 94.5%. The Net Asset Value (NAV) per unit as at June 30, 2025 was Rs. 128.2374 as compared to opening NAV of Rs. 111.4292 per unit as at June 30, 2024 registering an increase of Rs. 16.8082 per unit.

Asset Allocation (MM Sub-fund) as of June 30, 2025 (% of Total Assets)

PPF-Money Market (%age of Total Assets)	Jun-25
Cash	33.0%
T-Bills	66.7%
Others including receivables	0.3%

Asset Quality (MM Sub-fund) as of June 30, 2025 (% of Total Assets)



Syed Abid Ali

Fund Manager

TRUSTEE REPORT TO THE PARTICIPANTS

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-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 PARTICIPANTS

MCB KPK GOVT. EMPLOYEES' PENSION FUND

Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of MCB KPK Govt. Employees' Pension Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, 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.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 12, 2025



INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS



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Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE PARTICIPANTS OF MCB KPK GOVT. EMPLOYEES PENSION FUND

Opinion

We have audited the financial statements of MCB KPK Govt. Employees Pension Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present give a true and fair view of, the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management 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 the Management and its Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and for such internal control as management determines 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 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 either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Page - 1

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS



Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS



Report on Other Legal and Regulatory Requirements

Based on our audit, in our opinion the financial statements have been prepared in all material respects 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 Tariq Feroz Khan.

KARACHI

DATED: 04 SEP 2025

UDIN:AR202510166rUbe8NtE1


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025				For the Period from December 13, 2023 to June 30, 2024					
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
INCOME										
Mark-up on bank deposits	75,190	76,561	76,316	1,643,114	1,869,181	60,814	60,624	60,663	2,501,017	2,683,097
Capital gain on sale of investment - net	-	-	-	1,090,344	1,090,344	-	-	-	207,110	207,110
Amortization on Treasury-bills	-	-	-	7,119,884	7,119,884	-	-	-	1,639,092	1,639,092
Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net	-	-	-	(6,191)	(6,191)	-	-	-	(33,491)	(33,491)
Total Income	75,190	76,561	76,316	9,847,151	10,073,218	60,814	60,624	60,663	4,313,729	4,495,808
EXPENSES										
Remuneration of the Pension Fund Manager	904	907	903	527,222	529,936	435	433	437	163,920	163,225
Sindh Sales Tax on remuneration of the Pension Fund Manager	135	135	135	70,737	79,142	57	56	57	21,308	21,478
Remuneration of the Trustee	899	900	896	100,697	103,391	440	440	444	30,935	32,258
Sindh Sales Tax on remuneration of Trustee	138	138	138	15,104	15,518	54	54	54	4,022	4,184
Securities and Exchange Commission of Pakistan - Annual fee	241	240	239	26,853	27,573	116	117	117	8,248	8,598
Securities transaction cost	-	-	-	10,840	10,840	-	-	-	367	367
Total expenses	2,317	2,320	2,311	759,453	766,400	1,102	1,100	1,109	228,800	232,111
Net income for the year / period before taxation	70,873	74,241	74,005	9,087,698	9,306,818	59,712	59,524	59,534	4,084,929	4,263,700
Net income for the year / period after taxation	70,873	74,241	74,005	9,087,698	9,306,818	59,712	59,524	59,534	4,084,929	4,263,700

Note

- 8.1
- 8.2
- 9.1
- 9.2
- 10.1
- 14
- 15

The annexed notes from 1 to 23 form an integral part of these financial statements.

For MCB Investment Management Limited
(Pension Fund Manager)

Mansoor Mushtaq
Director

[Signature]
Chief Executive Officer

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

	June 30, 2025					For the Period from December 13, 2023 to June 30, 2024				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Net income for the year / period after taxation	70,873	74,241	74,005	9,087,698	9,306,817	59,712	59,524	59,534	4,084,929	4,263,700
Other comprehensive income for the year / period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year / period	70,873	74,241	74,005	9,087,698	9,306,817	59,712	59,524	59,534	4,084,929	4,263,700

The annexed notes from 1 to 23 form an integral part of these financial statements.



Chief Executive Officer

For MCB Investment Management Limited
(Pension Fund Manager)



Director

**STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2025				For the Period from December 13, 2023 to June 30, 2024				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Net assets at the beginning of the year / period	559,712	559,524	559,534	42,555,990	-	-	-	-	44,234,760
Amount received on issue of units	-	-	-	31,114,755	500,000	500,000	500,000	38,471,061	39,971,061
Net income for the year / period after taxation	70,873	74,241	74,005	9,087,698	59,712	59,524	59,534	4,084,929	4,263,700
Net assets at the end of the year / period	630,585	633,765	633,539	82,758,443	559,712	559,524	559,534	42,555,990	44,234,761

The annexed notes from 1 to 23 form an integral part of these financial statements.



Chief Executive Officer

For MCB Investment Management Limited
(Pension Fund Manager)



Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

For the Period from December 13, 2023 to June 30, 2024

June 30, 2025

	Equity Index		Equity		Debt		Money Market		Total		Equity Index		Equity		Debt		Money Market		Total			
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES																						
Net income for the year / period before taxation	70,873	74,241	74,005	9,087,698	9,306,817	59,712	59,524	59,534	4,084,929	4,263,699												
Adjustments for non cash and other items:																						
Unrealized diminution or re-measurement of investments - classified as financial assets at fair value through profit or loss - net	-	-	-	6,191	6,191	-	-	-	33,491	33,491												
Capital gain on sale of investment - net	-	-	-	(1,090,344)	(1,090,344)	-	-	-	(207,110)	(207,110)												
Amortization on Treasury-bills	(73,190)	(76,561)	(76,316)	(7,119,884)	(7,119,884)	(60,814)	(60,624)	(60,643)	(1,639,092)	(1,639,092)												
Mark-up on bank deposits	(2,317)	(2,320)	(2,311)	(759,453)	(766,401)	(1,102)	(1,100)	(1,109)	(228,799)	(228,799)												
Decrease / (increase) in current assets																						
Investments	1,380	3,877	3,879	(25,824,037)	(25,824,037)	(1,380)	(3,877)	(3,879)	(19,434,460)	(19,434,460)												
Advances, deposits and other receivable	1,380	3,877	3,879	35,002	44,138	(1,380)	(3,877)	(3,879)	(35,002)	(44,138)												
Increase / (decrease) in liabilities																						
Payable to the Pension Fund Manager	38	41	38	29,161	29,278	492	489	493	30,886	32,361												
Payable to the Trustee	36	37	33	(3,521)	(3,414)	494	494	498	5,866	7,351												
Payable to the Securities and Exchange Commission of Pakistan	125	124	124	18,604	18,976	116	117	117	8,248	8,598												
Brokerage fee payable	-	-	-	1,640	1,640	-	-	-	367	367												
Cash (used in) / generated from operations	199	202	195	45,884	46,480	1,102	1,100	1,108	45,367	46,676												
Mark-up received on bank deposits	(738)	1,759	1,763	(26,802,604)	(26,499,800)	(1,380)	(3,877)	(3,880)	(19,652,894)	(19,662,032)												
Net cashflows generated from / (used in) operating activities	70,757	74,042	73,799	1,711,370	1,929,968	51,487	51,336	51,356	2,157,284	2,311,463												
	70,019	75,801	75,562	(24,791,234)	(24,569,852)	50,107	47,459	47,477	(17,495,610)	(17,350,569)												
CASH FLOWS FROM FINANCING ACTIVITIES																						
Amount received on issuance of units	-	-	-	31,114,755	31,114,755	500,000	500,000	500,000	38,471,061	39,971,061												
Net cash generated from financing activities	-	-	-	31,114,755	31,114,755	500,000	500,000	500,000	38,471,061	39,971,061												
Net increase in cash and cash equivalents	70,019	75,801	75,562	6,323,521	6,544,903	530,107	547,459	547,477	20,975,451	22,620,494												
Cash and cash equivalents at beginning of the year / period	550,107	547,459	547,477	20,975,451	22,620,493	-	-	-	-	-												
Cash and cash equivalents at end of the year / period	620,126	623,260	623,038	27,298,972	29,165,396	530,107	547,459	547,477	20,975,451	22,620,494												

Note

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the year / period before taxation

Adjustments for non cash and other items:

Unrealized diminution or re-measurement of investments - classified as financial assets at fair value through profit or loss - net
Capital gain on sale of investment - net
Amortization on Treasury-bills
Mark-up on bank deposits

Decrease / (increase) in current assets

Investments
Advances, deposits and other receivable

Increase / (decrease) in liabilities

Payable to the Pension Fund Manager
Payable to the Trustee
Payable to the Securities and Exchange Commission of Pakistan
Brokerage fee payable

Cash (used in) / generated from operations

Mark-up received on bank deposits
Net cashflows generated from / (used in) operating activities

CASH FLOWS FROM FINANCING ACTIVITIES

Amount received on issuance of units
Net cash generated from financing activities
Net increase in cash and cash equivalents
Cash and cash equivalents at beginning of the year / period
Cash and cash equivalents at end of the year / period

The annexed notes from 1 to 23 form an integral part of these financial statements.

For MCB Investment Management Limited
(Pension Fund Manager)



Chief Executive Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB KPK Govt. Employees' Pension Fund is established under a Trust deed executed between MCB Investment Management Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as Trustee. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on June 21, 2023 under the Voluntary Pension System (VPS) Rules, 2005. Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 05, 2023. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on December 13, 2023.
- 1.2 The Fund is an unlisted open-end pension fund consisting of four sub-funds namely; Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund. Units are offered on a continuous basis to employees of KPK Government appointed/ recruited under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of KPK Government regularize as Civil Servant through any legal instrument issued after coming in to force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022. Under the KPK Rules, the contribution by or on behalf of the employee for the first three years from the date of launch of the fund shall be invested in Money Market Sub Fund only. Moreover, in the remaining three sub funds (Equity Index Sub Fund, Equity Sub Fund and Debt Sub Fund) only seed capital be injected by the Pension Fund Manager which would remain invested till three years from the launch date of the Fund. Following the initial three years of appointment/ recruitment under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022, KPK employees are eligible to change their allocation as per the life cycle allocation scheme. In cases where an employee fails to specify their asset allocation preferences, the pension fund manager, taking into consideration the employee's profile and age, will allocate the contribution to the default Asset Allocation Scheme outlined in the offering document.
- 1.3 MCB Investment Management Limited has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned a management quality rating of 'AM1' (Stable outlook) to the Pension Fund Manager as at October 04, 2024.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

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

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 as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.
- The requirements of the constitutive documents, Voluntary Pension System Rules, 2005

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations, the requirement of the Voluntary Pension System Rules and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations, the requirement of the Voluntary Pension System Rules and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

These financial statements have been prepared under accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees (Rs), which is the Fund's functional and presentation currency.

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

2.4 Use of judgments and estimates

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are 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.

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

Classification and valuation of investments

For details please refer notes 4.2.1.1 and 17 to these financial statements.

Impairment of investment

For details please refer notes 4.2.1.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026

Certain annual improvements have also been made to a number of IFRSs and IASs.

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

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

4 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied, unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 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.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets

4.2.1.1.1 Debt instruments

A debt instrument is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows

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

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs associated with these financial assets are charged to the Income Statement.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.

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

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

4.2.1.1.2 Equity instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

An equity instrument held for trading purposes is classified as measured at FVTPL.

4.2.1.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investment, advances, deposits and other receivable, mark-up receivable and bank balances.

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

4.2.1.3 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.1.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.1.5 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.1.6 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Provisions

Provisions are recognized 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Taxation

The income of the Fund is exempt from income tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. 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.

4.5 Proposed distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are not recognized before the reporting date.

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

4.6 Issuance and redemption of units

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

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 assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.7 Element of income

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. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value per unit

The Net Assets 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.

4.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement.
- Income on government securities is recognized on an accrual basis using the effective yield method.
- Profit on saving accounts with banks is recognized on an accrual basis using the effective yield method.

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

4.10 Expenses

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

4.11 Earnings Per Unit (EPU)

Earnings per unit is calculated by dividing the net profit of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

4.12 Transactions with related parties / connected persons

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

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

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

	June 30, 2025					June 30, 2024				
	Equity Index Sub- Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub- Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
5. BALANCES WITH BANKS	Note ----- (Rupees) -----									
Savings accounts	620,126	623,260	623,038	27,298,972	29,165,396	550,107	547,459	547,477	20,975,451	22,620,494
5.1 These carry mark-up at the rates of ranging from 7% to 19% (June 30, 2024 20.50%) per annum.										
6. INVESTMENTS	Note ----- (Rupees) -----									
At fair value through profit or loss										
Treasury bills	-	-	-	55,275,246	55,275,246	-	-	-	21,247,171	21,247,171

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

6.1 Treasury Bills - at fair value through profit or loss

Issue Date	Securities	Tenor	Face value			As at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investment
			As at July 01, 2024	Purchased during the year	Matured/Sale during the year	As at June 30, 2025	Carrying Value	Market Value		
30-Nov-23	T-Bills	12 Months	23,000,000	46,000,000	69,000,000	-	-	-	-	-
02-Nov-23	T-Bills	12 Months	-	26,000,000	26,000,000	-	-	-	-	-
16-Nov-23	T-Bills	12 Months	-	230,000,000	230,000,000	-	-	-	-	-
11-Jan-24	T-Bills	12 Months	-	60,000,000	60,000,000	-	-	-	-	-
11-Jul-24	T-Bills	6 Months	-	40,000,000	40,000,000	-	-	-	-	-
11-Jul-24	T-Bills	3 Months	-	40,000,000	40,000,000	-	-	-	-	-
08-Aug-24	T-Bills	6 Months	-	40,000,000	40,000,000	-	-	-	-	-
08-Aug-24	T-Bills	3 Months	-	40,000,000	40,000,000	-	-	-	-	-
08-Aug-24	T-Bills	12 Months	-	60,000,000	60,000,000	-	-	-	-	-
22-Aug-24	T-Bills	6 Months	-	55,000,000	55,000,000	-	-	-	-	-
22-Aug-24	T-Bills	3 Months	-	55,000,000	55,000,000	-	-	-	-	-
05-Sept-24	T-Bills	6 Months	-	85,000,000	85,000,000	-	-	-	-	-
03-Oct-24	T-Bills	6 Months	-	55,000,000	55,000,000	-	-	-	-	-
17-Oct-24	T-Bills	3 Months	-	55,000,000	55,000,000	-	-	-	-	-
17-Oct-24	T-Bills	6 Months	-	55,000,000	55,000,000	-	-	-	-	-
31-Oct-24	T-Bills	6 Months	-	55,000,000	55,000,000	-	-	-	-	-
31-Oct-24	T-Bills	3 Months	-	55,000,000	55,000,000	-	-	-	-	-
28-Nov-24	T-Bills	12 Months	-	67,000,000	67,000,000	-	-	-	-	-
12-Dec-24	T-Bills	3 Months	-	55,000,000	55,000,000	-	-	-	-	-
12-Dec-24	T-Bills	6 Months	-	55,000,000	55,000,000	-	-	-	-	-
26-Dec-24	T-Bills	3 Months	-	55,000,000	55,000,000	-	-	-	-	-
09-Jan-25	T-Bills	3 Months	-	110,000,000	110,000,000	-	-	-	-	-
09-Jan-25	T-Bills	6 Months	-	63,000,000	63,000,000	-	-	-	-	-
23-Jan-25	T-Bills	6 Months	-	55,000,000	55,000,000	-	-	-	-	-
23-Jan-25	T-Bills	3 Months	-	55,000,000	55,000,000	-	-	-	-	-
06-Mar-25	T-Bills	3 Months	-	55,000,000	55,000,000	-	-	-	-	-
02-May-25	T-Bills	6 Months	-	11,000,000	11,000,000	-	-	-	-	-
15-May-25	T-Bills	6 Months	-	25,000,000	25,000,000	-	-	-	-	-
29-May-25	T-Bills	3 Months	-	20,000,000	20,000,000	-	-	-	-	-
12-Jun-25	T-Bills	3 Months	-	25,000,000	25,000,000	-	-	-	-	-
02-May-25	T-Bills	6 Months	-	4,000,000	-	4,000,000	3,852,118	3,859,656	7,538	6.98%
12-Jun-25	T-Bills	3 Months	-	25,000,000	-	25,000,000	24,524,596	24,516,841	(7,755)	44.35%
28-Nov-24	T-Bills	12 Months	-	3,000,000	-	3,000,000	2,869,724	2,871,849	2,125	5.20%
15-May-25	T-Bills	6 Months	-	25,000,000	-	25,000,000	24,034,999	24,026,900	(8,099)	29.03%

Total as at June 30, 2025

55,281,437 55,275,246 (6,191)

Total as at June 30, 2024

21,280,662 21,247,171 (33,491)

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

	June 2025			
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund Total
				(Rupees)
	-	-	-	55,275,246
	-	-	-	(55,281,437)
	-	-	-	(6,191)

**6.2 Unrealised diminution on re-measurement
of investments classified as financial assets at fair value
through profit or loss - net**

Market value of investments
Less: carrying value of investments

	June 2024			
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund Total
				(Rupees)
	-	-	-	21,247,171
	-	-	-	(21,280,662)
	-	-	-	(33,491)

**6.3 Unrealised diminution on re-measurement
of investments classified as financial assets at fair value
through profit or loss - net**

Market value of investments
Less: carrying value of investments

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

7	MARKUP RECEIVABLES	Note	June 30, 2025				June 30, 2024					
			Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Mark-up on deposit accounts		11,759	11,807	11,803	275,476	310,845	9,238	9,287	343,733	371,633	
			11,759	11,807	11,803	275,476	310,845	9,238	9,287	343,733	371,633	
8	PAYABLE TO PENSION FUND MANAGER	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Payable to Pension Fund Manager	8.1	461	462	462	34,660	40,045	435	433	436	27,333	28,628
	Sindh Sales Tax payable on remuneration payable	8.2	69	69	69	5,799	5,066	57	56	57	3,553	3,723
	Insurance fee	8.3	-	-	-	13,555	13,555	-	-	-	-	-
	Sindh Sales Tax payable on insurance fee payable	8.4	-	-	-	2,033	2,033	-	-	-	-	-
			530	531	531	66,047	61,639	492	489	493	30,886	32,361

8.1 This represents remuneration of the Pension Fund Manager at the rate of 0.15% (2024:0.15%) for Equity Index, Equity, Debt and 0.6% (2024:0.6%) for Money Market Fund.

8.2 This represents sales tax on remuneration payable at the rate of 15% (2024: 15%).

8.3 This represents insurance fee of the management at the rate of 0.2% for Money Market Fund.

8.4 This represents sales tax on insurance fee payable at the rate of 15%.

9	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY - TRUSTEE	Note	June 30, 2025				June 30, 2024					
			Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Trustee Fee Payable	9.1	461	462	462	2,039	3,424	440	444	444	5,190	6,413
	Sales Tax on trustee fee payable	9.2	69	69	69	306	513	54	54	54	676	838
			530	531	531	2,345	3,937	494	498	498	5,866	7,251

9.1 As per regulation 60 (3)(b) together with 67G (3) of the NBFC Regulations, 2008, the Pension Fund Manager shall charge remuneration of the Trustee related to the Fund within the limits of Total Expense Ratio as prescribed under the said regulations. During the period such fees is charged as follows:

Net Assets	Tariff per annum
Upto Rs.1 billion	Rs.0.3 million or 0.15% p.a. of Net Assets whichever is higher
Rs.1 billion to Rs.3 billion	Rs.1.5 million plus 0.10% p.a. of Net Assets exceeding Rs.1 billion
Rs.3 billion to Rs.6 billion	Rs.3.5 million plus 0.08% p.a. of Net Assets exceeding Rs.3 billion
Over Rs.6 billion	Rs.5.9 million plus 0.06% p.a. of Net Assets exceeding Rs.6 billion

9.2 Sindh Sales Tax at the rate of 15% (2024: 15%) is charged on the Trustee fee.

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

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	June 30, 2025						June 30, 2024					
	Equity	Equity	Debt	Money Market	Total	Total	Equity	Equity	Debt	Money Market	Total	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	(Rupees)		Index Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
Note	240	240	240	25,852	27,472	27,472	116	117	117	3,244	3,244	3,498
Annual fee (SECP)												

10.1 As per Clause 36 of the VPS Rules, 2005 the Pension Fund Manager shall pay an annual fee to the Commission an amount equal to one twenty-fifth of one per cent of the average annual net asset value of the pension fund. The fees is chargeable to the fund under Regulation 67(3)(b) and 67G(3) of the NBFC Regulations and is payable in arrears.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025 (June 30, 2024: Nil)

12 CONTRIBUTION TABLE

	June 30, 2025						June 30, 2024					
	Equity	Equity	Debt	Money Market	Total	Total	Equity	Equity	Debt	Money Market	Total	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	(Rupees)		Index Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
Opening balance	500,000	500,000	500,000	38,471,061	39,971,061	39,971,061	-	500,000	500,000	38,471,061	39,971,061	39,971,061
Units issued during the year / period	-	-	-	31,114,755	31,114,755	31,114,755	500,000	500,000	500,000	38,471,061	39,971,061	39,971,061
Closing balance at year / period end	500,000	500,000	500,000	69,585,816	71,085,816	71,085,816	500,000	500,000	500,000	38,471,061	39,971,061	39,971,061

13 NUMBER OF UNITS IN ISSUE

	June 30, 2025						June 30, 2024					
	Equity	Equity	Debt	Market	Total	Total	Equity	Equity	Debt	Money Market	Total	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	(Units)		Index Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
Opening units	5,000	5,000	5,000	381,911	396,911	396,911	-	5,000	5,000	381,911	396,911	396,911
Units issued during the year / period	-	-	-	263,442	263,442	263,442	5,000	5,000	5,000	381,911	396,911	396,911
Total units in issue at the end of the year / period	5,000	5,000	5,000	645,353	660,353	660,353	5,000	5,000	5,000	381,911	396,911	396,911

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

14 TAXATION

The income of the Fund is exempt from income tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. 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.

15 EARNINGS PER UNIT (EPU)

Earnings per unit based on cumulative weighted average units for the year has not been disclosed as in the opinion of the Pension Fund Manager, the determination of the same is not practicable.

16 TRANSACTIONS WITH CONNECTED PERSONS

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provision of the VPS Rules and constitutive documents of the Fund respectively.

Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

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

16.1 Transactions during the Year

	June 30, 2025				Total
	Equity Index	Equity	Debt	Money Market	
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
	(Rupees)				
MCB Investment Management Limited - Pension Fund Manager Remuneration (includes insurance fee and indirect taxes)	1,039	1,042	1,038	605,959	609,078
Central Depository Company of Pakistan Limited - Trustee Remuneration (include indirect taxes)	1,037	1,038	1,034	115,801	118,910

Transactions during the period

	For the period from December 13, 2023 to June 30, 2024				Total
	Equity Index	Equity	Debt	Money Market	
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
	(Rupees)				
MCB Investment's Management Limited - Pension Fund Manager Remuneration (include indirect taxes)	492	489	493	185,228	186,702
Central Depository Company of Pakistan Limited - Trustee Remuneration (include indirect taxes)	494	494	498	34,957	36,443

16.2 Balances at the end of Year

	June 30, 2025				Total
	Equity Index	Equity	Debt	Money Market	
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
	(Rupees)				
MCB Investments Management Limited - Management Company Remuneration (includes insurance fee and indirect taxes)	530	531	531	60,047	61,639
Central Depository Company of Pakistan Limited - Trustee Remuneration (include indirect taxes)	530	531	531	2,345	3,937

Balances at the end of Year

	June 30, 2024				Total
	Equity Index	Equity	Debt	Money Market	
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
	(Rupees)				
MCB Investments Management Limited - Management Company Remuneration (include indirect taxes)	492	489	493	30,886	32,360
Central Depository Company of Pakistan Limited - Trustee Remuneration (include indirect taxes)	494	494	498	5,866	7,352

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

17 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, markup rate and other price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Dividend Yield Fund Manager in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of the Dividend Yield Fund has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund's primary financial assets comprise of balances with banks and investment at fair value through profit and loss, comprising of equity securities of listed companies. The Fund also has markup and other receivables. The Fund's principal financial liabilities include remuneration payable to Management company, Trustee and accrued and other liabilities.

17.1 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 and 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.

17.1.1 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 were carried out in Pakistani Rupees.

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

17.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis of variable rate instruments

The Fund is exposed to variable rate instrument risk for balances in certain savings accounts, the interest rates on which range between 7% to 19% (2024 : 20.5%) per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 0.29 million (2024: Rs. 0.23 million).

b) Sensitivity analysis for fixed rate instruments

The fund is exposed to fixed rate instrument risk for investment in treasury bills. The change in interest rate will consequently change in market value of treasury bills.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 0.55 million (2024: Rs. 0.21 million).

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's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

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

2025					
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial Assets

Bank balances	7%-19%	29,165,396	-	-	-	29,165,396
Investments		24,516,841	30,758,405	-	-	55,275,246
Markup receivable		-	-	-	310,845	310,845
		53,682,237	30,758,405	-	310,845	84,751,487

Financial Liabilities

Payable to MCB Investments Management Limited		-	-	-	53,600	53,600
Payable to the Central Depository Company- Trustee		-	-	-	3,424	3,424
Brokerage fee payable		-	-	-	2,007	2,007
		-	-	-	59,031	59,031

On-balance sheet gap

		53,682,237	30,758,405	-	251,814	84,692,456
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There is no off-balance sheet financial instrument that exist as at year ended June 30, 2025.

2024					
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial Assets

Bank balances	20.50%	22,620,494	-	-	-	22,620,494
Investments		-	21,247,171	-	-	21,247,171
Markup receivable		-	-	-	371,635	371,635
		22,620,494	21,247,171	-	371,635	44,239,300

Financial Liabilities

Payable to the Management Limited		-	-	-	28,638	28,638
Payable to the Trustee		-	-	-	6,513	6,513
Brokerage fee payable		-	-	-	367	367
		-	-	-	35,518	35,518

On-balance sheet gap

		22,620,494	-	-	336,117	44,203,782
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There is no off-balance sheet financial instrument that exist as at year ended June 30, 2024.

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

17.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices 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. The fund does not hold any instrument that is exposed to price risk.

17.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. The credit risk of the Fund principally arises from deposits and other receivable balances.

Credit risk from balances with banks and financial institutions 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. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimize the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The main concentration to which the Fund is exposed arises from the Fund's bank balances. The Fund is also exposed to counterparty credit risk on deposits and other receivable balances. The Fund's maximum exposure to credit risk related to receivables at June 30, 2025 and June 30, 2024 is the carrying amounts of following financial assets.

The maximum exposure to credit risk as at June 30, 2025 and June 30, 2024 were as follows:

	2025		2024	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)			
Bank balances	29,165,396	29,165,396	22,620,494	22,620,494
Investments	55,275,246	55,275,246	21,247,171	21,247,171
Mark-up receivable	310,845	310,845	371,635	371,635
	<u>84,751,486</u>	<u>84,751,486</u>	<u>44,239,300</u>	<u>44,239,300</u>

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

The analysis below summarizes the credit rating quality of the Fund's financial assets as at June 30, 2025.

	2025
Bank balances by rating category	----- % -----
AA	<div style="text-align: right; margin-right: 10px;">100.00%</div> <hr style="width: 100%;"/> <div style="text-align: right; margin-right: 10px;">100.00%</div> <hr style="width: 100%;"/>
	2024
Bank balances by rating category	----- % -----
A1+	<div style="text-align: right; margin-right: 10px;">100.00%</div> <hr style="width: 100%;"/> <div style="text-align: right; margin-right: 10px;">100.00%</div> <hr style="width: 100%;"/>

Above rates are on the basis of available ratings assigned by PACRA and as of June 30, 2025 and June 30, 2024.

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 central clearing system.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

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

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short-term to ensure settlement. During the current year, the Fund did not availed any borrowing. As per the NBFC Regulations the maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund and bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below analyses the Fund's 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.

2025			
Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year

(Rupees)

Liabilities

Payable to the Management Company	53,600	53,600	-	-
Payable to the Trustee	3,424	3,424	-	-
Broekrage fee payable	2,007	2,007	-	-
	59,031	59,031	-	-

2024			
Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year

(Rupees in '000)

Liabilities

Payable to the Management Company	28,638	28,638	-	-
Payable to the Trustee	6,513	6,513	-	-
Broekrage fee payable	367	367.00	-	-
	35,518	35,518	-	-

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

17.4 Financial instruments by category

2025		
At fair value through profit or loss	At amortised cost	Total
(Rupees)		
Financial Assets		
Bank balances	29,165,396	29,165,396
Investments	55,275,246	55,275,246
Markup receivable	310,845	310,845
	<u>55,275,246</u>	<u>84,751,486</u>
Financial Liabilities		
Payable to the Management Company	53,600	53,600
Payable to the Trustee	3,424	3,424
Brokerage fee payable	2,007	2,007
	<u>59,031</u>	<u>59,031</u>

Financial instruments by category

2024		
At fair value through profit or loss	At amortised cost	Total
(Rupees)		
Financial Assets		
Bank balances	22,620,494	22,620,494
Investments	21,247,171	21,247,171
Mark-up receivable	371,635	371,635
	<u>21,247,171</u>	<u>44,239,300</u>
Financial Liabilities		
Payable to the Management Company	28,638	28,638
Payable to the Trustee	6,513	6,513
Brokerage fee payable	367.00	367
	<u>35,518</u>	<u>35,518</u>

18. 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

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

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

As at June 30, 2025 and June 30, 2024 the Fund held instruments to be measured at fair values:

	2025			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
At fair value through profit or loss	-	55,275,246	-	55,275,246
	2024			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
At fair value through profit or loss	-	21,247,171	-	21,247,171

During the year ended June 30, 2025, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

19 EXPENSE RATIO

19.1 Equity Index Sub Fund

The annualized total Expense Ratio (TER) of the Fund for the Year ended June 30, 2025 is 0.38% (2024: 0.38%) which includes 0.08% (2024: 0.09%) representing government levies annual fee to the SECP respectively.

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

19.2 Equity Sub Fund

The annualized total Expense Ratio (TER) of the Fund for the Year ended June 30, 2025 is 0.38% (2024: 0.38%) which includes 0.08% (2024: 0.09%) representing government levies annual fee to the SECP respectively.

19.3 Debt Sub Fund

The annualized total Expense Ratio (TER) of the Fund for the Year ended June 30, 2025 is 0.38% (2024: 0.38%) which includes 0.08% (2024: 0.09%) representing government levies annual fee to the SECP respectively.

19.4 Money Market

The annualized total Expense Ratio (TER) of the Fund for the Year ended June 30, 2025 is 1.13% (2024: 1.10%) which includes 0.18% (2024: 0.16%) representing government levies annual fee to the SECP respectively.

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

20 PERFORMANCE TABLE

20.1 Performance Information

	June 30, 2025			
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	(Rupees)			
Net Assets	630,585	633,765	633,539	82,758,443
Net Assets Value Per Unit	126.1170	126.7530	126.7077	128.2374
Net Income after Taxation	70,873	74,241	74,005	9,087,698
Realized Gain	-	-	-	1,090,344
Unrealized Loss	-	-	-	(6,191)
Net Contribution	500,000	500,000	500,000	69,585,816

	June 30, 2025			
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	(Rupees)			
Highest Issue Price	126.1170	126.7530	126.7077	128.2374
Lowest Issue Price	111.9975	111.9597	111.9617	111.4815

	June 30, 2024			
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	(Rupees)			
Net Assets	559,712	559,524	559,534	42,555,990
Net Assets Value Per Unit	111.9424	111.9048	111.9069	111.4292
Net Income after Taxation	59,712	59,524	59,534	4,084,929
Realized Gain	-	-	-	207,110
Unrealized Loss	-	-	-	(33,491)
Net Contribution	500,000	500,000	500,000	38,471,061

	June 30, 2024			
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	(Rupees)			
Highest Issue Price	111.9424	111.9048	111.9069	111.4292
Lowest Issue Price	100.0000	100.0000	100.0000	100.0000

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

21 CORRESPONDING FIGURES

Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

22 GENERAL

22.1 Figures have been rounded off to the nearest rupee, unless stated otherwise.

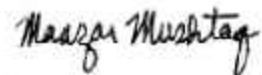
23 DATE OF AUTHORISATION FOR ISSUE

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

For MCB Investment Management Limited
(Pension Fund Manager)



Chief Executive Officer



Director

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
