



MCB FUNDS
Investments for Life

HALF YEARLY REPORT

DECEMBER
2025
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



PAKISTAN INCOME FUND

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Muhammad Nauman Chughtai Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Ms. Sadia Muzaffar Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Ms. Sadia Muzaffar Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah Mr. Muhammad Nauman Chughtai	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Sadia Muzaffar Mr. Khawaja Khalil Shah	Member Member Member Member
IT & Digital Risk Management Committee	Ms. Mavra Adil Khan Mr. Ahmed Jahangir Mr. Khawaja Khalil Shah Mr. Syed Sohail Ahmed Mr. Shabbir Hussain Mr. Muhammad Arsalan Khan	Chairman Member Member Member Member Member
Chief Executive Officer	Mr. Khawaja Khalil Shah	
Chief Operating & 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.cdc-pakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited	U Micro Finance Bank Limited JS Bank Limited Zara Traqati Bank Limited Habib Bank Limited UBL Micro Finance Bank Limited National Bank of Pakistan Sonari Bank Limited
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar 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 MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Dear Investor

On behalf of the Board of Directors, I am pleased to present **Pakistan Income Fund** accounts review for the half year ended December 31, 2025.

Economy Review

The country posted a current account deficit of USD 812 million in the first five months of the fiscal year 2026 (5MFY26) compared to a surplus of USD 503 million in the corresponding period last year. Trade Deficit increased by 30.3% YoY as exports declined by 3.2% while imports increased by 11.1%. The remittances inflows grew at a healthy rate of 9.3% to USD 16.2 billion. The country's external position remained robust as SBP's foreign exchange reserves increased to USD 15.9 billion compared to USD 14.5 billion at the end of the last fiscal year. The local currency depicted strength against the greenback as the USD/PKR appreciated by 1.3% to 280.1 during the period.

Headline inflation represented by CPI averaged 5.1% during 1HFY26 compared to 7.3% in the corresponding period last year. This sharp decline was driven by the currency's stability over the past one year. Additionally, base effect further contributed to the lower inflation figures.

Pakistan's GDP growth clocked at 3.7% in 1QFY26 with Agricultural, Industrial and Services sectors increasing by 2.9%, 9.4% and 2.4% respectively. Industrial sector growth showed a stellar growth due to improvement in macroeconomic indicators and base effect. On the fiscal side, FBR tax collection increased by 9.6% in 1HFY26 to PKR 6,159 billion, missing the target by PKR 331 billion.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 10.53% as against its benchmark return of 10.54%.

At period end, the fund was invested 15.0% in T-Bills, 19.1% in PIBs and 15.0% in TFC/Sukuks. The weighted average maturity of the fund stood at 1.2 years at December 31, 2025.

The Net Assets of the Fund as at December 31, 2025, stood at Rs. 2,319 million as compared to Rs. 1,363 million as at June 30, 2025 registering an increase of 70.14%.

The Net Asset Value (NAV) per unit as at December 31, 2025 was Rs. 57.9456 as compared to the opening NAV of Rs. 55.0236 per unit as at June 30, 2025 registering an increase of Rs. 2.922 per unit.

TEMPORARY SUSPENSION OF FRESH UNITS

As explained in detail in Note No. 5.7.1 of the condensed interim Financial Statement, the Management Company on behalf of the Fund agreed the conversion of the outstanding TFC's with a face value of Rs. 49,940,000 and accrued mark-up into 9,200,000 ordinary shares of PACE at a price of Rs. 9.0 per share. The settlement terms were also approved by the Securities and Exchange Commission of Pakistan and the Trustee of the Fund. Upon receipt of shares, income

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2025

will be recognized based on their market value and subsequently will be marked to market on daily basis till disposal. To ensure fair treatment of all unit holders, the issuance of fresh units has been temporarily suspended effective September 25, 2025.

Economy & Market – Future Outlook

Going forward we expect GDP growth to clock at 3.5% in FY26. The lagged impact of interest rate decline would benefit industrial and services sector going forward which are expected to expand by 4.1% and 3.6% respectively. The continuation of the IMF program is a key positive as it will allow us to tap funding from different sources. We expect SBP reserves to increase to USD 17.9 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 Panda bonds in this fiscal year.

Pakistan recorded its first annual current account surplus in FY25 after a gap of 14 years, supported by a rebound in exports and remittances coupled with restrained imports. For FY26, we anticipate a modest current account deficit of around USD 1.6 billion (0.4% of GDP). As import demand gradually recovers amid monetary easing, we expect a measured depreciation in the currency, with the USD/PKR likely to close around 290 by June 2026.

Headline inflation is expected to remain in single digits, aided by currency stability and improved supply conditions. A temporary uptick may occur toward the end of FY26 due to the base effect, keeping average inflation around 6.7% for the year. Core inflation continues to trend lower, reflecting stable exchange rates and subdued domestic demand. We expect it to decline further, reaching low single digits by the close of the fiscal year.

On the fiscal side we expect the fiscal deficit to clock in at 3.9% 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 debt servicing from 7.7% of GDP in FY24 to 6.2% of GDP in FY26 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 1,150bps since June-24 as interest rates have declined to 10.5% from a high of 22.0%. Enhanced external stability, coupled with easing inflationary pressures, created room for this monetary easing. Going forward, we expect the central bank to maintain a data-dependent approach in shaping upcoming monetary policies. We believe there remains room for an additional 50 basis point reduction in the policy rate during the current fiscal year.

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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Mutual Fund Industry Review

The Net Assets of the open-end mutual funds industry increased by about 19.0% during 1HFY26 to PKR 4,384 billion. Total money market funds inched up by 1.1% since June 2025. Within the money market sphere, conventional funds showed a decline of 0.1% to PKR 976 billion while Islamic funds increased by 2.4% to PKR 934 billion. In addition, the total fixed Income and Fixed Rate funds increased by about 35.2% since June 2025 to PKR 1,679 billion while Equity and related funds increased by 47.2% to PKR 723 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 43.6%, followed by Income and fixed return funds with 38.3% and Equity and Equity related funds having a share of 16.5% as at the end of December 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.


ACKNOWLEDGMENT

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

On behalf of Directors,



Khawaja Khalil Shah
Chief Executive Officer
February 2, 2026



Manzar Mushtaq
Director
February 2, 2026

ڈائریکٹرز رپورٹ

اظہار تشکر

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

منجانب ڈائریکٹرز،

Mansoor Mushtaq

منظر مشتاق

ڈائریکٹر

02 فروری 2026ء

Mansoor Mushtaq

خواجہ ظلیل شاہ

چیف ایگزیکٹو آفیسر

02 فروری 2026ء

ڈائریکٹرز رپورٹ

ایس بی پی نے سوڈ کی شرحوں میں جون 2024ء سے مجموعی طور پر 1,150 بی پی ایس کی کمی کی ہے، اور یہ 22.0 فیصد کی بلند سطح سے کم ہو کر 10.5 فیصد پر آگئی ہیں۔ یہ مالیاتی تسہیل بہتر خارجی استحکام کے ساتھ ساتھ افراط زر کے دباؤ میں کمی کی وجہ سے ممکن ہوئی۔ مستقبل میں ہمیں امید ہے کہ مرکزی بینک آئندہ مالیاتی پالیسیوں کو تشکیل دینے میں اعداد و شمار پر منحصر لائحہ عمل جاری رکھے گا۔ ہم سمجھتے ہیں کہ موجودہ مالی سال کے دوران پالیسی شرح میں مزید 50 بیسیس پوائنٹس کمی کی گنجائش ہے۔

حاملین قرض کے لیے ہمیں امید ہے کہ منی مارکیٹ فنڈز سال بھر پالیسی شرحوں کی ہلا زکاوٹ عکاسی جاری رکھیں گے۔

میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈز کی صنعت کے net اثاثہ جات مالی سال 2026ء کے نصف اول کے دوران تقریباً 19.0 فیصد بڑھ کر 4,384 بلین روپے ہو گئے۔ منی مارکیٹ کے گل فنڈز میں جون 2025ء کے بعد سے 1.1 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 0.1 فیصد کم ہو کر 976 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 2.4 سے بڑھ کر 934 بلین روپے ہو گئے۔ مزید برآں، گل فیکسڈ انکم اور فیکسڈ ریٹ فنڈز جون 2025ء کے بعد سے تقریباً 35.2 فیصد سے بڑھ کر 1,679 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 47.2 فیصد سے بڑھ کر 723 بلین روپے ہو گئے۔

شعبہ جاتی حصے کے اعتبار سے دسمبر 2025ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 43.6 فیصد حصے کے ساتھ سب سے آگے تھے، اور ان کے بعد انکم اور

میوچل فنڈ صنعت کے مستقبل کا منظر نامہ

منی مارکیٹ فنڈز کو بہتر نقدیت کا فائدہ اٹھانا چاہیے کیونکہ یہ مختصر میعاد کے لیے اور کم ریسک کے ساتھ سرمایہ کاری کرنے والوں کے لیے موزوں ترین ہوتے ہیں۔ معاشی بحالی کے تیز تر اور وسیع تر ہونے کے ساتھ ساتھ کپیٹل مارکیٹس، خصوصاً ایکویٹیز، میں گہری دلچسپی برقرار رہے گی۔ ہمارے آپریشنز بلا زکاوٹ 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۔

تازہ پونٹس کی عارضی طور معطلی

جیسا کہ کنڈینسڈ عبوری مالیاتی بیانات کے نوٹ نمبر 5.7.1 میں تفصیل سے بیان کیا گیا ہے، فنڈ کی جانب سے اینجمنٹ کمپنی نے بقایا TFCs جن کی روپے کی قیمت 49,940,000 اور جمع شدہ مارک اپ کی تہدیلی 9,200,000 حصص 9 روپے فی حصص کی قیمت پر اتفاق کیا ہے۔ تصفیہ کی شرائط کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز نے منظور کیا تھا۔ حصص کی وصولی پر آمدنی انگی مارکیٹ ویلیو کی بنیاد پر پہنچانا جائے گا اس کے بعد مارکیٹ میں ڈسپوزل تک روزانہ کی بنیاد پر نشان زد کیا جائے گا۔ تمام پونٹ ہولڈرز کے ساتھ منصفانہ سلوک کو یقینی بنانے کے لئے تازہ پونٹ کا اجراء 25 ستمبر 2025 سے عارضی طور پر معطل کر دیا گیا ہے۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

جی ڈی پی کا مالی سال 2026ء میں 3.5 فیصد کی سطح پر آجانے کا امکان ہے۔ سود کی شرح میں کمی کے تاخیری اثر سے مستقبل میں صنعت اور خدمات کے شعبے کو فائدہ ہوگا جن میں بالترتیب 4.1 فیصد اور 3.6 فیصد ترقی متوقع ہے۔ آئی ایم ایف پروگرام کا تسلسل ایک اہم مثبت پہلو ہے جس سے مختلف ذرائع سے رقم کے حصول میں مدد ملے گی۔ ہمیں اُمید ہے کہ سال کے اختتام تک ایس بی پی کے ذخائر بڑھ کر 17.9 بلین ڈالر ہو جائیں گے، اور اس کے عوامل بروقت دو طرفہ توسیع، اور آئی ایم ایف اور کثیرالجہتی ایجنسیوں کی طرف سے آمدات ہیں۔ موجودہ مالی سال میں ہماری خارجی صورتحال میں بہتری آئی ہے جس کی بدولت پاکستان بین الاقوامی کیپیٹل مارکیٹس میں دوبارہ داخل ہونے پر غور کر سکتا ہے تاکہ پائڈ اہانڈز جیسے موقعوں کو آزما یا جاسکے۔

پاکستان نے مالی سال 2025ء میں 14 برسوں کے بعد اپنا پہلا سالانہ کرنٹ اکاؤنٹ سروس پلس ریکارڈ کیا، جو برآمدات اور ترسیلات میں بحالی اور درآمدات پر قابو کے سبب ممکن ہوا۔ مالی سال 2026ء کے لیے ہمیں کرنٹ اکاؤنٹ میں درمیانے درجے کے خسارے - تقریباً 1.6 بلین ڈالر (جی ڈی پی کا 0.4 فیصد) کی توقع ہے۔ مالیاتی تسہیل کے پس منظر میں درآمدات کی مانگ میں مستحکم بحالی ہوئی، اور روپے کی قدر میں پینائٹس شدہ کمی متوقع ہے، یعنی جون 2026ء تک ایک ڈالر تقریباً 290 روپے کا ہوگا۔

مجموعی افراط زر کا واحد عدد میں رہنے کا امکان ہے، جس کے عوامل روپے کی قدر میں استحکام اور فراہمی کے حالات میں بہتری ہیں۔ مالی سال 2026ء کے اختتام پر base کے اثر کی وجہ سے عارضی طور پر اضافہ ہو سکتا ہے، جس کے باعث سال کی اوسط افراط زر 6.7 فیصد ہو جائے گی۔ بنیادی افراط زر میں بدستور کمی کا رجحان برقرار رہے گا جس سے زرمبادلہ کی شرحوں میں استحکام اور مقامی طلب کے کم ہونے کی عکاسی ہوتی ہے۔ ہمیں اُمید ہے کہ اس میں مزید کمی ہوگی اور مالی سال کے اختتام تک یہ واحد عدد کی کم سطح پر پہنچ جائے گی۔

مالیاتی جہت میں ہمیں اُمید ہے کہ مالی سال 2026ء میں مالیاتی خسارہ 3.9 فیصد کی سطح تک پہنچے گا، جو مالی سال 2006ء سے اب تک کی کم ترین سطح ہوگی۔ یہ بجٹ خسارے میں مالی سال 2022ء کی بلند ترین سطح 7.9 فیصد سے کمی کا چوتھا متواتر سال ہوگا۔ اس کمی کی ایک اہم وجہ یہ ہوگی کہ قرض کی ادائیگی کے انتظام (ڈیٹ سروسنگ) کو مالی سال 2026ء میں جی ڈی پی کا 6.2 فیصد کر دیا جائے گا، جو مالی سال 2024ء میں جی ڈی پی کا 7.7 فیصد تھا۔ آئی ایم ایف کا پرائمری سروس پلس سے متعلق سخت ہدف بھی مالیاتی نظم و ضبط برقرار رکھنے میں کردار ادا کرے گا۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم فنڈ کے اکاؤنٹس کا جائزہ برائے مدت مختتمہ 31 دسمبر 2025ء پیش خدمت ہے۔

معیشت کا جائزہ

مالی سال 2026ء کے پہلے پانچ ماہ میں ملک نے 812 ملین ڈالر کا کرنٹ اکاؤنٹ خسارہ پوسٹ کیا، جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 503 ملین ڈالر فاضل (سرسپلس) تھا۔ تجارتی خسارے میں 30.3 فیصد سال در سال (YoY) اضافہ ہوا کیونکہ برآمدات میں 3.2 فیصد کمی ہوئی جبکہ درآمدات میں 11.1 فیصد اضافہ ہوا۔ ترسیلات 9.3 فیصد بڑھ کر 16.2 بلین ڈالر ہو گئیں۔ ملک کی بیرونی صورتحال مستحکم رہی کیونکہ ایس بی پی کے غیر ملکی زرمبادلہ کے ذخائر بڑھ کر 15.9 بلین ڈالر ہو گئے، جبکہ اس کے بالمقابل گزشتہ مالی سال کے اختتام پر 14.5 بلین ڈالر تھے۔ مقامی کرنسی نے گرین بیک (امریکی ڈالر) کے بالمقابل استحکام کا مظاہرہ کیا اور دوران مدت پاکستانی روپے کی قدر 1.3 فیصد بڑھ کر 280.1 ہو گئی۔

مجموعی افراط زر، جس کی ترجمانی سی پی آئی سے ہوتی ہے، کا اوسط مالی سال 2026ء کے نصف اول کے دوران 5.1 فیصد رہا، جو گزشتہ سال مماثل مدت میں 7.3 فیصد کے بالمقابل ہے۔ اس تیزی سے ہونے والی کمی کی وجہ گزشتہ ایک سال کے دوران کرنسی کا استحکام ہے۔ مزید برآں، base کے اثر نے افراط زر کے اعداد کو کم کرنے میں مزید کردار ادا کیا۔

پاکستان کی جی ڈی پی میں مالی سال کی پہلی سہ ماہی میں 3.7 فیصد ترقی ہوئی۔ زراعت کے شعبے میں 2.9 فیصد، صنعتی شعبے میں 9.4 فیصد، اور خدمات کے شعبے میں 2.4 فیصد ترقی ہوئی۔ صنعتی شعبے میں شاندار ترقی کی وجہ مجموعی معاشی علامات اور base کی اثر میں بہتری ہے۔ مالیاتی جہت میں ایف بی آر ٹیکس وصولی مالی سال 2026ء کے نصف اول میں 9.6 فیصد بڑھ کر 6,159 بلین روپے ہو گئی، لیکن ہدف سے 331 بلین روپے کم رہی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 10.53 فیصد تھا، جبکہ اس کے بالمقابل بیچ مارک منافع 10.54 فیصد تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری 15.0 فیصد تھی۔ بلسز میں، 19.1 فیصد پی آئی بی میں اور 15.0 فیصد ٹی ایف سی / سٹاک میں تھی۔ فنڈ کی پالوزن اوسط میچورٹی 31 دسمبر 2025ء کو 1.2 سال تھی۔

31 دسمبر 2025ء کو فنڈ کے net اثاثہ جات 2,319 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2025ء کو 1,363 ملین روپے تھے، یعنی 70.14 فیصد اضافہ ہوا۔

31 دسمبر 2025ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 57.9456 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2025ء کو ابتدائی این اے وی 55.0236 روپے فی یونٹ تھی، یعنی 2.922 روپے فی یونٹ اضافہ ہوا۔

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

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



TRUSTEE REPORT TO THE UNIT HOLDERS

PAKISTAN INCOME FUND

Report of the Trustee pursuant to 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 Pakistan Income Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2025 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 18, 2026



AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the unitholders of Pakistan Income Fund

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Pakistan Income Fund** as at December 31, 2025 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movements in unit holders' fund, and condensed interim cash flow statement, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). The Management Company (MCB Investment Management Limited) is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarter ended December 31, 2025 have not been subjected to the review, as our engagement was limited to the review of the cumulative figures for the half year ended December 31, 2025.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Date: February 27, 2026
UDIN: RR202510611baFcWNIEv

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2025**

	Note	December 31, 2025 (Un-audited) ———— (Rupees in '000) ————	June 30, 2025 (Audited) ———— (Rupees in '000) ————
ASSETS			
Balances with banks	4	578,869	401,407
Investments	5	1,841,200	918,303
Profit receivable	6	31,735	19,094
Receivable against conversion of units		-	83,999
Advances, deposits, prepayments and other receivables	7	31,077	19,724
Total assets		2,482,881	1,442,527
LIABILITIES			
Payable against conversion of units		-	44,977
Payable against purchase of investments		149,280	-
Payable to MCB Investment Management Limited - Management Company	8	3,393	4,073
Payable to Central Depository Company of Pakistan Limited - Trustee	9	169	19
Payable to the Securities and Exchange Commission of Pakistan	10	147	153
Accrued expenses and other liabilities	11	10,870	30,694
Total liabilities		163,859	79,916
NET ASSETS		2,319,022	1,362,611
Unit holders' fund (as per statement attached)		2,319,022	1,362,611
Contingencies and commitments	12		
		———— (Number of units) ————	
NUMBER OF UNITS IN ISSUE		40,020,646	24,764,119
		———— (Rupees) ————	
NET ASSET VALUE PER UNIT		57.9456	55.0236

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

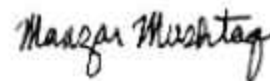
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2025	2024	2025	2024
(Rupees in '000)					
INCOME					
Income from government securities		51,082	121,936	19,228	60,111
Income from term finance certificates		24,837	40,307	11,601	17,242
Income from commercial paper		3,399	-	2,817	-
Loss on spread transactions - net	5.5.1	(2,360)	-	(2,360)	-
Dividend income		5,550	-	1,350	-
Profit on savings accounts with banks		42,489	19,842	24,041	8,000
Net realised gain on sale of investments		5,704	59,067	410	30,255
Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	5.6	8,970	(1,434)	6,273	(19,577)
Other income		3,516	3,677	1,605	1,947
Total income		143,187	243,395	64,965	97,978
EXPENSES					
Remuneration of MCB Investment Management Limited - Management Company	8.1	17,535	17,148	8,798	9,993
Sindh sales tax on remuneration of the Management Company	8.2	2,630	2,572	1,319	1,499
Allocated expenses	8.3	-	400	-	322
Sindh sales tax on allocated expenses		-	60	-	48
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	877	817	440	427
Sindh sales tax on remuneration of the Trustee	9.2	132	123	66	65
Fee to the Securities and Exchange Commission of Pakistan	10.1	877	817	440	427
Brokerage, settlement and bank charges		2,560	2,274	1,601	1,394
Fees and subscription		332	296	166	148
Legal and professional charges		99	102	14	15
Auditor's remuneration		785	545	477	271
Printing and related costs		-	33	-	8
Total expenses		25,827	25,187	13,321	14,617
Net income for the period before taxation		117,360	218,208	51,644	83,361
Taxation	13	-	-	-	-
Net income for the period after taxation		117,360	218,208	51,644	83,361
Allocation of net income for the period:					
Net income for the period after taxation		117,360	218,208		
Income already paid on units redeemed		(8,500)	(19,497)		
		108,860	198,711		
Accounting income available for distribution					
- Relating to capital gains		14,342	52,008		
- Excluding capital gains		94,518	146,703		
		108,860	198,711		

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025**

	Half year ended December 31,		Quarter ended December 31,	
	2025	2024	2025	2024
	(Rupees in '000)			
Net income for the period after taxation	117,360	218,208	51,644	83,361
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>117,360</u>	<u>218,208</u>	<u>51,644</u>	<u>83,361</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

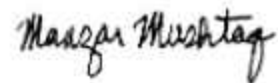
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Half year ended December 31, 2025			Half year ended December 31, 2024		
	Capital value	Accumulated income	Total	Capital value	Accumulated income	Total
	(Rupees in '000)					
Net assets at the beginning of the period (audited)	1,220,500	142,111	1,362,611	1,759,062	140,268	1,899,330
Issuance of 39,205,750 units (2024: 30,398,345 units)						
- Capital value (at ex-net asset value per unit at the beginning of the period)	2,157,242	-	2,157,242	1,670,243	-	1,670,243
- Element of income	22,924	-	22,924	118,686	-	118,686
Total proceeds on issuance of units	2,180,166		2,180,166	1,788,929	-	1,788,929
Redemption of 23,949,223 units (2024: 19,648,573 units)						
- Capital value (at ex-net asset value per unit at the beginning of the period)	(1,317,772)	-	(1,317,772)	(1,079,595)	-	(1,079,595)
- Element of loss	(14,843)	(8,500)	(23,343)	(48,867)	(19,497)	(68,364)
Total payments on redemption of units	(1,332,615)	(8,500)	(1,341,115)	(1,128,462)	(19,497)	(1,147,959)
Total comprehensive income for the period	-	117,360	117,360	-	218,208	218,208
Net assets at the end of the period (un-audited)	2,068,051	250,971	2,319,022	2,419,529	338,979	2,758,508
Accumulated income brought forward						
- Realised gain		143,835			137,638	
- Unrealised (loss) / gain		(1,724)			2,630	
		142,111			140,268	
Accounting income available for distribution						
- Relating to capital gains		14,342			52,008	
- Excluding capital gains		94,518			146,703	
		108,860			198,711	
Accumulated income carried forward		250,971			338,979	
Accumulated income carried forward						
- Realised income		242,001			340,413	
- Unrealised gain / (loss)		8,970			(1,434)	
		250,971			338,979	
	-- (Rupees) --			-- (Rupees) --		
Net assets value per unit at the beginning of the period	55.0236			54.9452		
Net assets value per unit at the end of the period	57.9456			60.8707		

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

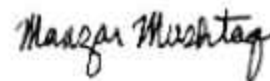
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Note	Half year ended December 31,	
		2025	2024
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		117,360	218,208
Adjustment for:			
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.6	(8,970)	1,434
Profit on savings accounts with banks and debt securities		(90,628)	(114,531)
Dividend income		(5,550)	-
		12,212	105,111
(Increase) / decrease in assets			
Investments - net		(912,352)	(110,742)
Advances, deposits, prepayments and other receivables		(11,353)	(4,131)
Receivable against conversion of units		83,999	201,739
		(839,706)	86,866
Increase in liabilities			
Payable to MCB Investment Management Limited - Management Company		(680)	1,402
Payable to Central Depository Company of Pakistan Limited - Trustee		150	44
Payable to the Securities and Exchange Commission of Pakistan		(6)	36
Payable against conversion of units		(44,977)	-
Payable against purchase of investments		149,280	88,343
Accrued expenses and other liabilities		(19,824)	(40,172)
		83,943	49,653
Dividend received		5,550	-
Profit received on savings accounts with banks and debt securities		77,987	178,096
Net cash (used in) / generated from operating activities		(660,014)	419,726
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		2,180,166	1,788,929
Payments against redemption and conversion of units		(1,341,115)	(1,147,959)
Net cash generated from financing activities		839,051	640,970
Net increase in cash and cash equivalents during the period		179,037	1,060,696
Cash and cash equivalents at the beginning of the period		549,112	435,062
Cash and cash equivalents at the end of the period	15	728,149	1,495,758

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

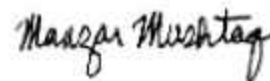
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Income Fund (the Fund) was established through a Trust Deed executed between MCB Investment Management Limited, as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated January 25, 2011 consequent to which Trust Deed was executed on March 07, 2011 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provisional Trust Act namely "Sindh Trusts Act, 2021" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was registered under the Sindh Trust Act on August 13, 2021.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end collective investment scheme categorised as an "Income scheme" by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in money market and other short-term placements / instruments which include short-term corporate debt, government securities, margin trading system transactions and spread transactions. The Fund may also invest a portion of its assets under management in medium term assets in order to provide higher return to the unit holders.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of "AM1" dated October 03, 2025 (June 30, 2025: "AM1" dated October 4, 2024) to the Management Company and "AA(f)" as stability rating dated October 23, 2025 (June 30, 2025: "AA-(f)" as stability rating dated August 30, 2024) to the Fund. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act 2017 along with part VIII A of the repealed Companies ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of, directives and notifications issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IAS 34 'Interim Financial Reporting', the provisions of, directives and notifications issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are limited, based on the requirements of IAS 34 'Interim Financial Reporting'. These condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2025.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. These condensed interim financial statements also include the condensed interim income statement and the condensed interim statement of comprehensive income for the three months period ended December 31, 2025 which are not subjected to auditor's review. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the six months period ended December 31, 2025.

3 MATERIAL ACCOUNTING POLICY INFORMATION, SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The material accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2025.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements of the Fund as at and for the year ended June 30, 2025.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2025.

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

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

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2026 and have not been disclosed in these condensed interim financial statements. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statement except for:

- The new standard - IFRS 18 'Presentation and Disclosure in the Financial statements' (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' clarify the timing of recognition and derecognition of certain financial instruments including settlement of liabilities through banking instruments and channels including electronic transfers. Further, guidance on the SPPI assessment, and disclosure requirements for instruments with cash flow modifying features and equity instruments designated at FVOCI has also been amended. These amendments are effective from January 1, 2026. The amendment when applied may impact the accounting and presentation of the financial instruments.

		December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
4 BALANCES WITH BANKS	Note	----- (Rupees in '000') -----	
In current accounts	5.1	28,162	72,716
In saving accounts	5.2	1,341,113	2,411,279
		1,369,275	2,483,995

4.1 This carry profit at the rate of 6.00% to 12.00% per annum (June 30, 2025: 7.00% to 9.50% per annum) and includes Rs 15.71 million (June 30, 2025: Rs 14.21 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 6.00% (June 30, 2025: 9.50%) per annum.

4.2 This include a balance held with MCB Bank Limited (a related party) of Rs 0.93 million (June 30, 2025: Rs 1.77 million).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		----- (Rupees in '000) -----	
5. INVESTMENTS			
Investments at 'fair value through profit or loss'			
Government securities	5.1	845,172	515,884
Term Finance Certificates - listed	5.2	-	-
Term Finance Certificates - unlisted	5.3	372,126	402,419
Commercial Paper	5.4	97,887	-
Listed Equity Securities	5.5	531,997	-
Future Stock Contracts	5.5.1	(5,982)	-
		<u>1,841,200</u>	<u>918,303</u>
5.1 Government securities			
Market Treasury Bills	5.1.1	371,986	270,584
Pakistan Investment Bonds	5.1.2	225,486	-
Pakistan Investment Bonds - Floating Rate Bond (FRB)	5.1.3	247,700	245,300
GoP Ijarah Sukuks	5.1.4	-	-
		<u>845,172</u>	<u>515,884</u>

5.1.1 Market Treasury Bills

Name of the security	Tenor	Issue date	Maturity date	Face value				December 31, 2025			Market value as a percentage of			
				As at July 01, 2025	Purchased during the period	Matured / sold during the period	As at December 31, 2025	Carrying value	Market value	Unrealized (diminution) / appreciation	Net assets of the Fund	Total market value of investments		
											(Rupees in '000)		----- (%) -----	
Market Treasury Bills	1 month	June 12, 2025	July 10, 2025	-	200,000	200,000	-	-	-	-	-	-	-	-
Market Treasury Bills	3 months	May 15, 2025	August 7, 2025	-	225,000	225,000	-	-	-	-	-	-	-	-
Market Treasury Bills	3 months	May 29, 2025	August 21, 2025	150,000	-	150,000	-	-	-	-	-	-	-	-
Market Treasury Bills*	3 months	October 30, 2025	January 22, 2026	-	150,000	-	150,000	149,280	149,280	-	-	8.44	8.11	
Market Treasury Bills	3 months	December 11, 2025	March 5, 2026	-	150,000	150,000	-	-	-	-	-	-	-	
Market Treasury Bills	6 months	August 21, 2025	February 19, 2026	-	250,000	250,000	-	-	-	-	-	-	-	
Market Treasury Bills	12 months	August 22, 2024	August 21, 2025	305	-	305	-	-	-	-	-	-	-	
Market Treasury Bills**	12 months	January 9, 2025	January 8, 2026	33,000	-	-	33,000	32,930	32,934	4	1.42	1.79		
Market Treasury Bills	12 months	May 15, 2025	May 14, 2026	100,000	-	100,000	-	-	-	-	-	-	-	
Market Treasury Bills	12 months	June 26, 2025	June 24, 2026	-	1,200,000	1,200,000	-	-	-	-	-	-	-	
Market Treasury Bills***	12 months	July 10, 2025	July 9, 2026	-	200,000	-	200,000	189,908	189,772	(136)	8.18	10.31		
Total as at December 31, 2025 (Un-audited)								<u>372,118</u>	<u>371,986</u>	<u>(132)</u>				
Total as at June 30, 2025 (Audited)								<u>270,320</u>	<u>270,584</u>	<u>264</u>				

*These will mature latest by January 22, 2026 carrying effective yield of 8.01%.

**These will mature latest by January 08, 2026 carrying effective yield of 10.90%.

***These will mature latest by July 09, 2026 carrying effective yield of 10.79%.

5.1.1.1 This includes a Market Treasury Bill pledged with the National Clearing Company of Pakistan Limited (NCCPL) in accordance with the Circular no.11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The bill has a face value of Rs. 200 million and a market value of Rs. 189.77 million as at December 31, 2025.

5.1.2 Pakistan Investment Bonds

Name of the security	Tenor	Issue date	Maturity date	Face value				Balance as at December 31, 2025			Market value as a percentage of			
				As at July 01, 2025	Purchased during the period	Sold during the period	As at December 31, 2025	Carrying value	Market value	Unrealized appreciation	Net assets of the Fund	Total market value of investments		
											(Rupees in '000)		----- (%) -----	
Pakistan Investment Bonds*	2 years	January 16, 2025	January 16, 2027	-	250,000	-	250,000	224,817	225,486	669	9.72	12.25		
Pakistan Investment Bonds	5 years	January 16, 2025	January 16, 2030	-	250,000	250,000	-	-	-	-	-	-		
Pakistan Investment Bonds	5 years	July 17, 2025	July 17, 2030	-	650,000	650,000	-	-	-	-	-	-		
Total as at December 31, 2025 (Un-audited)								<u>224,817</u>	<u>225,486</u>	<u>669</u>				
Total as at June 30, 2025 (Audited)								-	-	-				

*This will mature latest by January 16, 2027 carrying effective yield of 12.45%.

5.1.2.1 This includes fixed rate Pakistan Investment Bond pledged with the National Clearing Company of Pakistan Limited (NCCPL) in accordance with the Circular no.11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The bond has a face value of Rs. 250 million and a market value of Rs. 225.49 million as at December 31, 2025.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

5.1.3 Pakistan Investment Bonds - Floating Rate Bonds (FRBs)

Name of the security	Tenor	Issue date	Maturity date	Face value			Balance as at December 31, 2025			Market value as a percentage of		
				As at July 01, 2025	Purchased during the period	Sold during the period	As at December 31, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total market value of investments
(Rupees in '000)												
Pakistan Investment Bonds-FRB*	5 years	June 27, 2024	June 27, 2029	250,000	-	-	250,000	245,894	247,700	1,806	10.68	13.45
Pakistan Investment Bonds-FRB	5 years	October 3, 2024	October 3, 2029	-	250,000	250,000	-	-	-	-	-	-
Total as at December 31, 2025 (Un-audited)								245,894	247,700	1,806		
Total as at June 30, 2025 (Audited)								245,658	245,300	(358)		

*This will mature latest by June 27, 2029 carrying effective yield of 11.60%.

5.1.4 GoP Ijarah Sukuks

Name of the security	Tenor	Issue date	Maturity date	Profit rate / yield %	Number of sukuk				Balance as at December 31, 2025			Market value as a percentage of	
					As at July 01, 2025	Purchased during the period	Sold during the period	As at December 31, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total market value of investments
(Rupees in '000)													
GoP Ijara Sukuk PSX-FRR	1 year	August 21, 2025	August 20, 2026	10.152%	-	125,000	125,000	-	-	-	-	-	-
GoP Ijara Sukuk PSX-FRR	5 year	May 30, 2025	May 30, 2030	10.910%	-	62,500	62,500	-	-	-	-	-	-
Total as at December 31, 2025 (Un-audited)								-	-	-			
Total as at June 30, 2025 (Audited)								-	-	-			

5.2 Term Finance Certificates - listed

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

Name of the security	Number of certificates				Balance as at December 31, 2025			Market value as a percentage of	
	As at July 1, 2025	Purchased during the year	Matured / sold during the year	As at Dec 31, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the fund	Total market value of investments
(Rupees in '000)									
Investment Banks / Investment Companies / Securities Companies									
Trust Investment Bank Limited	10,000	-	-	10,000	18,743	-	-	-	-
Less: Provision for impairment (see note 5.7.1)	-	-	-	-	(18,743)	-	-	-	-
Miscellaneous									
Pace Pakistan Limited	10,000	-	-	10,000	49,940	-	-	-	-
Less: Provision for impairment (see note 5.7.1)	-	-	-	-	(49,940)	-	-	-	-
Technology & Communication									
Telecard Limited	19,975	-	-	19,975	7,771	-	-	-	-
Less: Provision for impairment (see note 5.7.1)	-	-	-	-	(7,771)	-	-	-	-
Total as at December 31, 2025 (Un-audited)					-	-	-		
Total as at June 30, 2025 (Audited)					-	-	-		

5.3 Term Finance Certificates - unlisted

Name of the investee company	Number of certificates				Balance as at December 31, 2025			Market value as a percentage of	
	As at July 1, 2025	Purchased during the period	Matured / sold during the period	As at December 31, 2025	Carrying value	Market value	Unrealised diminution	Net assets of the Fund	Total market value of investments
Rupees in '000									
Commercial Banks									
Bank Al-Habib Limited*	41,000	-	-	41,000	201,602	201,602	-	8.69	10.95
The Bank of Punjab**	1,730	-	-	1,730	171,071	170,525	(546)	7.35	9.26
Askari Bank Limited***	30	-	30	-	-	-	-	-	-
Total as at December 31, 2025 (Un-audited)					372,673	372,126	(546)		
Total as at June 30, 2025 (Audited)					404,049	402,419	(1,630)		

*The face value is Rs.5,000

**The face value is Rs.100,000

***The face value is Rs.1,000,000

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

5.4 Commercial paper

Name of the investee company	Rating	Maturity date	Profit rate	Amount placed			Balance as at December 31, 2025			Market value as a percentage of		
				As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at December 31, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total market value of investments
				(Rupees in '000)								
Pakistan Microfinance Investment Company Limited	AA+	March 11, 2026	11.63	-	97,887	-	97,887	97,887	97,887	-	4.22	5.32
Total as at December 31, 2025 (Un-audited)								97,887	97,887	-		
Total as at June 30, 2025 (Audited)												

5.5 Listed Equity Securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the Investee Company	Number of shares			Balance as at December 31, 2025			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company			
	As at July 01, 2025	Purchased during the period	Sold during the period	As at December 31, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund		Total investments of the Fund		
				(Number of shares)			(Rupees in '000)		%			
Cement												
Fajri Cement Company Limited	-	4,260,000	4,260,000	-	-	-	-	-	-	-		
D.G. Khan Cement Company Limited *	-	145,000	145,000	-	-	-	-	-	-	-		
Pioneer Cement Limited	-	385,000	385,000	-	-	-	-	-	-	-		
Cable and Electronic Goods												
Pak Elektron Limited	-	602,000	602,000	-	-	-	-	-	-	-		
Commercial Banks												
Faysal Bank Limited	-	900,000	900,000	-	-	-	-	-	-	-		
National Bank Of Pakistan	-	950,000	575,000	575,000	132,823	139,254	6,431	6.00	7.56	0.03		
					132,823	139,254	6,431					
Engineering												
Mughal Iron & Steel Industries Limited	-	900,000	-	900,000	93,636	92,772	(864)	4.00	5.04	0.27		
					93,636	92,772	(864)					
Fertilizer												
Fajri Fertilizer Company Limited	-	135,500	-	135,500	79,383	80,041	658	3.45	4.35	0.01		
					79,383	80,041	658					
Oil and Gas Exploration Companies												
Oil & Gas Development Company Limited	-	209,000	209,000	-	-	-	-	-	-	-		
Pakistan Petroleum Limited	-	351,000	130,500	220,500	49,123	51,939	2,816	2.24	2.82	0.01		
					49,123	51,939	2,816					
Oil and Gas Marketing Companies												
Pakistan State Oil Company Limited	-	310,000	92,000	218,000	100,861	103,367	2,706	4.46	5.61	0.05		
					100,861	103,367	2,706					
Power Generation and Distribution												
K Electric Limited **	-	4,000,000	4,000,000	-	-	-	-	-	-	-		
Hub Power Company Limited	-	454,000	296,000	158,000	35,626	34,978	(648)	1.51	1.90	0.01		
					35,626	34,978	(648)					
Technology & Communications												
Pakistan Telecommunication Company Limited	-	498,500	-	498,500	28,190	29,646	1,456	1.28	1.61	0.01		
					28,190	29,646	1,456					
Total as at December 31, 2025 (Un-audited)								518,842	531,997	13,155		
Total as at June 30, 2025 (Audited)												

*This represents transaction in shares with related parties.

**These have a par value of Rs. 3.5 per share.

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

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		Note	December 31, 2025 (Un-audited)	December 31, 2024 (Un-audited)
			----- (Rupees in '000)	----- (Rupees in '000)
5.6	Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'			
	Market value of investments	5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.2, 5.3, 5.4, 5.5	1,841,200	3,287,444
	Carrying value of investments	5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.2, 5.3, 5.4, 5.5	(1,832,230)	(3,288,878)
			<u>8,970</u>	<u>(1,434)</u>

5.7 Significant terms and conditions of term finance certificates outstanding at the period end are as follows:

Name of the security	Number of certificates	Face value per certificate	Face value / redemption value in total	Interest rate per annum	Maturity	Secured / unsecured	Rating
			----- (Rupees)				
Unlisted debt securities							
Investment Banks							
Bank Al Habib Limited	41,000	5,000	4,900	6 months KIBOR + 0.75%	September 30, 2031	Unsecured	AAA
The Bank of Punjab	1,730	100,000	99,700	6 months KIBOR + 1.25%	April 23, 2028	Unsecured	AA

5.7.1 Details of non-compliant investments with the investment criteria as specified by the Securities and Exchange Commission of Pakistan:

In accordance with clause (v) of the investment criteria laid down for 'income scheme' in Circular No. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at December 31, 2025, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by the respective issuer at the time of repayment of coupon due on the respective dates.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets of the Fund	Percentage of total market value of investments
		----- Rupees in '000			----- %	
Listed debt securities						
Trust Investment Bank Limited	TFC	18,743	(18,743)	-	-	-
Tuboard Limited*	TFC	7,771	(7,771)	-	-	-
Pace Pakistan Limited**	TFC	49,940	(49,940)	-	-	-

Owing to continuous default on repayment of coupon by the issuer, the Fund had classified the said investment as non-performing. The Fund has recognised full provision against outstanding principal in accordance with applicable provisioning circular issued by the Securities and Exchange Commission of Pakistan and provisioning policy of the Fund duly approved by the Board of Directors of the Management Company. The Fund has suspended further accrual of mark-up there against.

* The issuer with the consent of TFC holders had restructured the issue in the year 2022. The restructuring term spreads over a period of 8 years with the first payment of principal started from March 2022 and thereafter in equal quarterly installments with maturity in December 2028. During the period, an amount equal to Rs. 3.11 million (December 31, 2024: Rs. 3.11 million) payment has been received.

** During the current period, PACE through an extraordinary general meeting (EOGM) of its members held on September 24, 2025 obtained approval for settlement of outstanding principal amount of TFCs through issuance of 255,210,130 ordinary shares of PACE. The Fund was offered 9.20 million ordinary shares in respect of its proportionate holding in TFCs of PACE. The Fund by virtue of being an Income fund is not allowed to make investments in equity securities. The Fund had approached SECP for its approval for holding equity securities in the Fund at the time the proposal for settlement of TFCs was shared by PACE. The SECP through its letter # SCD/AMCW/PIF/2017/211 dated February 25, 2025 allowed the Fund to acquire these equity shares with an undertaking to dispose them within 30 days from its receipt and had also mentioned certain additional requirements to be complied with by the Management Company of the Fund.

The Management Company took up this matter with the management of PACE whereby PACE offered an option to the Fund for acquisition of TFCs of the Fund by the associated company of PACE against transfer of 9.2 million ordinary shares of PACE (which the Fund was to receive under the arrangement approved in the EOGM). However, no formal arrangement was entered into till December 31, 2025. Accordingly as at December 31, 2025, the Fund has retained the investment in TFCs of PACE in its investment portfolio as a defaulted & non-compliant debt investment (and retaining full provision against outstanding principal amount) as disclosed in these condensed interim financial statements. Further, considering this as a material event the Fund has discontinued issuance of units of the Fund with effect from September 25, 2025 in lieu of above development and has also disclosed this fact on its website.

		December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		----- (Rupees in '000)	----- (Rupees in '000)
6.	PROFIT RECEIVABLE		
	Profit receivable on:		
	- Term finance certificates - unlisted	10,286	11,210
	- Pakistan Investment Bonds - Floating Rate Bonds (FRBs)	359	298
	- Savings accounts	21,090	7,586
		<u>31,735</u>	<u>19,094</u>

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	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		----- (Rupees in '000) -----	
7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advance tax	7.1	6,039	4,638
Deposits with:			
- National Clearing Company of Pakistan Limited (NCCPL)		2,500	2,500
- Central Depository Company of Pakistan Limited (CDC)		200	200
Prepayments		-	332
Receivable from the National Clearing Company of Pakistan Limited (NCCPL)		22,338	12,022
Other receivables:		-	32
		<u>31,077</u>	<u>19,724</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 151 and 150 of the Income Tax Ordinance, 2001. However, withholding tax on dividend and profit on savings accounts with banks paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on interest on debt securities and profit on savings accounts with banks amounts to Rs. 4.64 million (June 30, 2025: Rs. 4.64 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC.

7.2 The Finance Act, 2025 has introduced section 151A of the Income Tax Ordinance, 2001 (ITO) effective from July 01, 2025, as per the aforementioned section, which requires every custodian of debt securities responsible to maintain Investor Portfolio Securities (IPS) Account on behalf of holder of a debt securities, other than debt securities disposed through registered stock exchange and settled through NCCPL, to deduct tax at the time of disposal of debt securities including government securities at the rate of 15.00% on gross amount of capital gain.

The tax amounting to Rs. 1.40 million, deducted under Section 151A, has been disclosed as 'Advance tax' in these condensed interim financial statements as at December 31, 2025, as, in the opinion of the management, the amount of tax deducted at source will be refunded based on exemption.

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		----- (Rupees in '000) -----	
8. PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	8.1	2,950	3,542
Sindh sales tax payable on remuneration of the Management Company	8.2	443	531
		<u>3,393</u>	<u>4,073</u>

8.1 In accordance with the NBFC Regulations, 2008, as amended by the SECP vide SRO No. 600(I)/2025 dated April 10, 2025, the Fund may charge a management fee up to 1.50% per annum on average daily net assets of the Fund, applicable to 'Income Schemes', with effect from July 01, 2025. Previously, the Management Company was entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Accordingly, the Fund has charged management fee at the rates ranging from 0.80% to 1.50% (December 31, 2024: 0.50% to 10.00% on gross earnings from July 01, 2024 to September 01, 2024 and 0.80% to 2.00% per annum on daily net assets from September 02, 2024 to December 31, 2024) of average daily net assets of the Fund during the current period. The remuneration is payable to the Management Company monthly in arrears.

8.2 Sales tax on management remuneration has been charged at the rate of 15% (June 30, 2025: 15%)

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge fees and expenses relating to registrar services, accounting, operational and valuation services of a Collective Investment Scheme (CIS). However, the SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, introduced amendments to Schedule XX of the NBFC Regulations regarding expenses chargeable to CISs, under which expenses relating to registrar services, accounting, operational and valuation services have been excluded. Accordingly, the Management Company has discontinued chargeability of the aforementioned expenses in compliance with the revised requirements of the NBFC Regulations.

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	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
————(Rupees in '000)————			
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration payable	9.1	147	16
Sindh sales tax payable on trustee remuneration	9.2	22	3
		<u>169</u>	<u>19</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.075% (June 30, 2025: 0.075%) of average daily net assets of the Fund during the period.

9.2 Sales tax on trustee fee has been charged at the rate of 15%. (June 30, 2025: 15%)

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
————(Rupees in '000)————			
10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Fee payable	10.1	147	153

10.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.075% per annum of the daily net assets of the Fund, applicable to an "Income Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.075% (June 30, 2025: 0.075%) per annum of the daily net assets during the period.

The Fund is required to pay SECP fee within 15 days of the close of every calendar month.

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
————(Rupees in '000)————			
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for federal excise duty payable on			
- Remuneration of the Management Company	11.1	9,210	9,210
- Sales load		239	239
Brokerage payable		609	24
Withholding tax payable		78	20,368
Auditors' remuneration payable		686	814
Other payables		48	39
		<u>10,870</u>	<u>30,694</u>

11.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company, sales load and related taxes with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 9.45 million (June 30, 2025: Rs. 9.45 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2025 would have been higher by Re 0.24 per unit (June 30, 2025: Re 0.38 per unit).

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12. CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at December 31, 2025 and June 30, 2025.

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
12.1 COMMITMENTS		
Future transactions of equity securities entered into by the Fund in respect of which the following transactions have not been settled as at period / year end	————— (Rupees in '000) —————	
- Future sale transaction	532,022	-

13. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2026 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

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

14. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.21% (December 31, 2024: 2.31%) which includes 0.33% (December 31, 2024: 0.34%) representing Government Levy and SECP Fee etc.

The SECP vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the TER limit effect from July 01, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 8.1 of these condensed interim financial statements.

	Note	December 31, 2025 (Un-audited)	December 31, 2024 (Audited)
15. CASH AND CASH EQUIVALENTS		————— (Rupees in '000) —————	
Balances with banks	4	578,869	179,292
Market Treasury Bills	5.1.1	149,280	1,316,466
		728,149	1,495,758

16. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, MCB Islamic Bank Limited (being 100% subsidiary of the Holding Company), the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

The details of transactions carried out by the Fund with connected persons during the period and balances with them as at half year ended are as follows:

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16.1	Details of transactions with the related parties / connected person are as follows:	December 31, 2025 (Un-audited)	December 31, 2024 (Un-audited)
		—— (Rupees in '000) ——	
MCB - Investment Management Limited - Management Company			
	Remuneration of the Management Company (including indirect taxes)	20,165	19,720
	Allocated expenses including indirect taxes	-	460
	Units issued to unitholder on behalf of the Management Company*	-	2,265
Central Depository Company of Pakistan Limited - Trustee			
	Remuneration payable (including indirect taxes)	1,009	940
	CDC settlement charges	29	48
Group / associated companies:			
MCB Bank Limited - Parent of the Management Company			
	Mark-up on savings accounts with banks	710	222
	Bank charges	16	10
D.G. Khan Cement Company Limited			
	Purchase of 145,000 (2024: Nil) shares	35,186	-
	Sales of 145,000 (2024: Nil) shares	35,372	-

* This represents amount reimbursed by the Management Company in the form of dividend to identified unit holders of the Fund in relation to reversal of excess amount charged against reimbursement of selling and marketing expenses as per the direction of the Securities and Exchange Commission of Pakistan.

16.2	Balances outstanding at period / year end	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		—— (Rupees in '000) ——	
MCB - Investment Management Limited - Management Company			
	Management remuneration payable	2,950	3,542
	Sindh sales tax payable on remuneration of the Management Company	443	531
Central Depository Company of Pakistan Limited - Trustee			
	Trustee remuneration payable	147	16
	Sindh sales tax payable on trustee remuneration	22	3
	Security deposit	200	200
MCB Bank Limited - Parent of the Management Company			
	Balances with banks	16,640	15,981

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

For the half year ended December 31, 2025 (Un-audited)							
As at July 01, 2025	Issued for cash	Redeemed	As at December 31, 2025	As at July 01, 2025	Issued for cash	Redeemed	As at December 31, 2025
Units				(Rupees in '000)			

Group / associated companies / undertakings

Adamjee Insurance Co.Ltd. Employees Gratuity Fund	10	-	-	10	1	-	-	1
Adamjee Life Assurance Co. Ltd-Sht	2,725	-	-	2,725	150	-	-	158
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	441	-	-	441	24	-	-	26
Nishat Paper Products Company Limited Staff Provident Fund Trust	3	-	-	3	-	-	-	-
Security General Insurance Co. Ltd. Employees Provident Fund Trust	180,894	-	-	180,894	9,953	-	-	10,482
Directors and key management personnel of the Management Company	32	18,463	18,485	10	2	8,113	1,030	1
Mandate under discretionary portfolio services	121	-	-	121	7	-	-	7

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For the half year ended December 31, 2024 (Un-audited)								
As at July 01, 2024	Issued for cash	Redeemed	As at December 31, 2024	As at July 01, 2024	Issued for cash	Redeemed	As at December 31, 2024	
Units				(Rupees in '000)				
Group / associated companies / undertakings								
MCB Investment Management Limited	-	122	-	122	-	7	-	7
Adanjoye Life Assurance Company Limited	-	2,328	-	2,328	-	142	-	142
Adanjoye Insurance Co.Ltd. Employees Gratuity Fund	-	8	-	8	-	1	-	-
D.G.Khan Cement Company Limited - Employees Provident Fund Trust	-	377	-	377	-	23	-	23
Adanjoye Life Assurance Company Limited - Dstf	-	30	-	30	-	2	-	2
Nisbat Paper Products Company Limited - Staff Provident Fund Trust	-	3	-	3	-	-	-	-
Security General Insurance Company Limited	-	181	-	181	-	11	-	11
Security General Insurance Company Limited - Employees Provident Fund Trust	154,449	87	-	154,536	8,486	5	-	9,407
Directors and key management personnel of the Management Company	8,893	236,915	198,240	47,568	489	13,443	11,109	2,896
Mandate under discretionary portfolio services	56	637	-	693	3	39	-	42

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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 liabilities is considered not to be significantly different from the respective book values.

17.1 Fair value hierarchy

International Financial Reporting Standard IFRS 13 - "Fair Value Measurement" requires the fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2 : inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 : inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

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

ASSETS	December 31, 2025			
	Un-audited			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Listed Equity Securities	531,997	-	-	531,997
Commercial Paper	-	-	97,887	97,887
Market Treasury Bills	-	371,986	-	371,986
Pakistan Investment Bonds	-	225,486	-	225,486
Pakistan Investment Bonds - Floating Rate Bonds (FRBs)	-	247,700	-	247,700
Future Stock Contracts	(5,982)	-	-	(5,982)
Term Finance Certificates - unlisted	-	372,126	-	372,126
	<u>526,015</u>	<u>1,217,298</u>	<u>97,887</u>	<u>1,841,200</u>

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ASSETS	June 30, 2025			
	Audited			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Financial assets *at fair value through profit or loss*				
Listed Equity Securities	-	-	-	-
Commercial Paper	-	-	-	-
Market Treasury Bills	-	270,584	-	270,584
Pakistan Investment Bonds	-	-	-	-
Pakistan Investment Bonds - Floating Rate Bonds (FRBs)	-	245,300	-	245,300
Future Stock Contracts	-	-	-	-
Term finance certificates - unlisted	-	402,419	-	402,419
	-	918,303	-	918,303

17.2 Valuation techniques used in determination of fair values

Item	Valuation approach and input used
Market Treasury Bills	The fair value of Market Treasury Bills are derived using PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through Reuters.
Pakistan Investment Bonds	The fair value of Pakistan Investment Bonds are derived using PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through Reuters.
Pakistan Investment Bonds - Floating Rate Bond (FRB)	The fair value of Pakistan Investment Bonds - Floating Rate Bond (FRB) are derived using PKRFV rates. The PKRFV rates are announced by FMA (Financial Market Association) through Reuters.
Term Finance Certificates	Investment in Unlisted - Term Finance Certificates are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Listed Equity Securities	The valuation has been determined through closing rates of Pakistan Stock Exchange.
Future Stock Contracts	The valuation has been determined through DFC rates of Pakistan Stock Exchange.

There were no transfers amongst levels during the period.

18. CORRESPONDING FIGURES

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

19. GENERAL

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

20. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Subsequent to December 31, 2025, the Fund and Sisley Group Company Limited (an associated undertaking of PACE) entered into an agreement dated January 19, 2026 whereby the Fund will receive 9.20 million ordinary shares of PACE against transfer of TFCs to Sisley as detailed in note 5.7.1 to these condensed interim financial statements. The Fund has not accounted for the above-mentioned arrangement in the condensed interim financial statements for the half year ended December 31, 2025 which will be accounted for in the condensed interim financial statements for the nine months period ending March 31, 2026.

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 02, 2026 by the Board of Directors of the Management Company .

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

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