

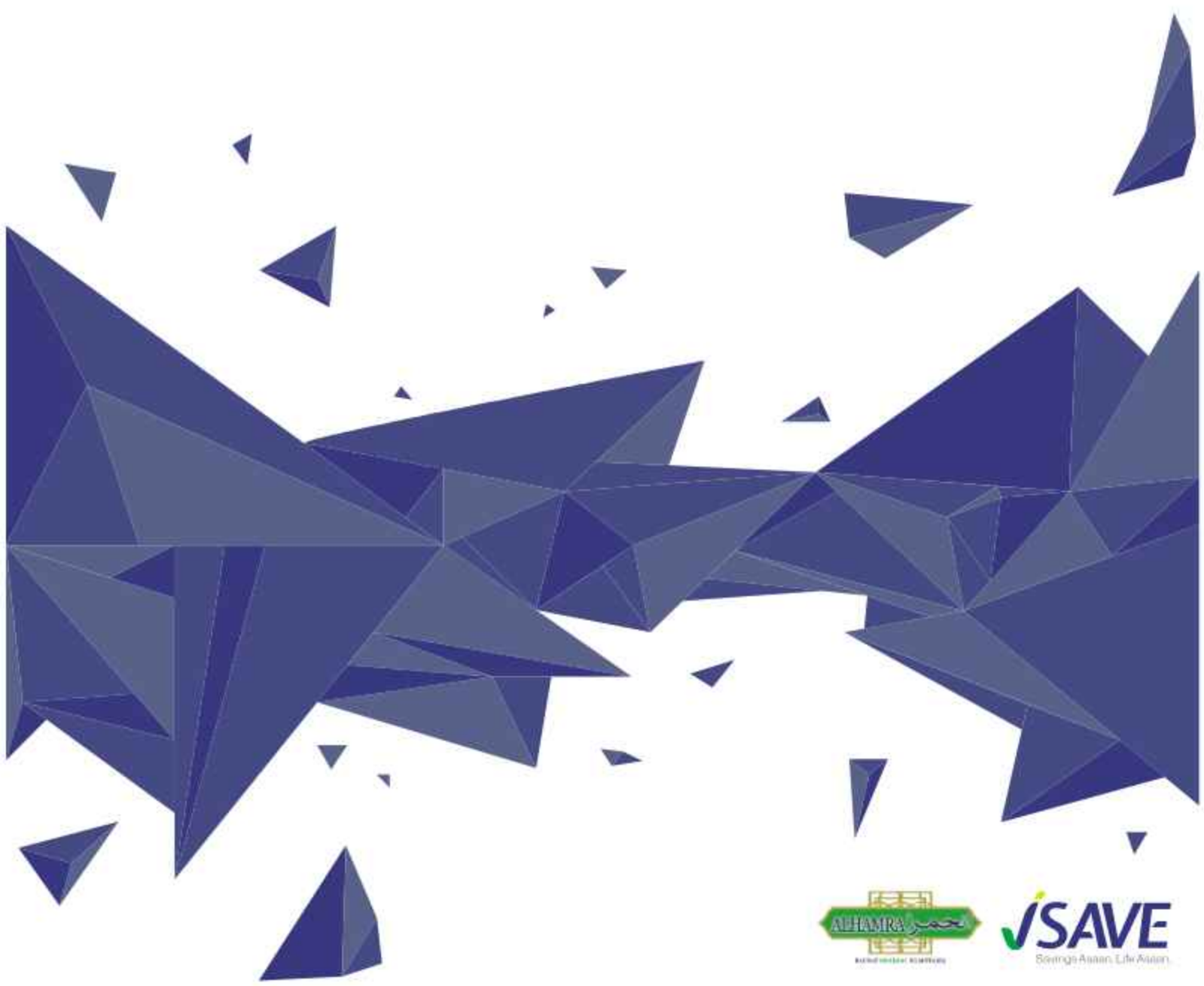


MCB FUNDS  
Investments for Life

# HALF YEARLY REPORT

DECEMBER  
**2025**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



# **MCB PAKISTAN SOVEREIGN FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid <b>Mr. Muhammad Nauman Chughtai</b> Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b> <b>Mr. Fahd Kamal Chinoy</b> <b>Ms. Sadia Muzaffar</b> Ms. Mavra Adil Khan	Chairman <b>Director</b> Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	<b>Ms. Sadia Muzaffar</b> Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b>	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Fahd Kamal Chinoy</b> Mr. Ahmed Jahangir Ms. Mavra Adil Khan <b>Mr. Khawaja Khalil Shah</b> <b>Mr. Muhammad Nauman Chughtai</b>	Chairman Member Member Member Member
<b>Credit Committee</b>	<b>Mr. Ahmed Jahangir</b> <b>Mr. Manzar Mushtaq</b> <b>Ms. Sadia Muzaffar</b> <b>Mr. Khawaja Khalil Shah</b>	<b>Member</b> <b>Member</b> <b>Member</b> <b>Member</b>
<b>IT &amp; Digital Risk Management Committee</b>	Ms. Mavra Adil Khan Mr. Ahmed Jahangir <b>Mr. Khawaja Khalil Shah</b> <b>Mr. Syed Sohail Ahmed</b> <b>Mr. Shabbir Hussain</b> <b>Mr. Muhammad Arsalan Khan</b>	Chairman Member Member Member Member Member
<b>Chief Executive Officer</b>	<b>Mr. Khawaja Khalil Shah</b>	
<b>Chief Operating &amp; Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	<b>Mr. Muhammad Rehan Khan</b>	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> 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	
<b>Bankers</b>	MCB Bank Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited	Habib Metropolitan Bank Limited United Bank Limited Zarai Taraqati Bank Limited Js Bank Limited National Bank Of Pakistan
<b>Auditors</b>	<b>A. F. Ferguson &amp; Co.</b> Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> 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**

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Dear Investor

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Sovereign 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 a annualized return of 10.74% as against its benchmark return of 10.68%. At period-end, the fund exposure towards cash was 3.6%.

The Net Assets of the Fund as at December 31, 2025 stood at Rs. 24,387 million as compared to Rs. 28,813 million as at June 30, 2025 registering an decrease of 15.36%.

The Net Asset Value (NAV) per unit as at December 31, 2025 was Rs. 58.010 as compared to opening NAV of Rs. 55.030 per unit as at June 30, 2025 registering an increase of Rs 2.980 per unit.

### **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

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

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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.

### **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.

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

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**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**

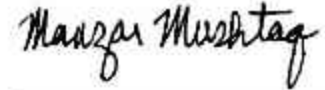
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



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**Khawaja Khalil Shah**  
Chief Executive Officer  
February 2, 2026



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**Manzar Mushtaq**  
Director  
February 2, 2026

## ڈائریکٹرز رپورٹ

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 فیلڈ انکم اور فیلڈ 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 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 بلاز کا وٹ جاری رہے، اور ڈیجیٹل رسائی اور صارفین کو اچھا تجربہ فراہم کرنے کے معاملے میں ہماری بہتر استعداد کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے فائدہ اٹھانے کے لیے تیار ہیں۔

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور فنڈ کے ٹرسٹیز 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،

*Masoom Mughal*

منظر مشتاق

ڈائریکٹر

02 فروری 2026ء



خواجہ ظہیر شاہ

چیف ایگزیکٹو آفیسر

02 فروری 2026ء

## ڈائریکٹرز رپورٹ

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 امید 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 پائیدار بانڈز جیسے موقعوں کو آزما جاسکے۔

پاکستان نے مالی سال 2025ء میں 14 برسوں کے بعد اپنا پہلا سالانہ کرنٹ اکاؤنٹ سر 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 پیمائش شدہ کی توقع 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 امید 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 امید 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 سر پلس سے متعلق سخت ہدف بھی مالیاتی نظم و ضبط برقرار رکھنے میں کردار ادا کرے گا۔

ایس بی پی نے سود 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 فنڈ ز سال بھر پالیسی شرحوں کی بلاؤٹ کا وٹ عکاسی جاری رکھیں گے۔

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان سوورن 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 (سریپلس) 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 10.74 فیصد تھا، جبکہ اس کے بالمقابل بیچ مارک منافع 10.68 فیصد تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری نقد میں 3.6 فیصد تھی۔

31 دسمبر 2025ء کو فنڈ کے net اثاثہ جات 24,387 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2025ء کو 28,813 ملین روپے تھے، یعنی 15.36 فیصد کمی ہوئی۔

31 دسمبر 2025ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 58.01 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2025ء کو ابتدائی این اے وی 55.03 روپے فی یونٹ تھی، یعنی 2.98 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 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 UNIT HOLDERS

### MCB PAKISTAN SOVEREIGN 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 MCB Pakistan Sovereign 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 23, 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 MCB Pakistan Sovereign Fund

Report on review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **MCB Pakistan Sovereign 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: RR202510611uBL5ytQPE

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**

		December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Balances with banks	4	888,865	4,552,352
Investments	5	23,094,923	24,037,384
Profit receivables	6	405,545	621,039
Advances, deposits, prepayments and other receivables	7	101,999	50,074
<b>Total assets</b>		<b>24,491,332</b>	<b>29,260,849</b>
<b>LIABILITIES</b>			
Payable to MCB Investment Management Limited - Management Company	8	35,804	42,427
Payable to Central Depository Company of Pakistan Limited - Trustee	9	1,311	299
Payable to the Securities and Exchange Commission of Pakistan	10	1,554	1,577
Accrued expenses and other liabilities	11	65,319	403,404
<b>Total liabilities</b>		<b>103,988</b>	<b>447,707</b>
<b>NET ASSETS</b>		<b>24,387,344</b>	<b>28,813,142</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>24,387,344</b>	<b>28,813,142</b>
<b>Contingencies and commitments</b>	12		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>420,417,282</b>	<b>523,550,894</b>
		(Rupees)	
<b>NET ASSET VALUE PER UNIT</b>		<b>58.01</b>	<b>55.03</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

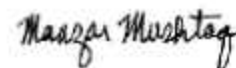
For MCB Investment Management Limited  
(Management Company)



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)					
<b>INCOME</b>					
Income from government securities		1,653,781	2,039,171	713,802	1,332,209
Profit on savings accounts with banks		135,168	109,061	56,998	41,771
Net realised (loss) / gain on sale of investments		(27,631)	655,120	(7,137)	394,437
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.5	111,404	343,784	127,443	(314,159)
Other income		993	-	-	-
<b>Total income</b>		<b>1,873,715</b>	<b>3,147,136</b>	<b>891,106</b>	<b>1,454,258</b>
<b>EXPENSES</b>					
Remuneration of MCB Investment Management Limited - Management Company	8.1	186,159	247,807	76,841	179,013
Sindh sales tax on remuneration of the Management Company	8.2	27,924	37,171	11,526	26,852
Allocated expenses	8.3	-	7,587	-	6,371
Sindh sales tax on allocated expenses		-	1,138	-	956
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	9,072	7,689	3,961	5,239
Sindh sales tax on remuneration of the Trustee	9.2	1,361	1,153	594	785
Fee to the Securities and Exchange Commission of Pakistan	10.1	12,371	10,485	5,402	7,144
Auditor's remuneration		811	518	517	260
Fees and subscription		332	296	166	148
Legal and professional charges		99	102	16	89
Brokerage and settlement charges		2,243	6,424	652	3,655
Bank charges		299	1,191	74	792
Printing and related costs		-	33	-	7
		240,671	321,594	99,749	231,311
<b>Net income for the period before taxation</b>		<b>1,633,044</b>	<b>2,825,542</b>	<b>791,357</b>	<b>1,222,947</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>1,633,044</b>	<b>2,825,542</b>	<b>791,357</b>	<b>1,222,947</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		1,633,044	2,825,542		
Income already paid on units redeemed		(515,290)	(1,250,552)		
		<u>1,117,754</u>	<u>1,574,990</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		83,773	538,268		
- Excluding capital gains		1,033,981	1,036,722		
		<u>1,117,754</u>	<u>1,574,990</u>		

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

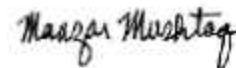
For MCB Investment Management Limited  
(Management Company)



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)			
<b>Net income for the period after taxation</b>	1,633,044	2,825,542	791,357	1,222,947
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>1,633,044</u>	<u>2,825,542</u>	<u>791,357</u>	<u>1,222,947</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

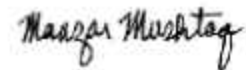
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' 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	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
<b>Net assets at the beginning of the period (audited)</b>	29,364,332	(551,190)	28,813,142	11,746,432	(664,703)	11,081,729
Issuance of 350,220,715 units (2024: 1,009,462,517 units):						
- Capital value (at ex-net asset value per unit at the beginning of the period)	19,272,646	-	19,272,646	54,571,544	-	54,571,544
- Element of income	245,503	-	245,503	3,861,886	-	3,861,886
<b>Total proceeds on issuance of units</b>	19,518,149	-	19,518,149	58,433,430	-	58,433,430
Redemption of 453,354,327 units (2024: 755,240,524 units):						
- Capital value (at ex-net asset value per unit at the beginning of the period)	(24,948,089)	-	(24,948,089)	(40,828,303)	-	(40,828,303)
- Element of loss	(113,612)	(515,290)	(628,902)	(2,567,554)	(1,250,552)	(3,818,106)
<b>Total payments on redemption of units</b>	(25,061,701)	(515,290)	(25,576,991)	(43,395,857)	(1,250,552)	(44,646,409)
Total comprehensive income for the period	-	1,633,044	1,633,044	-	2,825,542	2,825,542
Distribution for the period ended December 31, 2024 @ 0.06 per unit on July 1, 2024	-	-	-	-	(12,300)	(12,300)
<b>Net income for the period less distribution</b>	-	1,633,044	1,633,044	-	2,813,242	2,813,242
<b>Net assets as at the end of the period (un-audited)</b>	<u>23,820,780</u>	<u>566,564</u>	<u>24,387,344</u>	<u>26,784,005</u>	<u>897,987</u>	<u>27,681,992</u>
<b>Accumulated losses brought forward</b>						
- Realised loss		(658,011)			(697,867)	
- Unrealised income		106,821			33,164	
		<u>(551,190)</u>			<u>(664,703)</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		83,773			538,268	
- Excluding capital gains		1,033,981			1,036,722	
		<u>1,117,754</u>			<u>1,574,990</u>	
Distributions made during the period		-			(12,300)	
<b>Accumulated income carried forward</b>		<u>566,564</u>			<u>897,987</u>	
<b>Accumulated income carried forward</b>						
- Realised income		455,160			554,203	
- Unrealised income		111,404			343,784	
		<u>566,564</u>			<u>897,987</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
<b>Net assets value per unit at the beginning of the period</b>		<u>55.03</u>			<u>54.06</u>	
<b>Net assets value per unit at the end of the period</b>		<u>58.01</u>			<u>60.28</u>	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

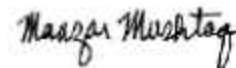
For MCB Investment Management Limited  
(Management Company)



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) ————			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		1,633,044	2,825,542
<b>Adjustment for:</b>			
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.5	(111,404)	(343,784)
Profit on savings accounts with banks and debt securities		(935,228)	(1,412,326)
		586,412	1,069,432
<b>Increase in assets</b>			
Investments - net		(716,583)	(16,917,311)
Receivable against sale of investments		-	1,271,877
Advances, deposits, prepayments and other receivables		(51,925)	(33,137)
		(768,508)	(15,678,571)
<b>Decrease in liabilities</b>			
Payable to MCB Investment Management Limited - Management Company		(6,623)	42,553
Payable to Central Depository Company of Pakistan Limited - Trustee		1,012	1,214
Payable to the Securities and Exchange Commission of Pakistan		(23)	1,427
Payable against purchase of investments		-	(280,767)
Accrued expenses and other liabilities		(338,085)	22,984
		(343,719)	(212,589)
Profit received on savings accounts with banks and debt securities		1,150,722	1,133,198
<b>Net cash generated / (used in) operating activities</b>		624,907	(13,688,530)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		19,518,149	58,433,430
Payments against redemption and conversion of units		(25,576,991)	(44,646,409)
Dividend paid		-	(12,300)
<b>Net cash (used in) / generated from financing activities</b>		(6,058,842)	13,774,721
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>		(5,433,935)	86,191
Cash and cash equivalents at the beginning of the period		6,322,800	2,847,931
<b>Cash and cash equivalents at the end of the period</b>	15	888,865	2,934,122

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

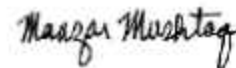
For MCB Investment Management Limited  
(Management Company)



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 MCB Pakistan Sovereign Fund (the Fund) was established through a Trust Deed executed between MCB Investment Management Limited (formerly was: MCB-Arif Habib Savings and Investments Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed of the Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated December 20, 2002 consequent to which Trust Deed was executed on January 07, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the 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 12, 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 certificate of registration issued by SECP. The registered office of the Management Company situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open ended mutual Fund and is listed on the Pakistan Stock Exchange. MCB Pakistan Sovereign Fund has a policy of investing in Pakistani rupee denominated debt securities issued by the Government of Pakistan, reverse repurchase transaction in government securities and any otherwise un-invested funds in deposits with banks and financial institutions. In addition, the Fund can also invest in sub-scheme of the Fund. The units of the Funds are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering to the Fund. The Fund has been categorised as 'Income scheme' by the Board of Directors of Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by the SECP.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 03, 2025 (June 30, 2025: 'AM1' dated October 04, 2024) to the Management Company and has maintained the stability rating of the Fund at AA-(f) on October 23, 2025 (June 30, 2025: AA-(f) dated September 06, 2024). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the 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 VIIIA 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 VIIIA 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 VIIIA 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 do 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 half year 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 financial statements of the Fund for the year ended June 30, 2025.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty are the same as those applied to the financial statements as at and for the year ended June 30, 2025. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the 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 accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025 and have not been disclosed in the condensed interim financial statements. However, these are considered either not to be relevant or do not have any material 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. 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.

The management is still in process of assessing the impacts of the new standards and amendments to the condensed interim financial statements of the Fund.

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
----- (Rupees in '000) -----			
<b>4 BALANCES WITH BANKS</b>			
- In savings accounts	4.1	885,503	4,546,738
- In current accounts	4.2	3,362	5,614
		888,865	4,552,352

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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- 4.1 These carry profit at the rate of 6.00% to 12.00% (June 30, 2025: 8.50% to 10.50%) per annum and include Rs. 11.71 million (June 30, 2025: Rs. 8.29 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 includes a balance of Rs. 2.88 million (June 30, 2025: Rs 5.61 million) maintained with MCB Bank Limited (a related party).

		<b>Note</b>	<b>December 31, 2025 (Un-audited)</b>	<b>June 30, 2025 (Audited)</b>
<b>5 INVESTMENTS</b>			<b>----- (Rupees in '000) -----</b>	

**At fair value through profit or loss**

**Government securities**

Market Treasury Bills	5.1	4,685,610	2,711,640
Pakistan Investment Bonds	5.2	15,658,730	12,211,659
Pakistan Investment Bonds - Floating Rate Bond (FRB)	5.3	2,125,109	7,211,081
GoP Ijarah Sukuks	5.4	625,474	1,903,004
		<b>23,094,923</b>	<b>24,037,384</b>

**5.1 Market Treasury Bills**

Name of security	Tenor	Issue date	Maturity date	As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at December 31, 2025	Balance as at December 31, 2025			Market value as a percentage of		
								Carrying value	Market value	Unrealised (diminution) / appreciation	Net assets of the Fund	Total market value of investments	
				Face value ('000)			Rupees in '000			%			
Market Treasury Bills	1 month	July 10, 2025	August 7, 2025	-	3,500,000	3,500,000	-	-	-	-	-	-	-
Market Treasury Bills	1 month	August 21, 2025	September 18, 2025	-	7,750,000	7,750,000	-	-	-	-	-	-	-
Market Treasury Bills	3 months	June 12, 2025	September 4, 2025	500,000	-	500,000	-	-	-	-	-	-	-
Market Treasury Bills	3 months	May 29, 2025	August 21, 2025	1,300,000	8,500,000	9,800,000	-	-	-	-	-	-	-
Market Treasury Bills	3 months	August 21, 2025	November 13, 2025	-	640,000	640,000	-	-	-	-	-	-	-
Market Treasury Bills	3 months	July 10, 2025	October 2, 2025	-	1,100,000	1,100,000	-	-	-	-	-	-	-
Market Treasury Bills	6 months	July 10, 2025	January 8, 2026	-	3,100,000	381,500	2,718,500	2,713,120	2,713,068	(52)	11.12	11.75	-
Market Treasury Bills	6 months	August 21, 2025	February 19, 2026	-	2,000,000	-	2,000,000	1,972,535	1,972,542	7	8.09	8.54	-
Market Treasury Bills	6 months	June 26, 2025	December 26, 2025	-	9,000,000	9,000,000	-	-	-	-	-	-	-
Market Treasury Bills	6 months	September 4, 2025	March 5, 2026	-	2,000,000	2,000,000	-	-	-	-	-	-	-
Market Treasury Bills	6 months	May 15, 2025	November 13, 2025	-	18,000	18,000	-	-	-	-	-	-	-
Market Treasury Bills	12 months	October 17, 2024	October 16, 2025	500,000	3,500,000	4,000,000	-	-	-	-	-	-	-
Market Treasury Bills	12 months	May 15, 2025	May 14, 2026	500,000	100,000	600,000	-	-	-	-	-	-	-
Market Treasury Bills	12 months	October 31, 2024	October 30, 2025	-	2,500,000	2,500,000	-	-	-	-	-	-	-
Market Treasury Bills	12 months	April 17, 2025	April 16, 2026	-	1,500,000	1,500,000	-	-	-	-	-	-	-
Market Treasury Bills	12 months	July 10, 2025	July 9, 2026	-	1,500,000	1,500,000	-	-	-	-	-	-	-
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	-	2,500,000	2,500,000	-	-	-	-	-	-	-
Market Treasury Bills	12 months	July 11, 2024	July 10, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-	-
<b>As at December 31, 2025 (unaudited)</b>								<b>4,685,655</b>	<b>4,685,610</b>	<b>(45)</b>			
<b>As at June 30, 2025</b>								<b>2,710,366</b>	<b>2,711,640</b>	<b>1,274</b>			

**5.2 Pakistan Investment Bonds**

Name of security	Tenor	Issue date	Maturity date	Profit / yield rate (%)	As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at December 31, 2025	Balance as at December 31, 2025			Market value as a percentage of	
									Carrying value	Market value	Unrealised appreciation	Net assets of the Fund	Total market value of investments
				Face value ('000)			Rupees in '000			%			
Pakistan Investment Bonds	2 years	January 16, 2025	January 16, 2027	10.83%	6,350,000	5,000,000	-	11,350,000	10,219,673	10,237,042	17,369	41.98	44.33
Pakistan Investment Bonds	3 years	July 4, 2023	July 4, 2026	12.00%	3,383,000	2,883,000	3,383,000	2,883,000	2,890,721	2,905,159	14,438	11.91	12.58
Pakistan Investment Bonds	5 years	October 13, 2022	October 13, 2027	10.50%	300,000	-	-	300,000	297,382	300,203	2,821	1.23	1.30
Pakistan Investment Bonds	5 years	January 17, 2024	January 17, 2029	14.00%	317,000	-	-	317,000	338,173	345,137	8,964	1.42	1.49
Pakistan Investment Bonds	5 years	January 16, 2025	January 16, 2030	12.00%	1,000,000	2,020,000	2,385,000	635,000	643,082	659,553	16,471	2.70	2.86
Pakistan Investment Bonds	5 years	September 20, 2024	September 20, 2029	14.00%	500,000	-	500,000	-	-	-	-	-	-
Pakistan Investment Bonds	5 years	July 17, 2025	July 17, 2030	11.00%	-	4,000,000	4,000,000	-	-	-	-	-	-
Pakistan Investment Bonds	10 years	July 12, 2018	July 12, 2028	8.75%	1,259,000	1,259,000	1,259,000	1,259,000	1,180,450	1,211,636	31,186	4.97	5.25
<b>As at December 31, 2025 (unaudited)</b>								<b>15,989,481</b>	<b>15,658,730</b>	<b>89,249</b>			
<b>As at June 30, 2025</b>								<b>12,152,388</b>	<b>12,211,659</b>	<b>59,271</b>			

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**5.3 Pakistan Investment Bonds - Floating Rate Bond (FRB)**

Name of security	Tenor	Issue date	Maturity date	Profit (%)	As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at December 31, 2025	Balance as at December 31, 2025			Market value as a percentage of		
									Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total market value of investments	
					Face value (000)			Rupees in '000			%			
Pakistan Investment Bonds - FRB	5 years	September 5, 2024	September 5, 2029	11.64%	1,208,000	-	1,208,000	-	-	-	-	-	-	-
Pakistan Investment Bonds - FRB	5 years	October 3, 2024	October 3, 2029	11.67%	2,750,000	-	2,750,000	-	-	-	-	-	-	-
Pakistan Investment Bonds - FRB	10 years	May 29, 2025	May 29, 2035	11.25%	1,000,000	-	1,000,000	-	-	-	-	-	-	-
Pakistan Investment Bonds - FRB	5 years	April 18, 2024	April 18, 2029	10.87%	500,000	-	500,000	-	-	-	-	-	-	-
Pakistan Investment Bonds - FRB	10 years	April 17, 2025	April 17, 2035	10.87%	750,000	-	750,000	-	-	-	-	-	-	-
Pakistan Investment Bonds - FRB	10 years	December 14, 2023	December 14, 2033	10.92%	-	1,000,000	-	1,000,000	963,308	967,600	4,292	3.97	4.19	
Pakistan Investment Bonds - FRB	10 years	July 10, 2025	July 10, 2035	10.90%	-	1,000,000	-	1,000,000	953,560	965,400	11,840	3.96	4.18	
Pakistan Investment Bonds - FRB	5 years	November 14, 2024	November 14, 2029	11.97%	1,000,000	-	1,000,000	-	-	-	-	-	-	
Pakistan Investment Bonds - FRB	10 years	July 25, 2019	July 25, 2029	11.43%	100,000	-	-	100,000	99,176	101,110	1,934	0.41	0.44	
Pakistan Investment Bonds - FRB	10 years	August 22, 2019	August 22, 2029	11.58%	90,000	-	-	90,000	89,628	90,999	1,371	0.37	0.39	
<b>As at December 31, 2025 (unaudited)</b>								<b>2,105,672</b>	<b>2,125,109</b>	<b>19,437</b>				
<b>As at June 30, 2025</b>								<b>7,211,762</b>	<b>7,211,081</b>	<b>(681)</b>				

**5.4 GoP Ijarah Sukuks**

Name of the security	Tenor	Issue date	Maturity date	Profit / yield rate (%)	As at July 1, 2025	Purchased during the period	Sold during the period	As at December 31, 2025	Balance as at December 31, 2025			Market value as a percentage of	
									Carrying value	Market value	Unrealised (diminution) / appreciation	Net assets of the Fund	Total market value of investments
					Number of sukuks			Rupees '000			%		
GoP Ijarah Sukuk - PSX - VRR (note 5.4.2)	3 years	January 9, 2025	January 9, 2028	Weighted average 6 months T-Bills	12,500	-	12,500	-	-	-	-	-	-
GoP Ijarah Sukuk - XLI - VRR (note 5.4.1)	3 years	December 4, 2023	December 4, 2026	Weighted average 6 months T-Bills	2,000	-	2,000	-	-	-	-	-	-
GoP Ijarah Sukuk - PSX - VRR (note 5.4.2)	5 years	May 30, 2025	May 30, 2030	Weighted average 6 months T-Bills	25,000	-	25,000	-	-	-	-	-	-
GoP Ijarah Sukuk - PSX - VRR (note 5.4.2)*	5 years	January 9, 2025	January 9, 2030	Weighted average 6 months T-Bills	19	-	-	19	95	94	(1)	-	-
GoP Ijarah Sukuk - XLI - VRR (note 5.4.1)	5 years	December 4, 2023	December 4, 2026	Weighted average 6 months T-Bills	2,500	-	2,500	-	-	-	-	-	-
GoP Ijarah Sukuk - PSX - VRR (note 5.4.2)	10 years	May 30, 2025	May 30, 2035	Weighted average 6 months T-Bills	13,000	25,000	38,000	-	-	-	-	-	-
GoP Ijarah Sukuk - PSX - FRR (note 5.4.2)	1 year	June 26, 2025	June 25, 2026	10.34%	37,500	-	37,500	-	-	-	-	-	-
GoP Ijarah Sukuk - PSX - FRR (note 5.4.2)	1 year	August 21, 2025	August 20, 2026	10.31%	-	25,000	25,000	-	-	-	-	-	-
GoP Ijarah Sukuk - PSX - FRR (note 5.4.2)	3 years	May 30, 2025	May 30, 2028	10.85%	20,000	12,500	32,500	-	-	-	-	-	-
GoP Ijarah Sukuk - PSX - FRR (note 5.4.2)	3 years	January 9, 2025	January 9, 2028	11.50%	12,500	-	12,500	-	-	-	-	-	-
GoP Ijarah Sukuk - XXIV - FRR (note 5.4.1)	3 years	June 26, 2023	June 26, 2026	18.49%	6,000	-	-	6,000	622,616	625,380	2,764	2.56	2.71
GoP Ijarah Sukuk - PSX - FRR (note 5.4.2)	5 years	May 30, 2025	May 30, 2030	10.87%	12,500	12,500	25,000	-	-	-	-	-	-
GoP Ijarah Sukuk - PSX - FRR (note 5.4.2)	5 years	October 21, 2024	October 21, 2029	12.53%	17,000	-	17,000	-	-	-	-	-	-
GoP Ijarah Sukuk - PSX - FRR (note 5.4.2)	5 years	January 9, 2025	January 9, 2030	11.99%	12,500	-	12,500	-	-	-	-	-	-
<b>As at December 31, 2025 (unaudited)</b>								<b>622,711</b>	<b>625,474</b>	<b>2,763</b>			
<b>As at June 30, 2025</b>								<b>1,856,047</b>	<b>1,903,004</b>	<b>46,957</b>			

\*Nil due to rounding off

**5.4.1** The nominal value of these sukuks is Rs. 100,000 each.

**5.4.2** The nominal value of these sukuks is Rs. 5,000 each.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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	Note	December 31, 2025 (Un-audited) ----- (Rupees in '000) -----	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----
<b>5.5</b>	<b>Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'</b>		
	Market value of investments	5.1, 5.2, 5.3 & 5.4 23,094,923	28,319,322
	Less: carrying value of investments	5.1, 5.2, 5.3 & 5.4 (22,983,519)	(27,975,538)
		<u>111,404</u>	<u>343,784</u>
	Note	December 31, 2025 (Un-audited) ----- (Rupees in '000) -----	June 30, 2025 (Audited) ----- (Rupees in '000) -----
<b>6</b>	<b>PROFIT RECEIVABLES</b>		
	Profit receivable on:		
	- Pakistan Investment Bonds	284,136	353,000
	- Pakistan Investment Bonds - Floating Rate Bond (FRB)	65,931	188,480
	- GoP Ijarah Sukuks	1,828	20,839
	- Savings accounts with banks	53,650	58,720
		<u>405,545</u>	<u>621,039</u>
<b>7</b>	<b>ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
	Advance tax	7.1 & 7.2 72,951	15,710
	Security deposits with:		
	- Central Depository Company of Pakistan Limited (CDC)	100	100
	Prepayments	-	332
	Receivable from collection account	603	5,587
	Other receivables	28,345	28,345
		<u>101,999</u>	<u>50,074</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 (ITO). However, during prior years, withholding tax on interest on debt securities 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. 56.31 million (June 30, 2025: Rs. 15.71 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. Pending resolution of the matter, the amount of withholding tax deducted on interest on debt securities and profit on savings accounts with bank has been shown as 'Advance tax' as at December 31, 2025 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

**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. 16.65 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		———— (Rupees in '000) ————	
<b>8 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	8.1	31,071	36,236
Sindh sales tax payable on remuneration of the Management Company	8.2	4,661	5,435
Allocated expenses payable	8.3	-	-
Sales load payable		72	756
		<u>35,804</u>	<u>42,427</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 0.70% to 1.50% (December 31, 2024: 1.25% to 10.00% on gross earnings from July 01, 2024 to August 31, 2024 and 0.85% to 2.00% per annum on daily net assets from September 01, 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** Sindh sales tax on remuneration of the Management Company has been charged at the rate of 15.00% (June 30, 2025: 15.00%).

**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.

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		———— (Rupees in '000) ————	
<b>9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee remuneration payable	9.1	1,140	260
Sindh sales tax payable on trustee remuneration	9.2	171	39
		<u>1,311</u>	<u>299</u>

**9.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.055% (December 31, 2024: 0.055%) per annum of the average daily net assets of the Fund.

**9.2** Sindh sales tax on remuneration of the trustee has been charged at the rate of 15.00% (June 30, 2025: 15.00%).

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		———— (Rupees in '000) ————	
<b>10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Fee payable	10.1	1,554	1,577

**10.1** In accordance with the NBFC Regulations, 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% (December 31, 2024: 0.075%) per annum of the daily net assets during the period. The fee is paid to the Commission on monthly basis in arrears.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		———— (Rupees in '000) ————	
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for federal excise duty payable on			
- Remuneration of the Management Company	11.1	29,028	29,028
- Sales load		4,170	4,170
Brokerage payable		86	693
Withholding tax payable		31,162	368,549
Auditor's remuneration payable		659	760
Other payable		214	204
		<u>65,319</u>	<u>403,404</u>

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

- 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 was 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 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. 33.198 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at December 31, 2025 would have been higher by Rs. 0.08 (June 30, 2025: Rs. 0.07) per unit.

### **12 CONTINGENCIES AND COMMITMENTS**

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

### **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) 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 1.46% (December 31, 2024: 2.38%) which includes 0.25% (December 31, 2024: 0.26%) 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 with 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.

	<b>Note</b>	<b>December 31, 2025 (Un-audited)</b>	<b>December 31, 2024 (Un-audited)</b>
		<b>----- (Rupees in '000) -----</b>	
<b>15 CASH AND CASH EQUIVALENTS</b>			
Balances with banks	4	888,865	1,149,372
Market Treasury Bills	5.1	-	1,484,750
		<u>888,865</u>	<u>2,634,122</u>

### **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, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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 provision of the NBFC Regulations and the Offering document.

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

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

16.1 Details of transactions with the related parties / connected person :	December 31, 2025 (Un-audited)	December 31, 2024 (Un-audited)
	—— (Rupees in '000) ——	
<b>MCB - Investment Management Limited - Management Company</b>		
Remuneration (including indirect taxes)	214,083	284,978
Allocated expenses (including indirect taxes)	-	8,725
Units issued to unitholder on behalf of the Management Company*	-	582
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration (including indirect taxes)	10,433	8,842
<b>MCB Bank Limited - Parent of the Management Company</b>		
Profit on savings accounts with banks	1,636	936
Bank charges	23	19

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

16.2 Balances outstanding at period / year end	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	—— (Rupees in '000) ——	
<b>MCB Investment Management Limited - Management Company</b>		
Management remuneration payable	31,071	36,236
Sindh sales tax payable on remuneration of the Management Company	4,661	5,435
Sales load payable	72	756
Receivable from collection account	603	5,587
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	1,140	260
Sindh sales tax payable on trustee remuneration	171	39
<b>Group / associated companies:</b>		
<b>MCB Bank Limited - Parent of the Management Company</b>		
Balances with banks	14,591	13,897

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

Half year ended December 31, 2025							
As at July 1, 2025	Issued for cash	Redeemed	As at December 31, 2025	As at July 1, 2025	Issued for cash	Redeemed	As at December 31, 2025
Units				(Rupees in '000)			

#### Associated / group companies

MCB Investment Management Limited	-	18,594,017	18,594,017	-	-	1,036,404	1,050,376	-
Lalpur Staff Provident Fund	1,352,121	-	1,352,121	-	74,407	-	74,880	-
D.G. Khan Cement Company Limited	10	-	-	10	1	-	-	1
Adanjee Insurance Company Limited Employees Provident Fund*	4	-	4	-	-	-	-	-
Adanjee Life Assurance Company Limited - SHF	3,691,966	-	3,691,966	-	203,169	-	204,578	-
Adanjee Life Assurance Company Limited - DSF	85,127	-	-	85,127	4,686	-	-	4,938
Adanjee Life Assurance Company Limited - Conventional Business*	1	-	1	-	-	-	-	-
Adanjee Life Assurance Company Limited - Conventional Employees Gratuity Fund*	2	-	2	-	-	-	-	-
Pakgen Power Limited	70,458,417	49,050,881	43,689,490	75,819,808	3,877,327	2,724,045	2,500,000	4,398,307
Nisbat Power Limited	57,642,940	40,053,595	53,705,667	43,980,868	3,172,091	2,224,065	3,013,000	2,951,910
Security General Insurance Company Limited Employees Provident Fund Trust	54	-	-	54	3	-	-	3
<b>Mandate under discretionary portfolio services*</b>	8	530	104	434	-	30	6	25
<b>Key management personnel</b>	1,208,103	984,428	1,609,412	583,119	66,482	55,880	89,374	33,827
<b>Unitholders holding 10% or more</b>	128,101,358	22,395,997	91,826,642	58,670,713	7,049,418	1,996,198	5,053,220	3,403,488

\*Nil due to rounding off.

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

	Half year ended December 31, 2024							
	As at July 1, 2024	Issued for cash	Redeemed	As at December 31, 2024	As at July 1, 2024	Issued for cash	Redeemed	As at December 31, 2024
	Units				(Rupees in '000)			
<b>Associated / group companies</b>								
MCB Investment Management Limited	6,565,796	30,209,391	36,775,073	114	354,947	1,752,934	2,161,718	7
Lalpur Staff Provident Fund	-	2,297,540	-	2,297,540	-	134,313	-	138,496
Adamjee Life Assurance Company Limited Conventional Business	-	8,509,460	8,450,117	59,343	-	501,180	507,399	3,577
MCB Employees Provident Fund	16,098,714	17,887	-	16,116,601	870,296	966	-	971,509
Adamjee Insurance Company Limited	-	1,338,808	1,338,808	-	-	75,000	79,498	-
Nisbat Mills Limited Employees Provident Fund Trust	-	52,629,753	52,629,753	-	-	3,127,500	3,162,717	-
Adamjee Life Assurance Company Limited	-	756,546	756,546	-	-	44,900	44,939	-
D.G. Khan Cement Company Limited	9	-	-	9	1	-	-	1
Adamjee Life Insurance Company Limited - Employees Gratuity Fund	421,385	8,239,778	8,661,163	-	22,780	463,455	504,129	-
Adamjee Insurance Company Limited - Employees Gratuity Fund	-	2	-	2	-	0	-	-
Adamjee Insurance Company Limited Employees Provident Fund	-	4	-	4	-	0	-	-
Security General Insurance Company Limited Employees Provident Fund Trust	-	47	-	47	-	3	-	3
Adamjee Life Assurance Company Limited	113,194	94	-	113,288	6,119	5	-	6,829
Nisbat Power Limited	-	18,283,320	18,283,320	-	-	1,080,910	1,091,179	-
<b>Mandate under discretionary portfolio services</b>	<b>4,149,701</b>	<b>16,199,464</b>	<b>20,303,589</b>	<b>45,576</b>	<b>224,333</b>	<b>930,478</b>	<b>1,161,600</b>	<b>2,747</b>
<b>Key management personnel</b>	<b>293,842</b>	<b>11,107,298</b>	<b>11,391,518</b>	<b>9,622</b>	<b>15,885</b>	<b>563,536</b>	<b>674,572</b>	<b>580</b>
<b>Unitholders holding 10% or more</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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 are 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 (unadjusted) 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 liabilities that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2025 and June 30, 2025, the Fund held the following financial instruments measured at fair value.

	December 31, 2025			
	Un-audited			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>ASSETS</b>				
Market Treasury Bills	-	4,685,610	-	4,685,610
Pakistan Investment Bonds	-	15,658,730	-	15,658,730
Pakistan Investment Bonds - Floating Rate Bond (FRB)	-	2,125,109	-	2,125,109
GoP Ijarah Sukuks	94	625,380	-	625,474
	<b>94</b>	<b>23,094,829</b>	<b>-</b>	<b>23,094,923</b>

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

June 30, 2025				
Audited				
Level 1	Level 2	Level 3	Total	
(Rupees in '000)				
<b>ASSETS</b>				
Market Treasury Bills	-	2,711,640	-	2,711,640
Pakistan Investment Bonds	-	12,211,659	-	12,211,659
Pakistan Investment Bonds - Floating Rate Bond (FRB)	-	7,211,081	-	7,211,081
GoP Ijarah Sukuks	802,054	1,100,950	-	1,903,004
	<u>802,054</u>	<u>23,235,330</u>	<u>-</u>	<u>24,037,384</u>

**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 PKFRV rates. The PKFRV rates are announced by FMA (Financial Market Association) through Reuters.
GoP Ijarah Sukuks	The fair value of GoP Ijarah sukuks listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange. The fair value of other GoP Ijarah sukuks are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters.

There were no transfers between 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**

**19.1** Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**20 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 .

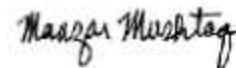
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**MCB INVESTMENT MANAGEMENT LIMITED**

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

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