

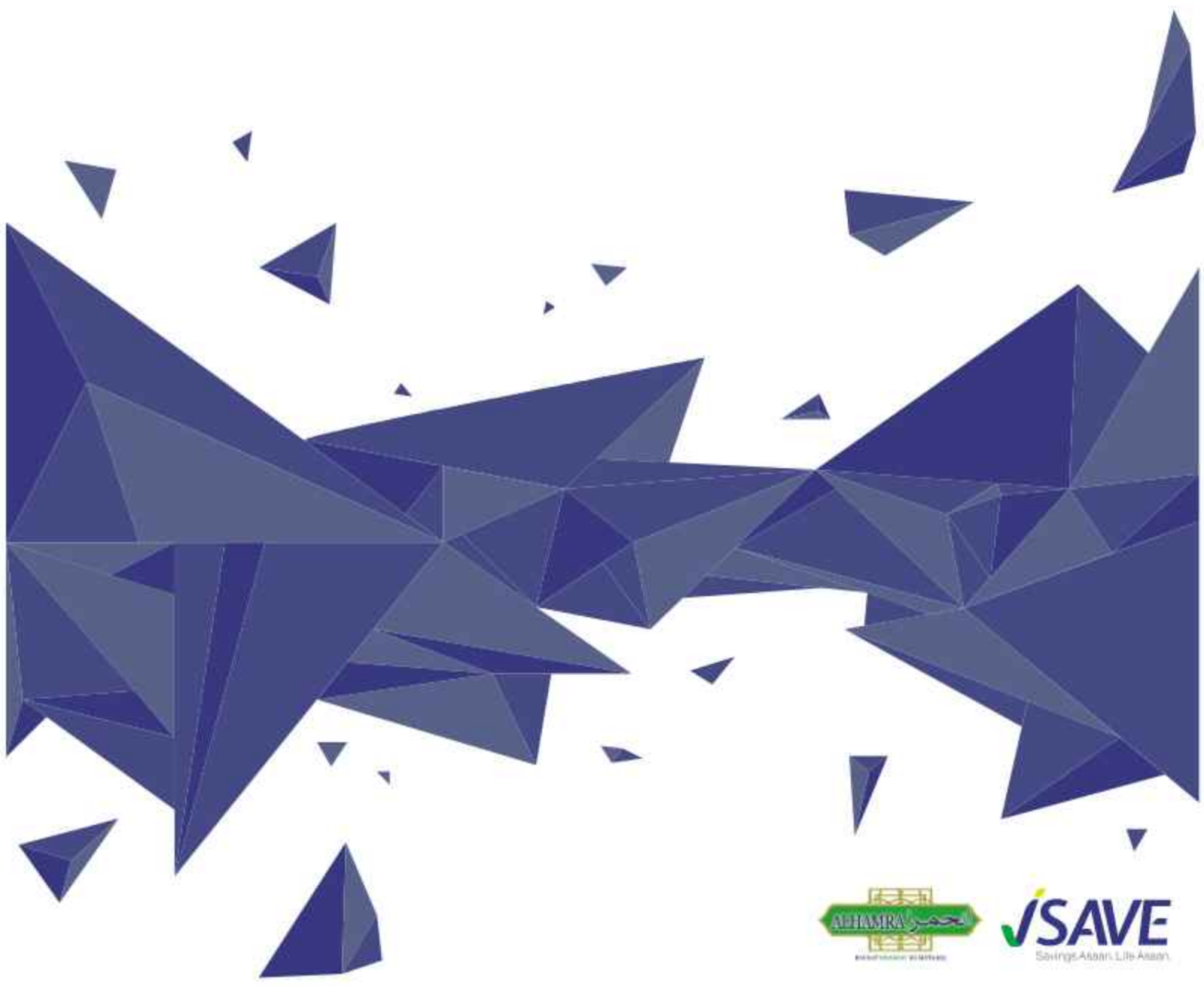


MCB FUNDS
Investments for Life

HALF YEARLY REPORT

DECEMBER
2025
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



MCB PAKISTAN STOCK MARKET 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.cdcpakistan.com	
Bankers	MCB Bank Limited Bank Al Habib Limited Allied Bank Limited Habib Metropolitan Bank Limited	Standard Chartered Bank Limited United Bank Limited National Bank of Pakistan Faysal 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 **MCB Pakistan Stock Market 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.

Equity Market Review

The KSE-100 Index sustained its multi-year uptrend during 1HFY26, surging by 48,427 points (+38.5% FYTD) to close at an all-time high of 174,054. The rally was underpinned by notable macroeconomic improvements, including SBP foreign exchange reserves climbing to a 46-month high of USD 15.9bn and S&P Global's upgrade of Pakistan's sovereign credit rating to B-, reinforcing investor confidence in the country's external position.

Investor's sentiment was further supported by improving U.S.–Pakistan relations, reflected in softer tariffs on Pakistani exports and renewed U.S. investment interest, alongside the signing of a Strategic Mutual Defense Agreement with Saudi Arabia. Towards the end of the period, IMF approval of a USD 1.2bn disbursement under the EFF and RSF, together with SBP's 50bps policy rate cut to 10.5%, collectively underpinned market optimism. Lastly, the government's PKR 1.2tr payment under the circular debt resolution plan and robust corporate earnings across key sectors helped sustain the rally.

During 1HFY26, Foreign investors, Insurance, and Banks were major net sellers with an outflow of USD 251.2 million, USD 117.6 million, and USD 131.9 million, respectively. This selling was mainly absorbed by Mutual Funds and Individuals with inflow of USD 249.6 million and USD 221.0 million, respectively. On activity front, average trading volumes for KSE-All Index

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

increased to 1,001.7 million shares compared to about 576.9 million shares in the preceding half. While the average trading value during the period saw an increase of 51% over previous half to near USD 157 million.

Banks, Cements, and E&P sector were the major contributors to the index rally adding 18,399/7,968/4,526 points, respectively. Attractive dividend yield and valuations garner investors interest in Banking & Cement sector. While E&P sector also remained in the limelight due to one-off PKR1.2trn disbursement by GoP under circular debt clearance plan.

FUND PERFORMANCE

During the period, PSM generated a return of 40.59% as compared to a return of 38.55% witnessed by the KSE-100 Index. Overall equity exposure stood at 92.4% on December 31, 2025. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Commercial Banks, Fertilizers, Textile and Cement companies.

The Net Assets of the fund as at December 31, 2025 stood at Rs. 33,458 million as compared to Rs. 20,329 million as at June 30, 2025 registering an increase of 64.59%.

The Net Asset Value (NAV) per unit as at December 31, 2025 was Rs. 363.2265 as compared to opening NAV of Rs. 258.3504 per unit as at June 30, 2025 registering an increase of 104.8761 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 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.

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

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.

From the capital market perspective particularly equities, the market is still trading at attractive valuations. Market cap to GDP ratio is at 15.9%, a discount of 13% from its historical average of 18.4%. We believe a micro view of sectors and stocks will remain important and investment selection should focus on companies, which trade at a discount to their intrinsic value. The market is currently trading at a forward Price to Earnings ratio of 8.5x, while offering a dividend yield of 5.9%.

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.

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

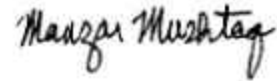
ACKNOWLEDGMENT

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

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 رسک کے ساتھ سرمایہ کاری کرنے والوں کے لیے موزوں ترین ہوتے ہیں۔ معاشی بحالی کے تیز تر اور وسیع تر ہونے کے ساتھ ساتھ کیپیٹل مارکیٹس، خصوصاً ایکویٹیز، میں گہری دلچسپی برقرار رہے گی۔ ہمارے آپریشنز 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۔

اظہار تشکر

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

منجانب ڈائریکٹرز،

Mansoor Mushtaq

منظر مشتاق

ڈائریکٹر

02 فروری 2026ء



خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

02 فروری 2026ء

ڈائریکٹرز رپورٹ

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 سٹریٹجی 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 اُمید 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۔

کیپٹل مارکیٹ، خاص طور پر ایکویٹیز، کے زاویے سے مارکیٹ میں اب بھی سستی ویلیو نیشنز پر تجارت ہو رہی ہے۔ مارکیٹ کیپ کا جی ڈی پی کے ساتھ تناسب 15.9 فیصد ہے، جو اس کے تاریخی اوسط 18.4 فیصد کے مقابلے میں 13 فیصد کم ہے۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاکس کا باریک بینی پر مبنی زاویہ اہمیت کا حامل رہے گا، اور سرمایہ کاری کے انتخاب کے لیے ایسی کمپنیوں پر توجہ مرکوز کرنی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں ہونے والی تجارت میں قیمت کا آمدنی کے ساتھ تناسب 8.5 گنا ہے، جبکہ ڈیویڈنڈ سے حاصل ہونے والا منافع 5.9 فیصد ہے۔ حاملین قرض کے لیے ہمیں اُمید ہے کہ منی مارکیٹ فنڈز سال بھر پالیسی شرحوں کی بلاؤ کاؤٹ عکاسی جاری رکھیں گے۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا منافع 40.59 فیصد تھا، جبکہ اس کے بالمقابل کے ایس ای-100 انڈیکس کا منافع 38.55 فیصد تھا۔ ایکویٹی میں مجموعی سرمایہ کاری 31 دسمبر 2025ء کو 92.4 فیصد تھی۔ فنڈ خارجی عوامل کے حوالے سے چونکا رہا اور بنیادی تہذیبوں کے پیش نظر سرمایہ کاری کے لائحہ عمل میں ترمیم کی گئی۔ زیادہ تر سرمایہ کاری کمرشل بینکوں، کھاد، ٹیکسٹائل اور سیمنٹ کی کمپنیوں میں تھی۔

31 دسمبر 2025ء کو فنڈ کے net اثاثہ جات 31,436 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2025ء کو 20,329 ملین روپے تھے، یعنی 64.59 فیصد اضافہ ہوا۔

31 دسمبر 2025ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 339.4486 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2025ء کو ابتدائی این اے وی 258.3504 روپے فی یونٹ تھی، یعنی 104.8761 فیصد اضافہ ہوا۔

ڈائریکٹرز رپورٹ

فیصد تک لے آنے سے مجموعی طور پر مارکیٹ میں اُمید افزا فضا پیدا ہوئی۔ آخر میں، گروڈی قرض کے حل کے منصوبے کے تحت حکومت کی طرف سے 1.2 ٹریلین روپے کی ادائیگی، اور کلیدی شعبوں میں بھرپور کارپوریٹ آمدنی، بڑھوتری کے رجحان کو برقرار رکھنے میں معاون ثابت ہوئیں۔

مالی سال 2026ء کے نصف اول کے دوران غیر ملکی سرمایہ کار، بیمہ کمپنیاں اور بینک اہم ترین net فروخت کنندگان تھے جن کے ذریعے بالترتیب 251.2 ملین ڈالر، 117.6 ملین ڈالر، اور 131.9 ملین ڈالر کا اخراج ہوا۔ اس فروخت کے زیادہ تر خریدار میوچل فنڈز اور دیگر افراد تھے جن کے ذریعے بالترتیب 249.6 ملین ڈالر اور 221.0 ملین ڈالر کی آمد ہوئی۔ سرگرمیوں کے محاذ پر کے ایس ای کے تمام انڈیکس بڑھ کر 1,001.7 ملین حصص ہو گئے، جو گزشتہ نصف سال میں 576.9 ملین حصص کے بالمقابل ہیں۔ اوسط تجارتی حجم دوران مدت گزشتہ نصف سال کے مقابلے میں 51 فیصد بڑھ کر تقریباً 157 ملین ڈالر ہو گئی۔

انڈیکس کی بڑھوتری میں اہم ترین کردار بینکوں، سینٹ اور ای اینڈ پی کے شعبوں نے ادا کیا جنہوں نے بالترتیب 18,399، 7,968 اور 4,526 پوائنٹس کا اضافہ کیا۔ پدکشی ڈیویڈنڈ آمدنی اور ویلیو نیشنز سے بینکاری اور سینٹ کے شعبے کی طرف سرمایہ کاروں کی دلچسپی مائل ہوتی ہے۔ ای اینڈ پی شعبہ بھی مرکز توجہ رہا کیونکہ گروڈی قرض کے حل کے منصوبے کے تحت حکومت پاکستان نے 1.2 ٹریلین روپے کی ادائیگی کی۔

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 پانڈا بانڈز جیسے موقعوں کو آزما جاسکے۔

پاکستان نے مالی سال 2025ء میں 14 برسوں کے بعد اپنا پہلا سالانہ کرنٹ اکاؤنٹ سرپلس 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 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 سطح پر پہنچ جائے گی۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان اسٹاک مارکیٹ فنڈ 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 ممالک 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 ممالک 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 اٹرنے 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۔

ایکویٹی مارکیٹ کا جائزہ

کے ایس ای-100 انڈیکس میں گزشتہ کئی برسوں سے ہونے والی بڑھوتری کا رجحان مالی سال 2026ء کے نصف اول کے دوران بھی جاری رہا، اور 48,427 پوائنٹس (مالی سال میں تاحال +38.5 فیصد) بڑھ کر اختتام سال پر اب تک کی بلند ترین سطح 174,054 پوائنٹس پر پہنچ گیا۔ اس ترقی میں قابل ذکر مجموعی معاشی بہتری کا دخل تھا، بشمول ایس بی پی کے غیر ملکی زرمبادلہ کے ذخائر کا گزشتہ 46 ماہ کی بلند ترین سطح یعنی 15.9 بلین روپے تک پہنچ جانا، اور ایس اینڈ پی کا پاکستان کی خود مختار کریڈٹ درجہ بندی کو بڑھا کر B- کر دینا، جس سے ملک کی خارجی صورتحال کے حوالے سے سرمایہ کاروں کے اعتماد کو تقویت حاصل ہوئی۔

سرمایہ کاروں کی مزید حوصلہ افزائی دو اسباب سے ہوئی: پاک-امریکا تعلقات میں بہتری، جس کی عکاسی پاکستانی برآمدات پر ہلکے ٹیکس، اور امریکی سرمایہ کاری میں دلچسپی کی تجدید سے ہوتی ہے؛ اور سعودی عرب کے ساتھ اسٹریٹیجک باہمی دفاعی معاہدے پر دستخط۔ اختتام مدت کے قریب آئی ایم ایف کی ای ایف اور آرائس ایف کے تحت 1.2 بلین ڈالر کے اجراء کی منظوری، بمع ایس بی پی کا پالیسی شرح کو 50 بیسیس پوائنٹس کم کر کے 10.5

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB PAKISTAN STOCK MARKET 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 Stock Market 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 MCB Pakistan Stock Market Fund

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **MCB Pakistan Stock Market 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: RR2025106113LSAInTa3

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) 32413007

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

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	2,337,586	2,057,080
Receivable against conversion of units		-	637,717
Receivable against sale of investments		171,516	273,672
Investments	5	31,323,422	19,249,119
Advances, deposits and other receivables	6	80,768	58,371
Total assets		33,913,292	22,275,959
LIABILITIES			
Payable against redemption of units		-	406,791
Payable against purchase of investments		251,653	1,361,469
Payable to MCB Investment Management Limited - Management Company	7	97,983	60,430
Payable to Central Depository Company of Pakistan Limited - Trustee	8	3,165	371
Payable to the Securities and Exchange Commission of Pakistan	9	2,534	1,414
Accrued expenses and other liabilities	10	99,075	116,704
Total liabilities		454,410	1,947,179
NET ASSETS		33,458,881	20,328,780
Unit holders' fund (as per statement attached)		33,458,881	20,328,780
Contingencies and commitments	11		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		92,115,739	78,686,850
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		363.2265	258.3504

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

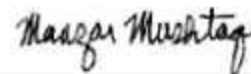
For MCB Investment Management Limited
(Management Company)



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		Quarter ended	
		December 31,		December 31,	
		2025	2024	2025	2024
(Rupees in '000)					
INCOME					
Profit on savings accounts with banks		57,440	42,938	29,655	28,064
Dividend income		660,576	342,809	428,835	236,062
Net realised gain on sale of investments		3,266,036	1,985,523	2,019,542	1,785,259
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	5,526,006	2,636,804	-168,674	2,459,623
Other income		190	237	4	109
Total income		9,510,248	5,008,311	2,309,362	4,509,117
EXPENSES					
Remuneration of MCB Investment Management Limited - Management Company	7.1	424,138	177,496	226,199	114,802
Sindh sales tax on remuneration of the Management Company	7.2	63,621	26,624	33,930	17,220
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	14,642	5,605	7,791	3,551
Sindh sales tax on remuneration of the Trustee	8.2	2,196	841	1,168	533
Fee to the Securities and Exchange Commission of Pakistan	9.1	13,431	4,845	7,163	3,134
Auditor's remuneration		995	762	615	424
Securities and transaction cost		62,323	43,323	30,242	32,306
Settlement and bank charges		4,086	2,188	2,905	1,446
Legal and professional charges		99	99	15	15
Printing and related charges		-	36	-	11
Total expenses		585,531	261,819	310,028	173,442
Net income for the period before taxation		8,924,717	4,746,492	1,999,334	4,335,675
Taxation	12	-	-	-	-
Net income for the period		8,924,717	4,746,492	1,999,334	4,335,675
Allocation of net income for the period					
Net income for the period after taxation		8,924,717	4,746,492		
Income already paid on units redeemed		(2,404,986)	(956,317)		
		<u>6,519,731</u>	<u>3,790,175</u>		
Accounting income available for distribution:					
- Relating to capital gains		6,428,966	3,693,550		
- Excluding capital gains		90,765	96,625		
		<u>6,519,731</u>	<u>3,790,175</u>		

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

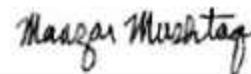
For MCB Investment Management Limited
(Management Company)



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		Quarter ended	
	December 31,		December 31,	
	2025	2024	2025	2024
	(Rupees in '000)			
Net income for the period	8,924,717	4,746,492	1,999,334	4,335,675
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>8,924,717</u>	<u>4,746,492</u>	<u>1,999,334</u>	<u>4,335,675</u>

The annexed notes 1 to 18 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 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)					
Net assets at the beginning of the period (audited)	10,321,009	10,007,771	20,328,780	1,791,649	5,424,045	7,215,694
Issuance of 83,712,274 (2024: 86,027,174) units:						
- Capital value (at ex-net asset value per unit at the beginning of the period)	21,627,098	-	21,627,098	12,985,294	-	12,985,294
- Element of income	5,416,761	-	5,416,761	3,467,150	-	3,467,150
Total proceeds on issuance of units	27,043,859	-	27,043,859	16,452,445	-	16,452,445
Redemption of 70,283,385 (2024:62,674,743) units:						
- Capital value (at ex-net asset value per unit at beginning of the period)	(18,157,741)	-	(18,157,741)	(9,460,383)	-	(9,460,383)
- Element of loss	(2,275,748)	(2,404,986)	(4,680,734)	(1,787,034)	(956,317)	(2,743,351)
Total payments on redemption of units	(20,433,489)	(2,404,986)	(22,838,475)	(11,247,416)	(956,317)	(12,203,733)
Total comprehensive income for the period	-	8,924,717	8,924,717	-	4,746,492	4,746,492
Net assets at the end of the period (unaudited)	16,931,380	16,527,502	33,458,881	6,996,677	9,214,220	16,210,897
Undistributed income brought forward						
- Realised income		6,887,018			4,217,258	
- Unrealised income		3,120,753			1,206,787	
		10,007,771			5,424,045	
Accounting income available for distribution						
- Relating to capital gains		6,428,966			3,693,550	
- Excluding capital gains		90,765			96,625	
		6,519,731			3,790,175	
Undistributed income carried forward		16,527,502			9,214,220	
Undistributed income carried forward						
- Realised income		11,001,496			6,577,416	
- Unrealised income		5,526,006			2,636,804	
		16,527,502			9,214,220	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		258.3504			150.9441	
Net asset value per unit at the end of the period		363.2265			227.8213	

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

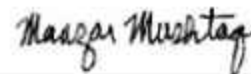
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (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		8,924,717	4,746,492
Adjustments for:			
Profit on savings accounts with banks		(57,440)	(42,938)
Dividend income		(660,576)	(342,809)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	(5,526,006)	(2,636,804)
		<u>2,680,695</u>	<u>1,723,941</u>
Increase in assets			
Investments - net		(6,548,297)	(5,785,291)
Receivable against sale of investments		102,156	48,484
Receivable against conversion of units		637,717	-
Advances, deposits and other receivables		(3,383)	(6,191)
		<u>(5,811,807)</u>	<u>(5,742,998)</u>
(Decrease) / increase in liabilities			
Payable against purchase of investments		(1,109,816)	410,878
Payable against redemption of units		(406,791)	-
Payable to MCB Investment Management Limited - Management Company		37,553	34,064
Payable to Central Depository Company of Pakistan Limited - Trustee		2,794	878
Payable to the Securities and Exchange Commission of Pakistan		1,120	711
Accrued expenses and other liabilities		(17,629)	34,774
		<u>(1,492,769)</u>	<u>481,305</u>
Profit received on savings accounts with banks		38,426	42,938
Dividend received		660,576	342,809
Net cash used in from operating activities		<u>(3,924,879)</u>	<u>(3,152,005)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		27,043,860	16,452,445
Payments against redemption and conversion of units		(22,838,475)	(12,203,733)
Net cash generated from financing activities		<u>4,205,385</u>	<u>4,248,711</u>
Net increase in cash and cash equivalents during the period		<u>280,506</u>	<u>1,096,706</u>
Cash and cash equivalents at the beginning of the period		2,057,080	319,017
Cash and cash equivalents at the end of the period	14	<u><u>2,337,586</u></u>	<u><u>1,415,723</u></u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

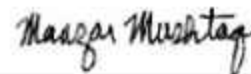
For MCB Investment Management Limited
(Management Company)



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 Stock Market 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 August 15, 2001 consequent to which Trust Deed was executed on October 23, 2001 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 end mutual Fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to invest in listed equity securities and the Fund can also invest in cash instruments and treasury bills not exceeding 90 days in maturity. Units are 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 has been categorised as "equity scheme" by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by SECP.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' on October 03, 2025 (June 30, 2025: 'AM1' dated October 04, 2024) to the Management Company.
- 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 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.

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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) 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 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 accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are considered either not to be relevant or do not have any significant 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 in the process of assessing the impacts of the new standards and amendments on the condensed interim financial statements of the Fund.

	Note	December 31, 2025 (Un-audited) ----- (Rupees in '000) -----	June 30, 2025 (Audited)
4 BALANCES WITH BANKS			
- In current accounts	4.1	12,351	11,724
- In savings accounts	4.2	2,325,235	2,045,356
		2,337,586	2,057,080
4.1 This includes a balance of Rs. 2.91 million (June 30, 2025: Rs 1.72 million) maintained with MCB Bank Limited (a related party).			
4.2 These carry profits at the rate of 6.00% to 12.00% (June 30, 2025: 7.00% to 9.50%) per annum and include Rs. 1,170 million (June 30, 2025: Rs. 46.08 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.			
	Note	December 31, 2025 (Un-audited) ----- (Rupees in '000) -----	June 30, 2025 (Audited)
5 INVESTMENTS			
5.1 Investments - 'at fair value through profit or loss'			
Listed equity securities	5.1.1	31,323,422	19,249,119
		31,323,422	19,249,119

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

5.1.1 Listed equity securities

Shares of listed companies - fully paid ordinary shares 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		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 1, 2025	Purchased during the period	Bonus issue 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)			%		
AUTOMOBILE ASSEMBLER											
Honda Atlas Cars (Pakistan) Limited	-	427,403	-	427,403	-	-	-	-	-	-	-
Indus Motors Company Limited	70,000	255,000	-	235,500	89,500	171,356	179,307	7,951	0.54	0.57	0.11
Sazgar Engineering Works Limited	520,000	48,500	-	488,500	80,000	91,659	136,152	44,493	0.41	0.43	0.13
						263,015	315,459	52,444	0.95	1.00	0.24
AUTOMOBILE PARTS AND ACCESSORIES											
Panther Tyres Limited	5,747,426	3,345,150	-	-	9,092,576	414,189	515,640	101,451	1.54	1.65	5.41
Thal Limited	-	365,164	-	91,576	273,588	117,936	148,274	30,338	0.44	0.47	0.22
						532,125	663,914	131,789	1.98	2.12	5.63
CEMENT											
Cherat Cement Company Limited	2,043,079	842,747	-	887,501	1,998,325	624,569	666,481	41,912	1.99	2.13	0.08
D.G. Khan Cement Company Limited*	1,300,000	1,314,341	-	2,064,341	550,000	95,560	126,451	30,891	0.38	0.40	0.19
Fauji Cement Company Limited	2,558,024	4,550,000	-	7,108,024	-	-	-	-	-	-	-
Lucky Cement Limited***&****	1,000,000	3,010,209	-	460,209	3,550,000	1,561,087	1,686,108	125,021	5.04	5.38	0.24
Maple Leaf Cement Factory Limited	1,400,000	3,120,000	-	4,520,000	-	-	-	-	-	-	-
Pioneer Cement Limited	3,397,137	482,572	-	3,679,709	200,000	45,543	77,488	31,945	0.23	0.25	0.10
						2,326,759	2,556,528	229,769	7.64	8.16	0.61
CHEMICAL											
Itehad Chemicals Limited	1,500,596	-	-	1,500,596	-	-	-	-	-	-	-
Nimir Industrial Chemicals Limited	1,213,593	286,407	-	50,510	1,449,490	238,271	328,701	90,430	0.98	1.05	1.45
						238,271	328,701	90,430	0.98	1.05	1.45
COMMERCIAL BANKS											
Bank Al Habib Limited	-	2,800,000	-	600,000	2,200,000	404,703	410,608	5,905	1.23	1.31	0.14
Bank Alfalah Limited****	19,855,206	12,319,794	-	6,875,000	25,300,000	2,144,808	2,758,965	614,357	8.25	8.81	1.72
Habib Bank Limited	3,270,000	6,380,000	-	5,412,059	4,237,941	1,055,695	1,370,592	314,897	4.10	4.38	0.40
MCB Bank Limited*	-	300,000	-	300,000	-	-	-	-	-	-	-
Meezan Bank Limited****	1,750,000	727,000	-	566,360	1,910,640	687,833	849,050	161,217	2.54	2.71	0.11
National Bank Of Pakistan	11,860,000	3,890,000	-	10,950,000	4,800,000	531,216	1,162,464	631,248	3.47	3.71	0.39
United Bank Limited	5,270,000	4,636,853	-	1,696,875	8,209,978	2,747,228	3,485,875	738,647	10.42	11.13	0.39
						7,571,283	10,037,554	2,466,271	30.01	32.04	3.15
ENGINEERING											
International Industries Limited	-	2,311,936	-	432,466	1,879,470	409,960	349,882	(60,078)	1.05	1.12	0.56
International Steels Limited	408,960	2,716,191	-	2,025,151	1,100,000	112,441	115,896	3,455	0.35	0.37	0.25
Mughal Iron & Steel Industries Limited	2,300,000	6,310,000	-	2,500,000	6,110,000	539,878	629,819	89,941	1.88	2.01	1.66
						1,062,279	1,095,597	33,318	3.27	3.50	2.47
FERTILIZER											
Engro Fertilizer Limited	3,000,000	1,603,300	-	560,000	4,043,300	797,780	915,201	117,421	2.74	2.92	0.75
Fatima Fertilizer Company Limited	11,672,810	1,980,000	-	7,512,810	6,140,000	709,488	930,885	221,397	2.78	2.97	0.43
Fauji Fertilizer Company Limited	1,250,000	1,321,000	-	1,611,000	960,000	415,464	567,082	151,618	1.69	1.81	0.05
						1,922,732	2,413,168	490,436	7.21	7.70	1.23

* These represent transaction in shares with related parties.

*** These have a face value of Rs. 2 per share.

**** These represent pledge securities.

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

Name of the investee company	Number of shares				Balance as at December 31, 2025			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 1, 2025	Purchased during the period	Bonus issue during the period	Sold during the period	As at December 31, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	
(Rupees in '000)										
%										
FOOD AND PERSONAL CARE PRODUCTS										
Barkat Frisian Agro Limited	1,500,000	-	-	1,500,000	-	-	-	-	-	-
National Foods Limited**	1,336,000	286,119	-	787,202	834,917	289,068	330,802	41,734	0.99	1.06
						289,068	330,802	41,734	0.99	1.06
										0.36
GLASS AND CERAMICS										
Ghani Glass Limited**	2,300,000	3,640,083	-	2,263,314	3,676,769	128,134	131,812	3,678	0.39	0.42
Shabbir Tiles & Ceramics Limited	6,771,889	-	-	4,871,889	1,900,000	26,771	29,108	2,337	0.09	0.09
Tariq Glass Industries Limited	-	1,519,548	-	-	1,519,548	307,417	324,135	16,718	0.97	1.03
						462,322	485,055	22,733	1.45	1.55
										2.61
INSURANCE										
Adamjee Insurance Company Limited*	1,990,000	-	-	-	1,990,000	99,520	161,449	61,929	0.48	0.52
Adamjee Life Assurance Company Limited*	-	1,501,429	65,900	-	1,567,359	47,126	49,372	2,246	0.15	0.16
Jubilee General Insurance Limited	300,000	25,241	-	-	325,241	19,887	26,637	6,750	0.08	0.09
						166,533	237,458	70,925	0.71	0.76
										1.33
MISCELLANEOUS										
Pakistan Aluminium Beverage Cans Limited	600,000	-	-	600,000	-	-	-	-	-	-
Shifa International Hospitals Limited****	585,000	-	-	147,128	437,872	208,046	224,055	16,009	0.67	0.72
						208,046	224,055	16,009	0.67	0.72
										0.12
OIL AND GAS EXPLORATION COMPANIES										
Oil & Gas Development Company Limited****	3,350,000	1,440,000	-	2,190,000	2,600,000	608,141	730,834	122,693	2.18	2.33
Pakistan Oilfields Limited****	570,000	220,400	-	-	790,400	479,877	480,966	1,089	1.44	1.54
Pakistan Petroleum Limited	1,300,000	3,615,000	-	1,090,000	3,825,000	706,045	900,979	194,934	2.69	2.88
						1,794,063	2,112,779	318,716	6.31	6.75
										0.38
OIL AND GAS MARKETING COMPANIES										
Attock Petroleum Limited	432,716	417,284	-	50,000	800,000	403,793	436,448	32,655	1.30	1.39
Hi-Tech Lubricants Limited	-	6,823,686	-	139,000	6,684,686	338,903	386,308	47,405	1.15	1.23
Pakistan State Oil Company Limited	630,000	1,031,000	-	720,000	941,000	413,526	446,185	32,659	1.33	1.42
Wafi Energy Pakistan Limited	144,157	601,893	-	176,050	570,000	101,625	126,586	24,961	0.38	0.40
						1,257,947	1,395,527	137,680	4.17	4.46
										6.07
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	131,907	353,851	-	28,758	457,000	488,633	479,914	(8,719)	1.43	1.53
AGP Limited	2,080,760	1,054,650	-	160,000	2,975,410	576,839	604,455	27,616	1.81	1.93
Fenzons Laboratories Limited	700,000	525,280	-	110,000	1,115,280	442,957	419,055	(23,902)	1.25	1.34
GlaxoSmithKline Pakistan Limited	-	300,000	-	90,000	210,000	91,682	81,854	(9,828)	0.24	0.26
Highnoon Laboratories Limited	335,746	94,354	-	330,668	99,432	100,629	101,668	1,039	0.30	0.32
						1,700,740	1,686,946	(13,794)	5.04	5.39
										2.53
Inv.Banks/Inv.Com./S securities Cos.										
Engro Holding Limited****	900,000	3,668,700	-	1,053,159	3,515,541	726,236	834,132	107,896	2.49	2.66
						726,236	834,132	107,896	2.49	2.66
										3.30
POWER GENERATION AND DISTRIBUTION										
K-Electric Limited	15,000,000	6,000,000	-	21,000,000	-	-	-	-	-	-
Lahir Power Limited*	4,000,000	-	-	1,260,000	2,740,000	71,487	66,555	(4,932)	0.20	0.21
Nishat Chunian Power Limited*	6,854,542	12,668,623	-	23,165	19,500,000	670,412	982,995	312,583	2.94	3.14
Nishat Power Limited*	7,879,694	7,475,925	-	355,619	15,000,000	631,620	999,900	368,280	2.99	3.19
						1,373,519	2,049,450	675,931	6.13	6.54
										10.27
TECHNOLOGY AND COMMUNICATION										
Pakistan Telecommunication Company Limited	2,558,453	7,000,000	-	9,558,453	-	-	-	-	-	-
Systems Limited	5,900,000	1,346,000	-	1,811,500	5,434,500	625,803	928,647	302,844	2.78	2.96
						625,803	928,647	302,844	2.78	2.96
										0.14

* These represent transaction in shares with related parties.

** These have a face value of Rs. 5 per share.

**** These represent pledge securities.

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

Name of the investee company	Number of shares					Balance as at December 31, 2025			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 1, 2025	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2025	Carrying value	Market value	Unrealized appreciation / (diminution)	Net assets of the Fund	Total market value of investments	
						(Rupees in '000)			%		
TEXTILE COMPOSITE											
Gul Ahmed Textile Mills Limited	12,500,000	3,227,630	-	3,437,630	12,290,000	361,247	344,980	(16,267)	1.03	1.10	1.66
Interloop Limited	12,757,816	3,474,831	-	300,000	15,932,649	1,108,634	1,228,089	119,455	3.67	3.92	1.14
Nishat Chunian Limited	15,304,962	6,411,507	-	677,662	21,038,607	896,577	967,575	70,998	2.89	3.09	8.76
						<u>2,366,458</u>	<u>2,548,644</u>	<u>174,186</u>	<u>7.59</u>	<u>8.11</u>	<u>11.56</u>
PAPER, BOARD AND PACKAGING											
Century Paper & Board Mills Limited	-	3,100,000	-	-	3,100,000	85,060	111,227	26,147	0.33	0.36	0.77
Packages Limited	69,994	159,032	-	-	229,026	151,901	175,178	23,277	0.52	0.56	0.26
						<u>236,961</u>	<u>286,405</u>	<u>49,424</u>	<u>0.86</u>	<u>0.91</u>	<u>1.03</u>
TOBACCO											
Pakistan Tobacco Company Limited	250,000	354,368	-	85,063	519,305	673,336	800,601	127,265	2.39	2.56	0.20
						<u>673,336</u>	<u>800,601</u>	<u>127,265</u>	<u>2.39</u>	<u>2.56</u>	<u>0.20</u>
TEXTILE SPINNING											
Gadbon Textile Mills Limited	88,326	-	-	88,326	-	-	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at December 31, 2025 (Un-audited)						<u>25,797,416</u>	<u>31,323,422</u>	<u>5,526,006</u>			
Total as at June 30, 2025 (Audited)						<u>16,128,366</u>	<u>19,249,119</u>	<u>3,120,753</u>			

5.1.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

Name of security	December 31, 2025	June 30, 2025	December 31, 2025	June 30, 2025	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	
		(Number of shares)		(Rupees in '000)	
Fauji Cement Company Limited	-	1,500,000	-	67,005	
Engro Holdings Limited	625,000	-	148,293	-	
Shifa International Hospital Limited	215,300	215,300	110,167	102,295	
Pakistan Oilfields Limited	115,000	-	69,979	-	
Oil & Gas Development Company Limited	485,000	485,000	136,329	106,972	
Lucky Cement Limited	539,791	800,000	256,379	284,192	
Meezan Bank Limited	310,000	310,000	137,758	102,936	
Bank Alfalah Limited	1,795,000	1,795,000	195,745	144,031	
	<u>4,085,091</u>	<u>5,105,300</u>	<u>1,054,650</u>	<u>807,431</u>	

5.1.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50% of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. During the year ended June 30, 2020, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have recorded these bonus shares as 'Other receivables' in these condensed interim financial statements.

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

The Finance Act, 2018, effective from July 1, 2018, has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 were not withheld by the investee companies.

As at December 31, 2025, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 11.52 million (June 30, 2025: Rs. 8.56 million).

5.2	Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	Note	December 31, 2025 (Un-audited) ———— (Rupees in '000) ————	December 31, 2024 (Un-audited) ———— (Rupees in '000) ————
	Market value of investments	5.1.1	31,323,422	15,397,553
	Less: Carrying value of investments	5.1.1	<u>(25,797,416)</u>	<u>(12,760,749)</u>
			<u>5,526,006</u>	<u>2,636,804</u>

6	ADVANCES, DEPOSITS AND OTHER RECEIVABLES	Note	December 31, 2025 (Un-audited) ———— (Rupees in '000) ————	June 30, 2025 (Audited) ———— (Rupees in '000) ————
	Advance tax	6.1	8,092	8,012
	Deposits with:			
	- National Clearing Company of Pakistan Limited (NCCPL)		5,216	5,216
	- Central Depository Company of Pakistan Limited (CDC)		500	500
	Profit receivable on savings accounts with banks		58,449	39,435
	Receivable from MCB Investment Management Limited - Management Company		4,060	955
	Other receivables		<u>4,451</u>	<u>4,253</u>
			<u>80,768</u>	<u>58,371</u>

6.1 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 profit 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.

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 profit on debt securities and profit on savings accounts with banks paid to the Fund 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	PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31, 2025 (Un-audited) ———— (Rupees in '000) ————	June 30, 2025 (Audited) ———— (Rupees in '000) ————
	Management remuneration payable	7.1	79,985	51,741
	Sindh sales tax payable on remuneration of the Management Company	7.2	11,998	7,761
	Sales load payable		<u>6,000</u>	<u>928</u>
			<u>97,983</u>	<u>60,430</u>

7.1 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 3.00% per annum on average daily net assets of the Fund, applicable to 'Equity 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 3.00% (December 31, 2024: 3.48%) of average daily net assets of the Fund during the current period. The remuneration is payable to the Management Company monthly in arrears.

7.2 Sindh sales tax on remuneration of the Management Company has been charged at the rate of 15% (June 30, 2025: 15%).

**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) —	June 30, 2025 (Audited)
8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration payable	8.1	2,752	323
Sindh sales tax payable on trustee remuneration	8.2	413	48
		<u>3,165</u>	<u>371</u>

- 8.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the average daily net assets of the Fund during the period. The tariff structure applicable to the Fund in respect of trustee remuneration is as follows:

Net Assets (Rs.)	Tariff per annum
- Up to Rs. 1,000 million	Rs. 0.7 million or 0.20% per annum of average daily net assets, whichever is higher
- Amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of average daily net assets exceeding Rs.1 billion

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

	Note	December 31, 2025 (Un-audited) — (Rupees in '000) —	June 30, 2025 (Audited)
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Fee payable	9.1	2,534	1,414

- 9.1** 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). Accordingly, the Fund has charged SECP fee at the rate of 0.095% (2025: 0.095%) per annum of the average daily net assets during the year. The fee is paid to the commission on monthly basis in arrears.

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

	Note	December 31, 2025 (Un-audited) — (Rupees in '000) —	June 30, 2025 (Audited)
10 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for federal excise duty on:			
- Remuneration of the Management Company	10.1	54,774	54,774
- Sales load		3,933	3,933
Auditor's remuneration payable		859	945
Withholding tax payables		18,821	37,149
Brokerage payables		10,917	10,140
Dividend payables		9,690	9,730
Other payables		81	33
		<u>99,075</u>	<u>116,704</u>

- 10.1** 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.

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

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 58.7 million (June 30, 2025: Rs. 58.7 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. 0.36 per unit (June 30, 2025: Re. 0.70 per unit).

11 CONTINGENCIES AND COMMITMENTS

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

12 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.

13 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.30% (December 31, 2024: 5.13%) which includes 0.36% (December 31, 2024: 0.74%) 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 7.1 of these condensed interim financial statements.

	Note	December 31, 2025	December 31, 2024
(Un-audited)			
———— (Rupees in '000) ————			
14 CASH AND CASH EQUIVALENTS			
Balances with banks	4	2,337,586	1,415,723

15 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 the 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

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.

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:

	Half year ended	
	December 31,	
	2025	2024
	(Un-audited)	
	———— (Rupees in '000) ————	
15.1 Details of transactions with the related parties / connected person are as follows:		
MCB Investment Management Limited - Management Company		
Remuneration of the Management Company (including indirect taxes)	487,759	204,120
Central Depository Company of Pakistan Limited - Trustee		
Remuneration (including indirect taxes)	16,838	6,446
Central Depository Service (CDS) settlement charges	1,470	856

**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,	
	2025 (Un-audited)	2024 (Un-audited)
	—— (Rupees in '000) ——	
Group / associated companies		
MCB Bank Limited		
Bank charges	107	35
Profit on savings accounts with banks	35,265	27,450
Dividend income	2,395	9,857
Purchase of 300,000 shares (December 31, 2024: 1,237,290 shares)	104,136	293,653
Sale of 300,000 shares (December 31, 2024: 1,308,290 shares)	110,617	347,929
Adamjee Life Assurance Company Limited		
Purchase of 1,501,429 shares (December 31, 2024: nil shares)	47,126	-
Dividend income	1,556	-
D.G. Khan Cement Company Limited		
Purchase of 1,341,341 shares (December 31, 2024: 1,450,000 shares)	238,457	138,823
Sale of 2,064,341 shares (December 31, 2024: 350,000 shares)	482,729	36,803
Dividend income	4,600	-
Nishat Mills Limited		
Purchase of nil shares (December 31, 2024: 420,000 shares)	-	27,719
Sale of nil shares (December 31, 2024: 2,064,695 shares)	-	155,094
Dividend income	-	3,000
Nishat Power Limited		
Purchase of 7,475,925 shares (December 31, 2024: 6,452,672 shares)	358,904	192,258
Sale of 355,619 shares (December 31, 2024: 2,064,695 shares)	12,447	-
Dividend income	-	7,332
Lalpir Power Limited		
Purchase of Nil shares (December 31, 2024: 1,250,000 shares)	-	30,287
Sale of 1,260,000 shares (December 31, 2024: 650,000 shares)	30,071	10,284
Dividend income	-	3,300
International Steels Limited		
Purchase of 2,716,191 shares (December 31, 2024: 95,000 shares)	281,540	7,070
Sale of 2,025,151 shares (December 31, 2024: 95,000 shares)	212,695	8,552
Dividend income	6,250	-
International Industries Limited		
Purchase of 2,311,936 shares (December 31, 2024: Nil shares)	504,291	-
Sale of 432,466 shares (December 31, 2024: Nil shares)	83,725	-
Dividend income	6,649	-
Adamjee Insurance Company Limited		
Purchase of nil shares (December 31, 2024: 2,750,000 shares)	-	105,285
Sale of nil shares (December 31, 2024: 1,660,000 shares)	-	89,222
Dividend income	3,980	2,325
Atlas Battery Limited		
Purchase of nil shares (December 31, 2024: 114,773 shares)	-	42,326
Sale of nil shares (December 31, 2024: 17,773 shares)	-	6,686
15.2 Balances outstanding at period / year end	December 31,	June 30,
	2025	2025
	(Un-audited)	(Audited)
	—— (Rupees in '000) ——	
MCB Investment Management Limited - Management Company		
Management remuneration payable	79,985	51,741
Sindh sales tax payable on remuneration of the management company	11,998	7,761
Sales load payable	6,000	928
Other receivable	4,060	955

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

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	2,752	323
Sindh sales tax payable on trustee remuneration	413	48
Security deposit	500	500
Group / associated companies		
MCB Bank Limited - Parent of the Management Company		
Balances with banks	1,172,419	1,722,902
Profit receivable on savings account with bank	36,064	17,990
D.G. Khan Cement Company Limited		
550,000 shares (June 30, 2025: 1,300,000 shares)	126,451	215,228
Adamjee Life Assurance Company Limited		
1,567,359 shares (June 30, 2025: Nil shares)	49,372	-
Adamjee Insurance Company Limited		
1,990,000 shares (June 30, 2025: 1,990,000 shares)	161,449	99,520
Nishat Power Limited		
15,000,000 shares (June 30, 2025: Nil shares)	999,900	-
Nishat Chunian Power Limited		
19,500,000 shares (June 30, 2025: Nil shares)	982,995	-
International Industries Limited		
1,879,470 shares (June 30, 2025: Nil shares)	349,882	-
International Steels Limited		
1,100,000 shares (June 30, 2025: 408,960 shares)	115,896	37,911
Lalpir Power Limited		
2,740,000 shares (June 30, 2025: 4,000,000 shares)	66,555	104,360

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

	Half year ended December 31, 2025							
	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								
MCB Investment Management Limited - Management Company	1,131,734	304,313	307,969	1,128,078	292,384	100,000	100,000	409,748
Adamjee Life Assurance Company Limited Conventional Business	309,187	-	28,942	280,245	79,878	416,311	401,400	101,792
MCB Employees Provident Fund (Pak Staff)	-	549,898	-	549,898	-	200,000	-	199,738
D.G. Khan Cement Company Limited Employees Provident Fund Trust	608	-	-	608	157	-	-	221
Adamjee Life Assurance Company Limited - NUIL Fund	-	1,433	-	1,433	-	316	-	521
Adamjee Life Assurance Company Limited - IMF	6,739,013	4,783,009	3,622,107	7,899,915	1,741,027	1,582,657	1,120,000	2,869,459
Kapoo Employees Pension Fund	1,301	-	-	1,301	336	-	-	473
Adamjee Life Assurance Company Limited-Employees Gratuity Fund	-	-	-	-	-	-	-	-
Adamjee Insurance Company Limited - Employees Gratuity Fund	89	-	-	89	23	-	-	32
Adamjee Insurance Company Limited - Employees Provident Fund	294	-	-	294	76	-	-	107
Adamjee Life Assurance Company Limited - DGF	48	-	-	48	12	-	-	17
Adamjee Life Assurance Company Limited - Managed Growth Fund	21,436	-	-	21,436	5,538	-	-	7,786
Adamjee Life Assurance Company Limited - SHF	623,066	-	421,582	201,484	160,969	-	150,000	73,184
Mandate under discretionary Portfolio	1,868,697	5,596,364	4,753,694	2,711,367	482,779	1,795,574	1,528,723	984,840
Directors and Key Management Personnel	413,328	411,275	256,994	567,609	106,784	129,684	83,543	206,171

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	Half year ended December 31, 2024							
	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								
MCB Investment Management Limited - Management Company	-	1,946,993	1,622,097	324,897	-	321,371	311,000	118,011
Adanjee Life Assurance Company Limited Conventional Business	-	2,432,373	1,856,206	576,167	-	416,311	401,400	209,279
D.G. Khan Cement Company Limited Employees Provident Fund Trust	-	594	-	594	-	131	-	216
Adanjee Life Assurance Company Limited - NUJL Fund	-	1,433	-	1,433	-	316	-	521
Adanjee Life Assurance Company Limited - IMF	12,672,376	1,962,173	6,517,715	8,116,834	3,273,914	340,552	1,345,000	2,948,251
Kapco Employees Pension Fund	-	1,271	-	1,271	-	280	-	462
Adanjee Life Assurance Company Limited-Employees Gratuity Fund	-	2,432,373	2,432,373	0	-	405,400	416,311	0
Adanjee Insurance Company Limited - Employees Gratuity Fund	-	87	-	87	-	19	-	32
Adanjee Insurance Company Limited - Employees Provident Fund	-	287	-	287	-	63	-	104
Adanjee Life Assurance Company Limited - DGF	-	48	-	48	-	11	-	17
Adanjee Life Assurance Company Limited - Managed Growth Fund	-	56,517	35,581	20,936	-	8,700	5,850	7,604
Directors and Key Management Personnel	137,849	442,146	340,005	239,990	20,807	86,496	68,688	54,675
Mandate under discretionary Portfolio	1,449,096	8,144,056	8,958,209	634,943	218,732	1,723,149	1,888,762	144,653

16 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 tradeable in an open market are revalued at 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.

16.1 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 liability 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
ASSETS				
Financial assets 'at fair value through profit or loss'				
Listed equity securities	31,323,422	-	-	31,323,422
	<u>31,323,422</u>	<u>-</u>	<u>-</u>	<u>31,323,422</u>
	June 30, 2025			
	Audited			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets 'at fair value through profit or loss'				
Listed equity securities	19,249,119	-	-	19,249,119
	<u>19,249,119</u>	<u>-</u>	<u>-</u>	<u>19,249,119</u>

16.2 Valuation techniques used in determination of fair values

Item	Valuation approach and input used
Listed equity securities	The valuation has been determined through closing rates of Pakistan Stock Exchange.

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

16 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 financial statements.

17 GENERAL

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

18 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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