

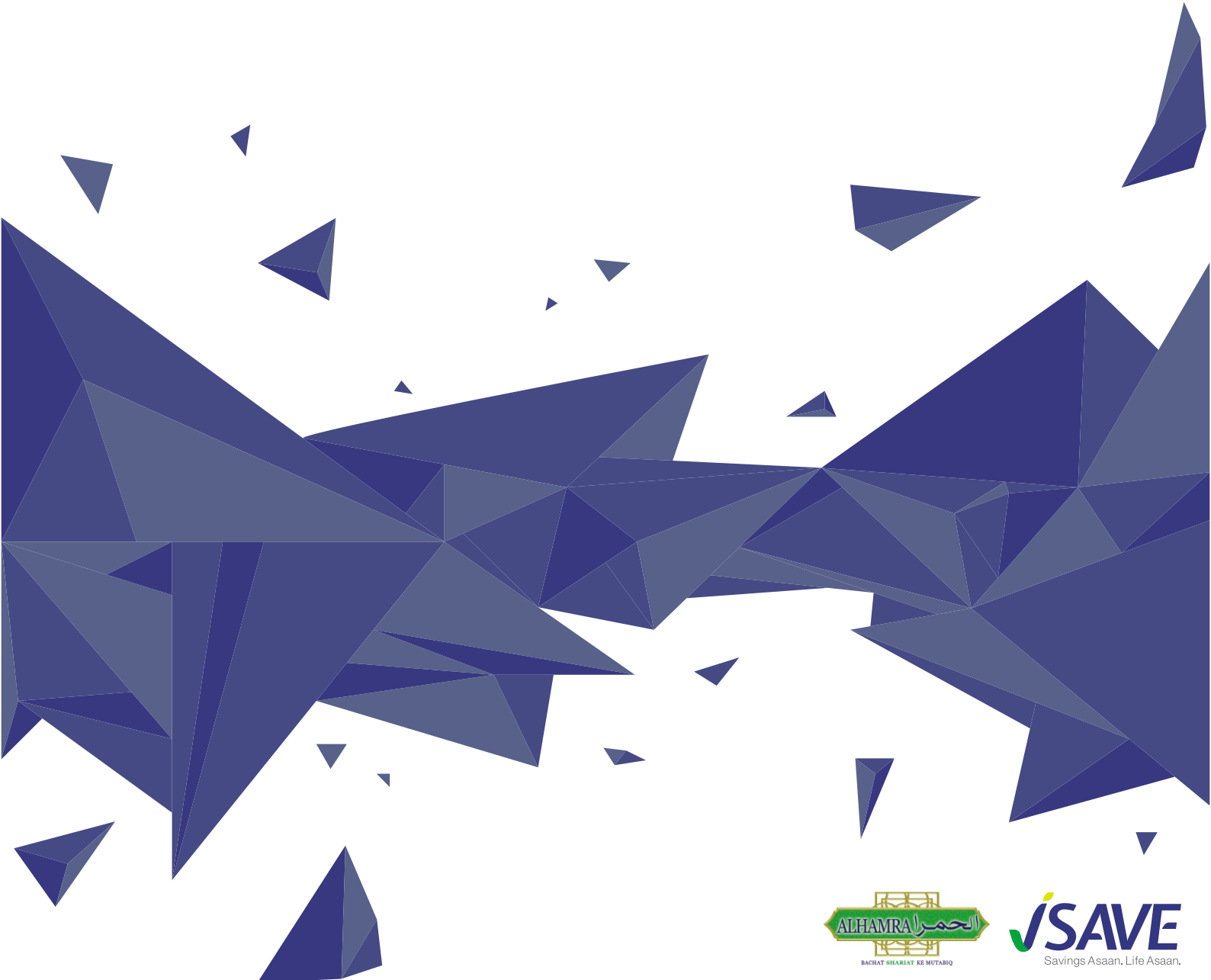


MCB FUNDS  
Investments for Life

# QUARTERLY REPORT

MARCH  
**2026**  
(UNAUDITED)

Funds Under Management of  
MCB INVESTMENT MANAGEMENT LIMITED



# **PAKISTAN INCOME ENHANCEMENT 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 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
<b>Audit Committee</b>	Ms. Sadia Muzaffar Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah Mr. Muhammad Nauman Chughtai	Chairman Member Member Member Member
<b>Credit Committee</b>	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Sadia Muzaffar Mr. Khawaja Khalil Shah	Member Member Member Member
<b>IT &amp; Digital Risk Management Committee</b>	Ms. Mavra Adil Khan Mr. Ahmed Jahangir Mr. Khawaja Khalil Shah Mr. Syed Sohail Ahmed Mr. Shabbir Hussain Mr. Muhammad Arsalan Khan Mr. Raheel Iqbal (CISO)	Chairman Member Member Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Khawaja Khalil Shah	
<b>Chief Operating &amp; Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary &amp; Financial Controller</b>	Mr. Muhammad Rehan Khan	
<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 Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited	U Micro Finance Bank Limited NRSP Micro Finance Bank Limited JS Bank Limited Zarai Taraqiati Bank Limited Habib Bank Limited National Bank of Pakistan
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-75350.	
<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 NINE MONTHS ENDED MARCH 31, 2026

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Income Enhancement Fund** accounts review for the nine months ended March 31, 2026.

## **Economy Review**

The country posted a current account deficit of USD 700 million in the first eight months of the fiscal year 2026 (8MFY26) compared to a surplus of USD 479 million in the corresponding period last year. Trade Deficit increased by 27.8% YoY as exports declined by 5.4% while imports increased by 8.8%. The remittances inflows grew at a healthy rate of 10.5% to USD 26.5 billion. The country's external position remained robust as SBP's foreign exchange reserves increased to USD 16.4 billion compared to USD 14.5 billion at the end of the last fiscal year. The local currency depicted strength against the greenback as the USD/PKR appreciated by 1.6% to 279.2 during the period.

Headline inflation represented by CPI averaged 5.6% during 9MFY26 compared to 5.4% in the corresponding period last year. This low inflation was driven by the currency's stability over the past one year and base effect.

Pakistan's GDP growth clocked at 3.9% in 2QFY26 with Agricultural, Industrial and Services sectors increasing by 1.8%, 7.4% and 3.7% respectively. Industrial sector growth showed a stellar growth due to improvement in macroeconomic indicators and base effect. On the fiscal side, FBR tax collection grew by 10.1% during 9MFY26 to PKR 9,305 billion, although it remained short of the target by PKR 612 billion.

## **FUND PERFORMANCE**

During the period under review, the fund generated an annualized return of 19.89% against its benchmark return of 11.05%.

WAM of fund stood at 146 days at March end. The fund was mainly invested in PIBs & T-Bills. At period-end, the fund was 36.2% invested in PIBs, 15.5% in T-Bills.

The Net Assets of the fund as at March 31, 2026 stood at Rs. 2,498 million as compared to Rs.1,072 million as at June 30, 2025 registering an increase of 133.02%.

The Net Asset Value (NAV) per unit as at March 31, 2026 was Rs. 63.2285 as compared to opening NAV of Rs. 55.0133 per unit as at June 30, 2025 registering an increase of Rs. 8.2152 per unit.

## **Economy & Market – Future Outlook**

The recent escalation in the Iran–US conflict has led to a sharp increase in global oil prices, with Brent crude crossing USD 100/bbl amid fears of supply disruptions through the Strait of Hormuz. This has immediate macroeconomic implications, particularly for oil-importing economies like Pakistan, as higher oil prices raise the import bill, fuel inflation, and exert pressure on the

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS ENDED MARCH 31, 2026

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Pakistan, as higher oil prices raise the import bill, fuel inflation, and exert pressure on the currency. However, the situation remains highly fluid, with outcomes dependent on the duration and intensity of the conflict. If tensions do not escalate further, the impact on macros is likely to remain manageable, but a prolonged conflict could keep oil prices elevated and pose additional risks to inflation, external balances, and overall economic stability.

Pakistan posted a modest current account deficit of USD 700 million in the first eight months of the fiscal year. However, due to rising oil prices and refinery margins, we now expect the current account deficit to widen to around USD 3.1 billion, or 0.8% of GDP. The continuation of the IMF program remains a key positive, as it will enable Pakistan to tap funding from multiple sources. Despite an expected payment of USD 3.5 billion to the UAE, the country is expected to receive another USD 5.0 billion from Saudi Arabia and Qatar. We expect SBP reserves to rise to USD 17.7 billion by year-end, supported by timely bilateral rollovers and inflows from the IMF and multilateral agencies. We also expect measured depreciation in the currency, with USD/PKR likely to close around 284.0 by June 2026.

Given the recent increase in international oil prices and corresponding adjustments in domestic fuel prices, we expect inflationary pressures to persist in the near term. We now project average CPI inflation for FY26 to settle at around 7.6%, compared to 4.6% in FY25. On the growth front, we expect GDP to expand by 3.5% in FY26. The lagged impact of interest rate cuts is likely to support activity in the industrial and services sectors, which are projected to grow by 4.5% and 3.5%, respectively. However, any further escalation in the Middle East conflict poses a downside risk to these growth projections.

On the fiscal front, we expect the fiscal deficit to narrow to 3.9% of GDP in FY26, marking the lowest level since FY2006. This improvement is primarily driven by a decline in debt servicing costs, which are projected to fall from 7.7% of GDP in FY24 to 6.2% of GDP in FY26. However, the IMF's stringent primary surplus targets will likely necessitate significant cuts to the PSDP allocation.

The monetary policy committee 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. However, the recent rise in oil prices and the uptick in inflation could prompt a rate hike if the conflict persists for an extended period.

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

### **Mutual Fund Industry Review**

The Net Assets of the open-end mutual funds industry increased by about 14.2% during 9MFY26 to PKR 4,206 billion. Total money market funds inched up by 2.3% since June 2025. Within the money market sphere, conventional funds showed a decline of 0.8% to PKR 969 billion while Islamic funds increased by 5.7% to PKR 964 billion. In addition, the total fixed Income and Fixed Rate funds increased by about 36.6% since June 2025 to PKR 1,540 billion while Equity and related funds increased by 32.0% to PKR 649 billion.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS ENDED MARCH 31, 2026

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In terms of the segment share, Money Market funds were the leader with a share of around 46.0%, followed by Income and fixed return funds with 36.6% and Equity and Equity related funds having a share of 15.4% as at the end of March 2026.

### **Mutual Fund Industry Outlook**

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

### **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  
April 21, 2026



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**Manzar Mushtaq**  
Director  
April 21, 2026

## ڈائریکٹرز رپورٹ

میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈز کی صنعت کے net اثاثہ جات مالی سال 2026ء کے پہلے نو ماہ کے دوران تقریباً 14.2 فیصد بڑھ کر 4,206 بلین روپے ہو گئے۔ منی مارکیٹ کے کُل فنڈز میں جون 2025ء کے بعد سے 2.3 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 0.8 فیصد کم ہو کر 969 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 5.7 بڑھ کر 964 بلین روپے ہو گئے۔ مزید برآں، کُل فِلڈ انکم اور فِلڈ ریٹ فنڈز جون 2025ء کے بعد سے تقریباً 36.6 فیصد سے بڑھ کر 1,540 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 32.0 فیصد بڑھ کر 649 بلین روپے ہو گئے۔

شعبہ جاتی حصے کے اعتبار سے مارچ 2026ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 46.0 فیصد حصے کے ساتھ سب سے آگے تھے، اور ان کے بعد انکم اور فِلڈ ریٹ فنڈز کا 36.6 فیصد حصہ، اور ایکویٹی اور اس سے متعلقہ فنڈز کا 15.4 فیصد حصہ تھا۔

میوچل فنڈز صنعت کے مستقبل کا منظر نامہ

منی مارکیٹ فنڈز کو بہتر نقدیت کا فائدہ اٹھانا چاہیے کیونکہ یہ مختصر میعاد کے لیے اور کم ریسک کے ساتھ سرمایہ کاری کرنے والوں کے لیے موزوں ترین ہوتے ہیں۔ درمیانی اور طویل میعاد والے سرمایہ کاروں کی کیپیٹل مارکیٹس، خصوصاً ایکویٹیز میں گہری دلچسپی برقرار رہے گی۔ ہمارے آپریشنز بلا رُکاوٹ 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 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،

Manzar Mushtaq

منظر مشتاق

ڈائریکٹر

21 اپریل 2026ء

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

21 اپریل 2026ء

## ڈائریکٹرز رپورٹ

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

ایران اور امریکا کے درمیان حالیہ کشیدگی میں اضافے کے باعث عالمی سطح پر تیل کی قیمتوں میں تیزی سے اضافہ ہوا ہے، اور رسد میں خلل کے خدشات، اور خصوصاً آبنائے ہرمز کے ذریعے ترسیل متاثر ہونے کے امکان، کے پیش نظر برینٹ کروڈ کی قیمت 100 ڈالر فی بیرل سے تجاوز کر گئی ہے۔ اس کے فوری معاشی اثرات مرتب ہوتے ہیں، خاص طور پر پاکستان جیسے ممالک پر جو تیل درآمد کرتے ہیں، کیونکہ تیل کی بڑھتی ہوئی قیمتیں درآمداتی بل میں اضافہ کرتی ہیں، افراط زر کو بڑھاتی ہیں، اور کرنسی پر دباؤ ڈالتی ہیں۔ تاہم صورتحال ابھی غیر یقینی ہے اور اس کے نتائج تنازعے کی مدت اور شدت پر منحصر ہیں۔ اگر کشیدگی مزید بڑھی تو معاشی اثرات قابل برداشت رہنے کا امکان ہے، لیکن اگر تنازع طویل ہو گیا تو تیل کی قیمتیں بلند سطح پر برقرار رہنے کا امکان ہے، اور افراط زر، بیرونی کھاتوں اور مجموعی معاشی استحکام کے لیے مزید خطرات پیدا ہو سکتے ہیں۔

پاکستان نے مالی سال کے پہلے آٹھ ماہ میں تقریباً 700 ملین ڈالر کا محدود کرنٹ اکاؤنٹ خسارہ رہکار ڈکھایا۔ تاہم تیل کی بڑھتی ہوئی قیمتوں اور ریفرنسری مارجنز کے باعث اب توقع ہے کہ یہ خسارہ بڑھ کر تقریباً 3.1 بلین ڈالر، یعنی جی ڈی پی کے 0.8 فیصد تک پہنچ جائے گا۔ آئی ایم ایف پروگرام کا تسلسل ایک اہم مثبت پہلو ہے جس سے مختلف ذرائع سے رقم کے حصول میں مدد ملے گی۔ متحدہ عرب امارات کو متوقع 3.5 بلین ڈالر کی ادائیگی کے باوجود ملک کو سعودی عرب اور قطر سے مزید 5.0 بلین ڈالر موصول ہونے کی توقع ہے۔ ہمیں اُمید ہے کہ سال کے اختتام تک ایس بی پی کے ذخائر بڑھ کر 17.7 بلین ڈالر ہو جائیں گے، اور اس کے عوامل بروقت دو طرفہ توسیع، اور آئی ایم ایف اور کثیرالجہتی ایجنسیوں کی طرف سے آنے والی رقم ہوں گی۔ ہم کرنسی کی قدر میں بتدریج کمی کے لیے بھی پُر امید ہیں، اور اس بات کی توقع کی جاسکتی ہے کہ جون 2026ء تک ڈالر 1 روپے کی شرح تقریباً 284.0 تک پہنچ جائے گی۔

عالمی سطح پر تیل کی قیمتوں میں حالیہ اضافے اور ملکی سطح پر ایندھن کی قیمتوں میں اس کے مطابق رد و بدل کے باعث ہم توقع کرتے ہیں کہ قریبی مدت میں مہنگائی کا دباؤ برقرار رہے گا۔ فی الوقت ہمارا اندازہ کہ مالی سال 2026ء میں اوسط پی پی آئی افراط زر تقریباً 7.6 فیصد رہے گی، جبکہ مالی سال 2025ء میں یہ 4.6 فیصد تھی۔ شرح نمو کے حوالے سے ہم توقع کرتے ہیں کہ مالی سال 2026ء میں جی ڈی پی 3.5 فیصد تک بڑھے گی۔ شرح سود میں کمی کے تاخیری اثرات صنعتی اور خدمات کے شعبوں کی سرگرمیوں کو سہارا فراہم کریں گے، جن کی شرح نمو بالترتیب 4.5 فیصد اور 3.5 فیصد رہنے کی توقع ہے۔ تاہم مشرق وسطیٰ میں کشیدگی اور مزید اضافہ ان معاشی اندازوں کے لیے منفی خطرہ ثابت ہو سکتا ہے۔

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۔ 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۔ تاہم آئی ایم ایف کے پرائمری سرپلس سے متعلق سخت اہداف ممکنہ طور پر پی ایس ڈی پی کے اختصا میں نمایاں کٹوتیوں کے سبب بنیں گے۔

ایس بی پی نے سود کی شرحوں میں جون 2024ء سے مجموعی طور پر 1,150 بی پی ایس کی کمی کی ہے، جس کے نتیجے میں سود کی شرحیں 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۔ تاہم اگر تنازعہ طویل اختیار کرتا ہے تو تیل کی قیمتوں میں حالیہ اضافہ اور اس کے نتیجے میں افراط زر میں اضافہ شرح کے بڑھ جانے کا سبب بن سکتا ہے۔

حاصلین قرض کے لیے ہمیں اُمید ہے کہ مئی مارکیٹ فنڈز سال بھر پالیسی شرحوں کی بلاؤ کاوٹ عکاسی جاری رکھیں گے۔

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم اینہینسمنٹ فنڈ کے اکاؤنٹس کا جائزہ، 31 مارچ 2026 کو ختم ہونے والے نو ماہ کے لئے، پیش خدمت ہے۔

معیشت کا جائزہ

مالی سال 2026ء کے پہلے آٹھ ماہ میں ملک نے 700 ملین ڈالر کا کرنٹ اکاؤنٹ خسارہ پوسٹ کیا، جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 479 ملین ڈالر فاضل (سریپلس) تھا۔ تجارتی خسارے میں 27.8 فیصد سال در سال (YoY) اضافہ ہوا کیونکہ برآمدات میں 5.4 فیصد کمی ہوئی جبکہ درآمدات میں 8.8 فیصد اضافہ ہوا۔ ترسیلات 10.5 فیصد بڑھ کر 26.5 بلین ڈالر ہو گئیں۔ ملک کی بیرونی صورتحال مستحکم رہی کیونکہ ایس بی پی کے غیر ملکی زرمبادلہ کے ذخائر بڑھ کر 16.4 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 دورانِ مدت پاکستانی روپے کی قدر 1.6 فیصد بڑھ کر 279.2 ہو گئی۔

مجموعی افراطِ زر، جس کی ترجمانی سی پی آئی سے ہوتی ہے، کا اوسط مالی سال 2026ء کے پہلے نو ماہ کے دوران 5.6 فیصد رہا، جو گزشتہ سال مماثل مدت میں 5.4 فیصد کے بالمقابل ہے۔ افراطِ زر کی اس پست سطح کی وجہ گزشتہ ایک سال کے دوران کرنسی کا استحکام اور base کا اثر ہے۔ پاکستان کی جی ڈی پی میں مالی سال کی دوسری سہ ماہی میں 3.9 فیصد ترقی ہوئی۔ زراعت کے شعبے میں 1.8 فیصد، صنعتی شعبے میں 7.4 فیصد، اور خدمات کے شعبے میں 3.7 فیصد ترقی ہوئی۔ صنعتی شعبے نے شاندار ترقی کا مظاہرہ کیا جس کی وجہ مجموعی معاشی علامات اور base کے اثر میں بہتری ہے۔ مالیاتی جہت میں ایف بی آر ٹیکس وصولی مالی سال 2026ء کے پہلے نو ماہ کے دوران 10.1 فیصد بڑھ کر 9,305 بلین روپے ہو گئی، اگرچہ ہدف سے 612 بلین روپے کم رہی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 19.89 فیصد تھا، جبکہ اس کے بالمقابل بیچ مارک منافع 11.05 فیصد تھا۔ فنڈ کی WAM مارچ کے اختتام پر 146 دن تھی۔

اختتامِ مدت پر فنڈ کی زیادہ تر سرمایہ کاری پی آئی بی (36.2 فیصد) اور ٹی - بلنز میں (15.5 فیصد) تھی۔

31 مارچ 2026ء کو فنڈ کے net اثاثہ جات 2,498 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2025ء کو 1,072 ملین روپے تھے، یعنی 133.02 فیصد اضافہ ہوا۔

31 مارچ 2026ء کو net اثاثہ جاتی قدر (این اے وی) نی یونٹ 63.2285 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2025ء کو ابتدائی این اے وی 55.0133 روپے نی یونٹ تھی، یعنی 8.2152 روپے نی یونٹ اضافہ ہوا۔

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT MARCH 31, 2026**

		March 31, 2026 (Unaudited)	June 30, 2025 (Audited)
	Note	------(Rupees in '000)-----	
<b>ASSETS</b>			
Balances with banks	4	1,106,455	839,015
Investments	5	1,334,149	272,950
Mark-up, dividend and other receivables		36,983	45,323
Advances, deposits and prepayments		5,866	28,535
Receivable from National Clearing Company of Pakistan Limited		48,954	-
<b>Total assets</b>		<b>2,532,407</b>	<b>1,185,823</b>
<b>LIABILITIES</b>			
Payable to Investment Management Limited - Management Company	6	4,047	18,196
Payable to Central Depository Company of Pakistan Limited - Trustee		202	17
Payable to the Securities and Exchange Commission of Pakistan (SECP)		176	844
Payable against redemption of units		1,514	1,514
Accrued and other liabilities	8	28,860	93,401
<b>Total liabilities</b>		<b>34,799</b>	<b>113,972</b>
<b>NET ASSETS</b>		<b>2,497,608</b>	<b>1,071,851</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,497,608</b>	<b>1,071,851</b>
<b>Contingencies and commitments</b>	9		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>39,501,303</b>	<b>19,483,501</b>
		------(Rupees)-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>63.2285</b>	<b>55.0133</b>

The annexed notes from 1 to 17 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2026**

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2026	2025	2026	2025
(Rupees in '000)					
<b>INCOME</b>					
Income from government securities		159,958	1,966,103	43,010	549,545
Income from term finance certificates		6,168	11,844	1,542	3,350
Capital (loss)/ gain on sale of investments - net		(38,521)	404,470	(37,226)	99,883
Mark-up on bank deposits		33,908	73,671	9,575	14,602
Dividend income		32,358	-	30,308	-
Income from spread transactions		(6,065)	-	(1,041)	-
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.1	(10,314)	49,940	(27,753)	(149,795)
Other income		235,361	1,599	235,111	529
<b>Total income</b>		<b>412,853</b>	<b>2,507,627</b>	<b>253,526</b>	<b>518,114</b>
<b>EXPENSES</b>					
Remuneration of MCB Investment Management Limited- Management Company		30,210	232,400	9,971	70,683
Sindh sales tax on remuneration of Management Company		4,531	34,860	1,495	10,602
Allocated expenses		-	4,444	-	-
Sindh sales tax on allocated expense		-	653	-	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,538	10,366	499	3,459
Sindh sales tax on remuneration of the Trustee		231	1,555	75	519
Annual fee to the Securities and Exchange Commission of Pakistan		1,538	10,366	499	3,459
Brokerage, settlement charges and bank charges		4,512	6,167	2,604	1,226
Fees and subscription		511	458	179	162
Auditors' remuneration		735	663	279	283
Legal and professional charges		192	190	93	91
Other expenses		-	45	-	13
<b>Total expenses</b>		<b>43,998</b>	<b>302,167</b>	<b>15,694</b>	<b>90,497</b>
<b>Net income for the period before taxation</b>		<b>368,855</b>	<b>2,205,460</b>	<b>237,832</b>	<b>427,617</b>
Taxation	10	-	-	-	-
<b>Net income for the period after taxation</b>		<b>368,855</b>	<b>2,205,460</b>	<b>237,832</b>	<b>427,617</b>
<b>Allocation of net income for the period:</b>					
Net income for the period		368,855	2,205,460		
Income already paid on units redeemed		(67,367)	(1,396,525)		
		<b>301,488</b>	<b>808,935</b>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	20,928		
- Excluding capital gains		301,488	788,007		
		<b>301,488</b>	<b>808,935</b>		

Earnings per unit

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The annexed notes from 1 to 17 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 COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2026**

	Nine months ended March 31,		Quarter ended March 31,	
	2026	2025	2026	2025
	------(Rupees in '000)-----			
<b>Net income for the period after taxation</b>	<b>368,855</b>	2,205,460	<b>237,832</b>	427,617
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>368,855</u></b>	<u>2,205,460</u>	<b><u>237,832</u></b>	<u>427,617</u>

The annexed notes from 1 to 17 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 NINE MONTHS ENDED MARCH 31, 2026

	Nine months ended March 31, 2026			Nine months ended March 31, 2025		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
<b>Note</b>	------(Rupees in '000)-----					
<b>Net assets at the beginning of the period</b>	912,145	159,707	1,071,852	5,740,756	158,412	5,899,167
Issue of 57,237,816 units (2025: 532,033,001 units)						
- Capital value (at net asset value per unit at the beginning of the period)	3,148,841	-	3,148,841	29,226,914	-	29,268,891
- Element of income	68,920	-	68,920	1,884,943	-	1,842,966
	<u>3,217,761</u>	<u>-</u>	<u>3,217,761</u>	<u>31,111,857</u>	<u>-</u>	<u>31,111,857</u>
Redemption of 37,220,015 units (2025: 382,022,652 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,047,597	-	2,047,597	20,986,185	-	20,986,185
- Element of income	45,896	67,367	113,263	752,604	1,396,525	2,149,129
	<u>2,093,493</u>	<u>67,367</u>	<u>2,160,860</u>	<u>21,738,789</u>	<u>1,396,525</u>	<u>23,135,314</u>
Total comprehensive income for the period	-	368,855	368,855	-	2,205,460	2,205,460
<b>Net assets at the end of the period</b>	<u><u>2,036,413</u></u>	<u><u>461,195</u></u>	<u><u>2,497,608</u></u>	<u><u>15,113,824</u></u>	<u><u>967,347</u></u>	<u><u>16,081,169</u></u>
<b>Undistributed income brought forward comprising of:</b>						
- Realised		158,217			151,698	
- Unrealised loss		<u>1,490</u>			<u>6,714</u>	
		<u>159,707</u>			<u>158,412</u>	
Accounting income available for distribution						
- Relating to capital gains		-			20,928	
- Excluding capital gains		<u>301,488</u>			<u>788,007</u>	
		<u>301,488</u>			<u>808,935</u>	
Distribution during the period		-			-	
Undistributed income carried forward		<u><u>461,195</u></u>			<u><u>967,347</u></u>	
<b>Undistributed income carried forward comprising of:</b>						
- Realised		471,509			917,407	
- Unrealised		<u>(10,314)</u>			<u>49,940</u>	
		<u>461,195</u>			<u>967,347</u>	
		<u>(Rupees)</u>			<u>(Rupees)</u>	
Net asset value per unit at the beginning of the period		<u>55,0133</u>			<u>54,9344</u>	
Net asset value per unit at the end of the period		<u><u>63,2285</u></u>			<u><u>62,4764</u></u>	

The annexed notes from 1 to 17 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 NINE MONTHS ENDED MARCH 31, 2026**

	Nine months ended	
	March 31, 2026	March 31, 2025
Note	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	368,855	2,205,460
<b>Adjustments for non cash and other items:</b>		
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	10,314	(49,940)
	<u>379,169</u>	<u>2,155,520</u>
<b>(Increase) in assets</b>		
Investments - net	(1,071,513)	(9,488,854)
Mark-up, dividend and other receivables	8,340	(54,448)
Advances, deposits and prepayments	22,669	1,535
Receivables against sale of investment	-	1,412,666
Receivable from National Clearing Company of Pakistan Limited	(48,954)	(19,986)
	<u>(1,089,458)</u>	<u>(8,149,087)</u>
<b>(Decrease) in liabilities</b>		
Payable to MCB Investment Management Limited - Management Company	(14,149)	10,237
Payable to Central Depository Company of Pakistan Limited - Trustee	185	903
Payable to the Securities and Exchange Commission of Pakistan	(668)	777
Payable against purchase of investments	-	(1,056,777)
Payable against redemption of units	-	(11,601)
Accrued and other liabilities	(64,541)	9,991
	<u>(79,173)</u>	<u>(1,046,470)</u>
<b>Net cash used in operating activities</b>	<u>(789,462)</u>	<u>(7,040,037)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	3,217,761	31,111,857
Payments on redemption of units	(2,160,860)	(23,135,314)
<b>Net cash generated from financing activities</b>	<u>1,056,901</u>	<u>7,976,543</u>
<b>Net Increase / (decrease) in cash and cash equivalents during the period</b>	<u>267,440</u>	<u>936,505</u>
Cash and cash equivalents at the beginning of the period	839,015	101,340
<b>Cash and cash equivalents at the end of the period</b>	<u><u>1,106,455</u></u>	<u><u>1,037,846</u></u>

The annexed notes from 1 to 17 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 (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2026

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Income Enhancement Fund (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB Investment Management Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated June 26, 2008 and July 7, 2008 consequent to which Trust Deed was executed on July 14, 2008 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Fund are required to be registered under the 'Sindh Trust Act, 2020' (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the Fund had been registered under the Sindh Trust Act.
- 1.2 Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and has been categorised as 'Aggressive Fixed Income Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP, and offers units for public subscription on a continuous basis. The units are listed on the Pakistan Stock Exchange Limited (PSX).
- 1.4 The Fund primarily invests in debt securities, listed and unlisted government securities, secured debt securities, money market transactions, reverse repurchase transactions, spread transactions and transactions under Margin Trading System.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 03, 2025 (2025: 'AM1' dated October 04, 2024) to the Management Company and the stability rating of "A+(f)" dated October 23, 2025 (2025: "A+(f)" dated September 06, 2024) to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

This 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 and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The 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) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2025. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2026 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2025, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2025.
- 2.3 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.4 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.5 This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2026

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The 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 accounting and reporting standards as applicable in Pakistan 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 recognized prospectively commencing from the period of revision. In preparing these 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 were 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 Funds 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, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

4	BALANCES WITH BANKS	Note	March 31, 2026 (Un-audited) ------(Rupees in '000)-----	June 30, 2025 (Audited)
	In current accounts		5,701	792
	In saving accounts	4.1	1,100,754	838,223
		4.2	<u>1,106,455</u>	<u>839,015</u>

4.1 These carry mark-up at rates ranging between 8% to 19% per annum (June 2025: 8.5% to 9.5% per annum).

4.2 These include balances of Rs. 23.62 million (June 30, 2025: 0.775 Rs. million) maintained with MCB Bank Limited (a related party).

5	INVESTMENTS	Note	March 31, 2026 (Un-audited) ------(Rupees in '000)-----	June 30, 2025 (Audited)
	<b>Investments at fair value through profit or loss</b>			
	Government securities	5.1	1,309,568	189,183
	Listed Equity Securities	5.2	-	-
	Unlisted debt securities	5.3	24,581	83,767
	Listed debt securities	5.4	-	-
			<u>1,334,149</u>	<u>272,950</u>

#### 5.1 Government securities

- Market Treasury Bills	5.1.1	392,254	9,104
- Pakistan Investment Bonds	5.1.2	917,314	3,234
- Pakistan Investment Bonds - Floating Rate Bond	5.1.3	-	-
- Government of Pakistan (GoP) Ijarah Sukuk - Unlisted	5.1.4	-	176,845
		<u>1,309,568</u>	<u>189,183</u>





**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

**5.1.3 Pakistan Investment Bonds - Floating Rate Bond**

Tenure	Issue Date	Face value				At March 31, 2026			Market value as a percentage of	
		At July 01, 2025	Purchased during the period	Sold / Matured during the period	At March 31, 2026	Carrying value	Market value	(Diminution) / appreciation	Net assets	Total investments

**Pakistan Investment Bonds - Floating Rate Bond**

- 10 years	April 17, 2025	-	250,000	250,000	-	-	-	-	-	-
- 10 years	May 29, 2025	-	500,000	500,000	-	-	-	-	-	-
- 10 years	December 14, 2023	-	250,000	250,000	-	-	-	-	-	-

As at March 31, 2026 (Un-Audited)

- - -

As at June 30, 2025 (Audited)

- - -

**5.1.4 Government of Pakistan (GoP) Ijarah Sukuk - Unlisted**

Tenure	Issue Date	Face value				At March 31, 2026			Market value as a percentage of	
		At July 01, 2025	Purchased during the period	Sold / Matured during the period	At March 31, 2026	Carrying value	Market value	(Diminution) / appreciation	Net assets	Total investments

**Government of Pakistan- Ijara Sukuk**

GOP Ijara - 2 years (Variable)	04-Dec-23	75,000	-	75,000	-	-	-	-	-	-
GOP Ijara - 5 years (Variable)	04-Dec-23	100,000	-	100,000	-	-	-	-	-	-

As at March 31, 2026 (Un-Audited)

- - -

As at June 30, 2025 (Audited)

175,044 176,845 1,801

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

**5.2 Listed Equity Securities**

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

Name of the investee Company	As at July 01, 2025	Number of shares				Balance as at March 31, 2026			Market value	
		Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at March 31, 2026	Carrying value	Market Value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments
(Rupees in '000)										
<b>Cement</b>										
D.G. Khan Cement Company Limited	-	50,000	-	50,000	-	-	-	-	-	-
Fauji Cement Company Limited	-	1,672,500	-	1,672,500	-	-	-	-	-	-
Lucky Cement Limited	-	15,000	-	15,000	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	850,000	-	850,000	-	-	-	-	-	-
Pioneer Cement Limited	-	275,000	-	275,000	-	-	-	-	-	-
<b>Cable and Electronic Goods</b>										
Pak Elektron Limited	-	1,943,000	-	1,943,000	-	-	-	-	-	-
<b>Commercial Banks</b>										
Bank Al Habib Limited	-	1,630,000	-	1,630,000	-	-	-	-	-	-
Habib Bank Limited	-	911,500	-	911,500	-	-	-	-	-	-
National Bank Of Pakistan	-	3,296,500	-	3,296,500	-	-	-	-	-	-
<b>Fertilizer</b>										
Fauji Fertilizer Company Limited	-	300,000	-	300,000	-	-	-	-	-	-
<b>Oil and Gas Exploration Companies</b>										
Oil & Gas Development Company Limited	-	1,451,000	-	1,451,000	-	-	-	-	-	-
Pakistan Petroleum Limited	-	194,000	-	194,000	-	-	-	-	-	-
<b>Oil and Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	-	301,000	-	301,000	-	-	-	-	-	-
Power Generation & Distribution	-	347,000	-	347,000	-	-	-	-	-	-
Hub Power Company Limited	-	347,000	-	347,000	-	-	-	-	-	-
<b>Technology &amp; Communications</b>										
Pakistan Telecommunication Company Limited	-	202,500	-	202,500	-	-	-	-	-	-
<b>Total as at March 31, 2026</b>										
Total as at June 30, 2025										

\* This represent transaction in shares with related parties.

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

**5.3.1 Unlisted debt securities - Term Finance Certificates - 'at fair value through profit or loss'**

Name of investee company	Number of Certificates					As At March 31, 2026		Market value as a percentage of	
	As at July 1, 2025	Purchased during the period	Matured during the period	Disposed during the period	As At March 31, 2026	Carrying value	Market value	Net assets	Total investment
<b>Commercial Banks</b>									
Askari Bank Limited **	20	-	20	-	-	-	-	0.00%	0.00%
Bank AL Habib Limited *	5,000	-	-	-	5,000	24,581	24,581	0.98%	1.84%
Samba Bank Limited *	400	-	400	-	-	-	-	0.00%	0.00%
<b>Total as at March 31, 2026</b>						<b>24,581</b>	<b>24,581</b>		
As at June 30, 2025						84,410	83,767	(643)	

\* Face value of these Term Finance certificates is Rs.100,000 per certificate

\*\* Face value of these Term Finance certificates is Rs.1,000,000 per certificate

**5.3.2 Significant terms and conditions of term finance certificates outstanding as at March 31, 2026 are as follows:**

Name of the Issuer	Profit rate (per annum)	Issue date	Maturity date	Rating
<b>Commercial Banks</b>				
Askari Bank Limited	3 months KIBOR + 1.20%	March 17, 2020	March 17, 2030	AA
Bank AL Habib Limited	6 months KIBOR + 0.75%	September 30, 2021	September 30, 2031	AAA
Samba Bank Limited	6 months KIBOR + 1.35%	March 1, 2021	March 1, 2031	AA-

\* Rating have been obtained from Pakistan Credit Rating Agency (PACRA)

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

**5.4 Listed debt securities - Term Finance Certificates / Sukuks - 'at fair value through profit or loss'  
Certificates have a face value of Rs 5,000 each unless stated otherwise**

Name of investee company	Number of certificates			As at March 31, 2026				Market value as a percentage
	As at July 1, 2025	Purchased during the	Sold / matured during the	As at March 31, 2026	Carrying value	Provision	Net amount	
<b>Miscellaneous</b>								
Pace Pakistan Limited	15,000	-	15,000	-	-	-	-	-
- Due but not received								
<b>Construction and Material</b>								
Eden Housing Limited	10,415	-	-	10,415	10,252	(10,252)	-	-
- Due but not received								
- Due but not received								
<b>As at March 31, 2026 (Un-Audited)</b>					<b>10,252</b>	<b>(10,252)</b>	<b>-</b>	
As at June 30, 2025 (Audited)					85,161	(85,161)	-	

**Settlement Agreement with Pace (Pakistan) Limited**

**5.4.1 Settlement Agreement with Pace (Pakistan) Limited**

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

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

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

**5.5 Details of Investments in Below Investment Grade Securities**

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

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

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

Name of investee Company	Unaudited				%
	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	
Investment in debt securities	10,251	10,251	-	-	-
Eden Housing Limited	10,251	10,251	-	-	-

Investment in debt securities      Eden Housing Limited      -      -      -

**6 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**

Management remuneration Payable	6.1	March 31, 2026 (Un-audited)	June 30, 2025 (Audited)
Sindh Sales Tax payable on remuneration of the Management Company	6.2	3,519	15,017
Sales load payable (including indirect taxes)		528	2,253
		-	926
		<u>4,047</u>	<u>18,196</u>

**6.1** In accordance with the requirements of S.R.O. 600(I)/2025 dated April 10, 2025, issued by the Securities and Exchange Commission of Pakistan (SECP), the Fund, with effect from July 1, 2025 may charge management fee up to 1.50% per annum of the average daily net assets of the Scheme. During the period ended March 31, 2026, the Fund has charged management fee at the rate of up to 1.50% per annum of the average daily net assets of the Scheme.

Up to June 30, 2025 (i.e., prior to July 1, 2025), the Management Company, pursuant to the amendment in the Offering Document effective from September 2, 2024, revised the basis for charging management fee. Under the revised methodology, the management fee was charged at the rate of up to 2% per annum of the net assets of the Scheme, calculated on a daily basis. Prior to this amendment, the management fee had been charged at the rate of up to 15% of the daily gross earnings of the Scheme.

The management fee is calculated on a daily basis and paid to the Management Company on a monthly basis in arrears.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

**6.2** Sindh sales tax on remuneration of the management company has been charged at the rate of 15% (June 30, 2025: 13%).

**7 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**

In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the fund has charged SECP fee at the rate of 0.075% of average Net Assets of the scheme, calculated on daily basis. The fee is paid to the commission on monthly basis in arrears.

	<b>March 31, 2026 (Unaudited) ----- (Rupees in '000) -----</b>	<b>June 30, 2025 (Audited)</b>
<b>8 ACCRUED AND OTHER LIABILITIES</b>		
Provision for federal excise duty payable on:		
- Remuneration of the management fee	16,590	16,590
- Sales load	4,746	4,746
Brokerage payable	1,543	58
Capital gain tax payable	5,563	71,371
Auditors' remuneration payable	392	597
Legal advisor fee payable	26	39
	<u>28,860</u>	<u>93,401</u>

**8.1 Federal Excise Duty on remuneration of the management company and sales load**

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2025. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2026 would have been higher by Re. 0.54 per unit (June 30, 2025: Re. 1.10 per unit).

**9 CONTINGENCIES AND COMMITMENTS**

There were no contingencies outstanding as at March 31, 2026 and June 30, 2025.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

**10 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 at least 90% of the Fund's accounting income to be earned during current year to the unit holders as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore, no provision for taxation has been made in these condensed interim financial statements during the period. The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

**11 EARNINGS PER UNIT**

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company, the determination of the same is not practicable.

**12 TOTAL EXPENSE RATIO**

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.15% (March 31, 2025: 2.19%) which includes 0.32% (March 31, 2025: 0.35%) representing government levy, SECP fee etc.

	------(Unaudited)-----
	March 31,      March 31,
	2026              2025
	----- (Rupees in '000) -----
	1,106,455      297,486
	-                  740,360
	<u>1,106,455</u> <u>1,037,846</u>

**13 CASH AND CASH EQUIVALENTS**

Balances with banks  
Market Treasury Bills maturing within 3 months

**14 TRANSACTIONS WITH CONNECTED PERSONS / 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 owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

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

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

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:

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

For the nine months period ended March 31, 2026 (unaudited)						
As at July 01, 2025	Issued for cash	Redeemed	As at March 31, 2026	As at July 01, 2025	Issued for cash	As at March 31, 2026
<b>Units</b>						
<b>(Rupees in '000)</b>						
	68,580	-	68,580	3,773	-	3,803
<b>Associated Companies:</b>						
Laipir Staff Provident Fund						
Pakgen Staff Provident Fund	22,282	-	22,282	1,226	-	1,235
Security General Insurance Co. Ltd. Employees Provident Fund Trust	2	-	2	-	-	-
<b>Directors and Key Management Personnel</b>	12	223,683	223,683	12	14,113	14,120
	1			1		1

\* This reflects the position of related party / connected persons status as at March 31, 2026.

For the nine months period ended March 31, 2025 (unaudited)						
As at July 01, 2024	Issued for cash	Redeemed	As at March 31, 2025	As at July 01, 2024	Issued for cash	As at March 31, 2025
<b>Units</b>						
<b>(Rupees in '000)</b>						
	58,396	58,396	-	-	3,510	3,648
<b>Associated Companies:</b>						
Laipir Staff Provident Fund						
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	318	318	-	-	19	20
Security General Insurance Co. Ltd. Employees Provident Fund Trust	1	1	-	-	-	-
Pakgen Power Limited	117,947,251	117,947,251	74,509,930	-	6,780,533	4,535,000
Nishat Power Limited	110,738,678	110,738,678	53,000,945	-	6,418,401	3,240,000
<b>Key management personnel</b>	16,534	1,142,154	1,158,676	908	68,024	69,204
<b>Unit holders holding 10% or more units*</b>	-	102,927,386	12,307,793	-	6,209,516	740,126
						5,661,584

\* This reflects the position of related party / connected persons status as at March 31, 2025.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

**14.2 Details of transactions with the connected persons / related parties during the period are as follows:**

	March 31, 2026 (Unaudited) ----- (Rupees in '000) -----	March 31, 2025 (Unaudited) ----- (Rupees in '000) -----
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration including indirect taxes	34,741	267,260
Allocated expenses	-	5,097
Amount received against issuance to unitholders*	-	687
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration of the trustee (including indirect taxes)	1,769	11,921
CDC settlement charges	129	109
<b>MCB Bank Limited</b>		
Profit on bank deposits	1,040	467
Bank charges	16	22
<b>D.G. Khan Cement Company Limited</b>		
Purchase 50,000 (March 31, 2025: Nil) shares	12,138	-
Sales of 50,000 (March 31, 2025: Nil) shares	12,190	-

\* 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.

**14.3 Amount outstanding as at period end / year end**

	March 31, 2026 (Unaudited) ----- (Rupees in '000) -----	June 30, 2025 (Audited) ----- (Rupees in '000) -----
<b>MCB Investment Management Limited - Management Company</b>		
Management remuneration payable	3,519	15,017
Sindh Sales Tax payable on remuneration of the Management Company	528	2,253
Sales load payable (including indirect taxes)	-	926

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration payable	176	15
Sindh Sales tax payable on remuneration of Trustee	26	2
Security deposits	200	200

**MCB Bank Limited**

Bank deposits	23,620	22,681
Profit Receivable	103	214

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**FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

Level 2 : inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 : inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

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**16 GENERAL**

- 16.1** Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.
- 16.2** Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there were no material reclassifications to report.

**17 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on April 21, 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**

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