

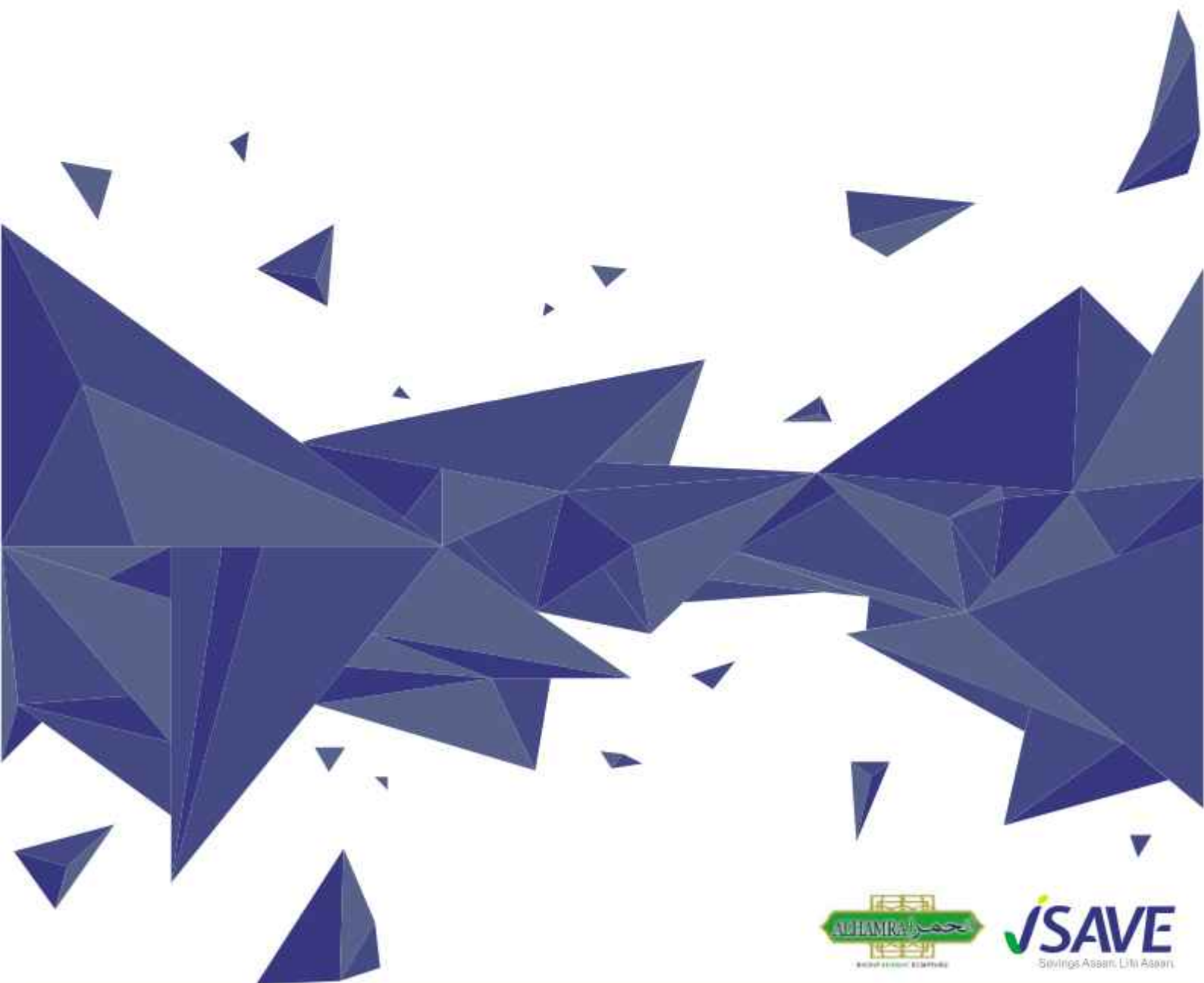


MCB FUNDS
Investments for Life

QUARTERLY REPORT

MARCH
2025
(UNAUDITED)

Funds Under Management of
MCB INVESTMENT MANAGEMENT LIMITED



PAKISTAN INCOME ENHANCEMENT FUND

TABLE OF CONTENTS

1	Fund's Information	86
2	Report of the Directors of the Management Company	87
3	Condensed Interim Statement of Assets And Liabilities	95
4	Condensed Interim Income Statement (Un-audited)	96
5	Condensed Interim Statement of Comprehensive Income (Un-audited)	97
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	98
7	Condensed Interim Cash Flow Statement (Un-audited)	99
8	Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)	100

FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Muhammad Nauman Chughtai Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah Mr. Muhammad Nauman Chughtai	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
Chief Executive Officer	Mr. Khawaja Khalil Shah	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
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 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 Taraqati Bank Limited Habib Bank Limited National Bank of Pakistan
Auditors	Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-75350.	
Legal Advisor	Bawane & 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2025

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Income Enhancement Fund's** accounts review for the period ended March 31, 2025.

Economy Review

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

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

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

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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2025

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 18.29% against its benchmark return of 14.43% and old benchmark return of 15.16%.

WAM of fund stood at 1.9 years. The fund was mainly invested in T-Bills & PIBs. At period-end, the fund was 43.8% invested in T-Bills, 38.6% in PIBs.

The Net Assets of the fund as at March 31, 2025 stood at Rs. 16,081 million as compared to Rs.5,899 million as at June 30, 2024 registering an increase of 172.61%.

The Net Asset Value (NAV) per unit as at March 31, 2025 was Rs. 61.0585 as compared to opening NAV of Rs. 54.9344 per unit as at June 30, 2024 registering an increase of Rs. 7.542 per unit.

Economy & Market – Future Outlook

Pakistan's GDP growth is projected to clock around 2.5% in FY25, similar level compared to 2.5% last year. The industrial and services sectors are expected to expand by 2.5% and 2.8%, respectively, driven by a gradual recovery in demand and the base effect. However, agricultural growth is likely to remain modest at 1.8%, constrained by the high base effect and flood-related damage to the cotton crop.

The continuation of the IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 12.5-13.0 billion by year end on the back of flows from friendly countries, IMF and multilateral agencies. Pakistan is on track to record the first annual surplus since FY11 on the back of rebound in exports and remittances along with controlled imports. We expect a current account surplus of USD 1.0bn (0.3% of GDP) in FY25 compared to deficit of USD 681mn (0.2% of GDP) in FY24. We are of the view comfort on the external will keep currency relatively stable in the near term. We expect marginal currency depreciation this year with USD/PKR expected to close June 25 around 285.0.

The inflation reading has come down sharply mainly due to base effect and stable currency. The headline inflation number in March 2025 clocked in at 0.7% compared to a high of 38.0% in May 2023. This was the lowest reading since December 1965 (0.58%). The core inflation clocked at 9.0% similar to last month. We expect some uptick in inflation from this low base by the end of fiscal year. We anticipate CPI to average around 5.1% in FY25 compared to 23.4% in FY24.

Since June 2024, the State Bank of Pakistan (SBP) has reduced interest rates by a cumulative 1,000 basis points, bringing the policy rate down from a peak of 22.0% to 12.0%. Recently US

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2025

has announced and implemented a series of sweeping tariffs aimed at reducing the U.S. trade deficit and promoting domestic manufacturing which has caused global uncertainty. We expect SBP to closely monitor these evolving dynamics and make policy decisions aimed at balancing macroeconomic stability and growth. Despite weak inflation, Monetary Policy committee may maintain status quo as external account continues to remain uncertain. A sustained weakness in global commodity prices and a positive nudge in external account may open space for easing in the later part of the calendar year.

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

Mutual Fund Industry Review

The Net Assets of the open-end mutual funds industry increased by about 44.5% during 9MFY25 to PKR 3,718bn. Total money market funds grew by about 35.2% since June 2024. Within the money market sphere, conventional funds showed a growth of 44.4% to PKR 909bn while Islamic funds increased by 26.8% to PKR 861bn. In addition, the total fixed Income and Fixed Rate funds increased by about 44.9% since June 2024 to PKR 1,393bn while Equity and related funds increased by 86.4% to PKR 476bn.

In terms of the segment share, Money Market funds were the leader with a share of around 47.6%, followed by Income and fixed return funds with 37.5% and Equity and Equity related funds having a share of 12.8% as at the end of March 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 NINE MONTHS AND QUARTER ENDED MARCH 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
April 21, 2025



Manzar Mushtaq
Director
April 21, 2025

میوچل فنڈ ز صنعت کے مستقبل کا منظر نامہ

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

اظہار تشکر

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

منجانب ڈائریکٹرز،

Maszar Mushtaq

منظر مشتاق

ڈائریکٹر

کراچی،

21 اپریل 2025ء

خواجہ خلیل شاہ

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی،

21 اپریل 2025ء

Base کے اثر اور روپے میں استحکام کی بدولت مہنگائی میں تیزی سے کمی آئی ہے۔ مارچ 2025ء میں ہیڈ لائن مہنگائی 0.7 فیصد تھی، جبکہ اس کے بالمقابل مئی 2023ء میں 38.0 فیصد کی بلند سطح پر تھی۔ یہ دسمبر 1965ء (0.58 فیصد) سے اب تک کی کم ترین سطح تھی۔ بنیادی مہنگائی 9.0 فیصد تھی، جو گزشتہ ماہ سے مشابہ ہے۔ ہم سمجھتے ہیں کہ مالی سال کے اختتام تک مہنگائی اس پست سطح سے تھوڑا اوپر جائے گی۔ ہماری توقع ہے کہ 'سی پی آئی' کا اوسط مالی سال 2025ء میں تقریباً 5.1 فیصد ہوگا، جبکہ اس کے بالمقابل مالی سال 2024ء میں 23.4 فیصد تھا۔

جون 2024ء سے اسٹیٹ بینک آف پاکستان (ایس بی پی) نے سود کی شرحوں میں مجموعی طور پر 1000 بیس پوائنٹس کی کمی کی ہے جس کے نتیجے میں پالیسی کی شرح 22.0 فیصد کی بلند شرح سے کم ہو کر 12.0 فیصد ہو گئی۔ حال ہی میں امریکا نے خطیر ٹیرف عائد کیے ہیں جس سے اس کا مقصد تجارتی خسارے میں کمی اور مقامی مینوفیکچرنگ کو فروغ دینا ہے، لیکن اس سے عالمی سطح پر غیر یقینی صورتحال پیدا ہو گئی ہے۔ ہمیں امید ہے کہ ایس بی پی ان تبدیلیوں کی باریک بینی سے نگرانی کرے گا اور پالیسی کے حوالے سے ایسے فیصلے کرے گا جن کا ہدف مجموعی معاشی استحکام اور ترقی میں توازن پیدا کرنا ہوگا۔ کم مہنگائی کے باوجود مانیٹری پالیسی کمیٹی سابقہ صورتحال برقرار رکھ سکتی ہے کیونکہ خارجی اکاؤنٹ کی غیر یقینی صورتحال برقرار ہے۔ عالمی سطح پر اشیاء کی قیمتوں میں کمی کے تسلسل اور خارجی اکاؤنٹ میں مثبت سہارے کے نتیجے میں کیلنڈر سال کے اختتامی حصے میں تسہیل کی گنجائش پیدا ہو سکتی ہے۔

حاملین قرض کے لیے ہمیں توقع ہے کہ منی مارکیٹ فنڈز سال بھر پالیسی کی شرحوں کی ہلکا کاٹ عکاسی جاری رکھیں گے۔

میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈز کی صنعت کے net اثاثہ جات مالی سال 2025ء کے پہلے 9 ماہ کے دوران تقریباً 44.5 فیصد بڑھ کر 3,781 بلین روپے ہو گئے۔ منی مارکیٹ کے فنڈز میں جون 2024ء کے بعد سے تقریباً 35.2 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 44.4 فیصد بڑھ کر 909 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 26.8 فیصد بڑھ کر 861 بلین روپے ہو گئے۔

مزید برآں، گل فیکسڈ انکم اور فیکسڈ ریٹ فنڈز جون 2024ء کے بعد سے تقریباً 44.9 فیصد بڑھ کر 1,393 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 86.4 فیصد بڑھ کر 476 بلین روپے ہو گئے۔

شعبہ جاتی حصے کے اعتبار سے مارچ 2025ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 47.6 فیصد حصے کے ساتھ سب سے آگے تھے، اور ان کے بعد انکم اور فیکسڈ ریٹ فنڈز کا 37.5 فیصد حصہ، اور ایکویٹی اور اس سے متعلقہ فنڈز کا 12.8 فیصد حصہ تھا۔

فنڈ کی کارکردگی

زیرِ جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 18.29 فیصد تھا، جبکہ اس کے بالمقابل بیچ مارک منافع 14.43 فیصد تھا اور پُرانا بیچ مارک 15.16 فیصد تھا۔

فنڈ کی WAM اختتام مدت پر 1.9 سال تھی۔ فنڈ کی زیادہ تر سرمایہ کاری ٹی۔ بیلسز اور پی آئی بیز میں تھی۔ اختتام مدت پر فنڈ کی سرمایہ کاری 43.8 فیصد ٹی۔ بیلسز میں تھی اور 38.6 فیصد پی آئی بیز میں تھی۔

31 مارچ 2025ء کو فنڈ کے net اثاثہ جات 16,081 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2024ء کو 5,899 ملین روپے تھے، جو 172.61 فیصد اضافہ ہے۔

31 مارچ 2025ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 61.0585 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2024ء کو ابتدائی این اے وی فی یونٹ 54.9344 روپے تھی، جو 7.542 روپے فی یونٹ اضافہ ہے۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

مالی سال 2025ء میں پاکستان کی جی ڈی پی میں تقریباً 2.5 فیصد ترقی کا امکان ہے، اور اس کے بالمقابل گزشتہ سال بھی 2.5 فیصد ترقی ہوئی تھی۔ صنعت اور خدمات کے شعبوں میں بالترتیب 2.5 فیصد اور 2.8 فیصد ترقی کا امکان ہے جس کی وجہ مانگ اور base کے اثر میں بتدریج بحالی ہے۔ تاہم زراعت میں 1.8 فیصد درمیانے درجے کی ترقی متوقع ہے کیونکہ یہ base کے بلند اثر اور کپاس کی فصل میں سیلاب کے باعث ہونے والے نقصان کے باعث محدود ہے۔

آئی ایم ایف پروگرام کا تسلسل اہم ترین پیش رفت ہے کیونکہ اس کی بدولت ہم دو طرفہ اور کثیر الجہتی ذرائع سے فنڈنگ لے سکیں گے۔ دوست ممالک، آئی ایم ایف اور کثیر الجہتی ایجنسیوں کی طرف سے رقوم حاصل ہونے کے باعث ایس بی پی ذخائر میں سال کے اختتام تک 12.5 تا 13.0 فیصد اضافہ ہونے کا امکان ہے۔ برآمدات اور ترسیلات میں بحالی اور درآمدات پر قابو کی بدولت پاکستان مالی سال 2011ء کے بعد سے پہلا سالانہ سرپلس ریکارڈ کرنے کی طرف گامزن ہے۔ مالی سال 2025ء میں کرنٹ اکاؤنٹ سرپلس 1.0 بلین ڈالر (جی ڈی پی کا 0.3 فیصد) متوقع ہے، جبکہ اس کے بالمقابل مالی سال 2024ء میں کرنٹ اکاؤنٹ خسارہ 681 ملین ڈالر (جی ڈی پی کا 0.2 فیصد) تھا۔ ہم سمجھتے ہیں کہ اس سال روپے کی قدر میں معمولی کمی آئے گی اور جون 2025ء کے اختتام پر ڈالر سے روپے میں تبدیلی کی شرح تقریباً 285.0 ہوگی۔

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

معیشت کا جائزہ

مالی سال کا آغاز مضبوط بنیاد کے ساتھ ہوا کیونکہ حکومت نے آئی ایم ایف کے ساتھ 37 ماہ کی ایکسٹینڈڈ فنڈ فیسیلیٹی (ای ایف ایف) کے لیے ایک اسٹاف-لیول معاہدہ (ایس ایل اے) حاصل کر لیا جس کی مجموعی مالیت تقریباً 7.0 بلین ڈالر ہے۔ دوران مدت پاکستان مالیاتی اور خارجی نظم و ضبط کا مظاہرہ کر کے آئی ایم ایف پروگرام کے کلیدی اہداف اور مقررہ معیارات پورے کر لیے۔ چنانچہ مارچ 2025ء میں آئی ایم ایف ٹیم نے 'ای ایف ایف' کے پہلے جائزے کے لیے پاکستانی اتھارٹیز کے ساتھ 'ایس ایل اے' کیا، اور ساتھ ساتھ ایک نئی 28 ماہ کی ریزیلیئنس اینڈ سسٹینیبیلٹی فیسیلیٹی (آر ایس ایف) بھی عمل میں آئی جس کی بدولت فنڈنگ میں مزید 1.3 بلین ڈالر کا اضافہ ہوا۔

کمپنی نے مالی سال 2025ء کے پہلے آٹھ ماہ (8MFY25) میں 0.7 بلین ڈالر کرنٹ اکاؤنٹ سرپلس پوسٹ کیا، جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 1.7 بلین ڈالر خسارہ تھا۔ کرنٹ اکاؤنٹ میں بہتری کی سب سے بڑی وجہ ترسیلات کی آمد تھی جو 32.5 فیصد بڑھ کر 24.0 بلین ڈالر تک پہنچ گئیں۔ تجارتی خسارے میں 17.4 فیصد YoY اضافہ ہوا کیونکہ برآمدات اور درآمدات پست بنیاد سے بالترتیب 7.2 فیصد اور 11.4 فیصد بڑھ گئیں۔ ملک کی خارجی صورتحال میں بہتری آئی کیونکہ اسٹیٹ بینک آف پاکستان کے زیر مبادلہ کے ذخائر بڑھ کر مارچ 2025ء کے اختتام پر 10.7 بلین ڈالر تک پہنچ گئے، جبکہ اس کے بالمقابل گزشتہ مالی سال کے اختتام پر 9.4 بلین ڈالر تھے۔ اس بہتری کی وجہ کرنٹ اکاؤنٹ سرپلس اور آئی ایم ایف اور کثیرالجہتی ذرائع سے آمدات ہیں۔ مقامی کرنسی مجموعی طور پر مستحکم رہی کیونکہ زیر جائزہ مدت کے دوران ڈالر سے روپے میں تبدیلی کا تناسب 0.7 فیصد کم ہو کر 280.2 ہو گیا۔

ہیڈ لائن مہنگائی، جس کی ترجمانی 'سی پی آئی' سے ہوتی ہے، کا اوسط مالی سال 2025ء کے پہلے نو ماہ کے دوران 5.4 فیصد رہا، جبکہ اس کے بالمقابل مماثل مدت میں 27.2 فیصد تھا۔ اس بڑی کمی کی وجہ گزشتہ ایک سال کے دوران روپے کا استحکام ہے جس کی بدولت اشیائے خورد و نوش اور توانائی کی قیمتیں مستحکم رہیں۔ مزید برآں، گندم کی قیمتوں اور base کے اثر میں بڑی کمی نے بھی مہنگائی کم کرنے میں کردار ادا کیا۔

مجموعی ملکی پیداوار میں مالی سال 2024-25ء کی دوسری سہ ماہی میں 1.7 فیصد اضافہ ہوا، جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں یہ 1.7 فیصد تھی۔ زراعت میں 1.1 فیصد ترقی ہوئی، خدمات کے شعبے میں 2.6 فیصد ترقی ہوئی، جبکہ صنعت کے شعبے میں 0.2 فیصد تنزل ہوا۔ صنعتی پیداوار کی پست سطح کی بڑی وجہ سود کی تاریخی بلند شرحیں اور سیاسی عدم استحکام ہیں۔ مالیاتی جہت میں ایف بی آر کی ٹیکس کی وصولی مالی سال 2025ء کے پہلے نو ماہ میں 26.8 فیصد بڑھ کر 8,452 بلین روپے ہو گئیں، جو اس کے ہدف سے 716 بلین روپے کم ہے۔ اس کمی کی بڑی وجہ درآمدات سے ٹیکس وصولی میں کمی ہے، اور اس کی وجہ تجارت اور ترقی میں سست رفتاری اور پست مہنگائی ہے۔

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

		March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	297,486	101,340
Investments	5	15,516,547	5,237,393
Mark-up, dividend and other receivables		312,137	257,689
Advances, deposits and prepayments		4,689	6,224
Receivables against sale of investment		-	1,412,666
Receivable from National Clearing Company of Pakistan Limited		24,021	4,035
Total assets		16,154,880	7,019,347
LIABILITIES			
Payable to Investment Management Limited - Management Company	6	22,122	11,885
Payable to Central Depository Company of Pakistan Limited - Trustee		1,331	428
Payable to the Securities and Exchange Commission of Pakistan (SECP)		1,157	379
Payable against purchase of investments		-	1,056,777
Payable against redemption of units		2,079	13,680
Accrued and other liabilities	8	47,022	37,031
Total liabilities		73,711	1,120,180
NET ASSETS		16,081,169	5,899,167
Unit holders' fund (as per statement attached)		16,081,169	5,899,167
Contingencies and commitments	9		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		257,395,977	107,385,628
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		62.4764	54.9344

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

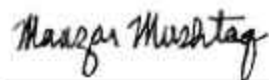
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2025

		Nine months ended March 31,		Quarter ended March 31,	
		2025	2024	2025	2024
	Note	(Rupees in '000)			
INCOME					
Income from government securities		1,966,103	750,897	549,545	361,202
Income from term finance certificates		11,844	15,010	3,350	4,978
Capital (loss)/ gain on sale of investments - net		404,470	(73,099)	99,883	(61,402)
Mark-up on bank deposits		73,671	65,106	14,602	22,509
Unrealised (diminution) on re-measurement of investments classified as 'Financial assets at fair value through profit or loss' - net	5.1	49,940	(14,598)	(149,795)	(859)
Other income		1,599	457	529	192
Total income		2,507,627	743,773	518,114	326,620
EXPENSES					
Remuneration of MCB Investment Management Limited- Management Company		232,400	42,480	70,683	17,235
Sindh sales tax on remuneration of Management Company		34,860	5,522	10,602	2,240
Allocated expenses		4,444	3,847	-	1,848
Sindh sales tax on allocated expense		653	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		10,366	2,870	3,459	1,426
Sindh sales tax on remuneration of the Trustee		1,555	373	519	185
Selling and marketing expenses		-	17,274	-	9,271
Annual fee to the Securities and Exchange Commission of Pakistan		10,366	2,868	3,459	1,425
Brokerage, settlement charges and bank charges		6,167	2,811	1,226	1,039
Fees and subscription		458	699	162	146
Auditors' remuneration		663	620	283	193
Legal and professional charges		190	177	91	83
Other expenses		45	66	13	16
Total expenses		302,167	79,607	90,497	35,107
Net income for the period before taxation		2,205,460	664,166	427,617	291,513
Taxation	10	-	-	-	-
Net income for the period after taxation		2,205,460	664,166	427,617	291,513
Allocation of net income for the period:					
Net income for the period		2,205,460	664,166		
Income already paid on units redeemed		(1,396,525)	(278,793)		
		808,935	385,373		
Accounting income available for distribution					
- Relating to capital gains		20,928	-		
- Excluding capital gains		788,007	385,373		
		808,935	385,373		
Earnings per unit					

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

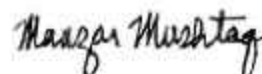
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2025**

	Nine months ended March 31,		Quarter ended March 31,	
	2025	2024	2025	2024
	----- (Rupees in '000) -----			
Net income for the period after taxation	2,205,460	664,166	427,617	291,513
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>2,205,460</u>	<u>664,166</u>	<u>427,617</u>	<u>291,513</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, 2025

	Nine months ended March 31, 2025			Nine months ended March 31, 2024		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
(Rupees in '000)						
Note						
Net assets at the beginning of the period	5,740,756	158,412	5,899,167	1,091,607	109,374	1,200,980
Issue of 532,033,001 units (2024: 427,869,032 units)						
- Capital value (at net asset value per unit at the beginning of the period)	29,226,914	-	29,226,914	23,306,754	-	23,306,754
- Element of income	1,884,943	-	1,884,943	1,328,854	-	1,328,854
	31,111,857	-	31,111,857	24,635,608	-	24,635,608
Redemption of 382,022,652 units (2024: 327,922,235 units)						
- Capital value (at net asset value per unit at the beginning of the period)	20,986,185	-	20,986,185	17,862,482	-	17,862,482
- Element of income	752,604	1,396,525	2,149,129	615,319	278,793	894,112
	21,738,789	1,396,525	23,135,314	18,477,801	278,793	18,756,594
Total comprehensive income for the period	-	2,205,460	2,205,460	-	664,166	664,166
Interim dividend during the period	-	-	-	687,213	299,611	986,824
Total distributions during the period	-	-	-	687,213	299,611	986,824
Net assets at the end of the period	15,113,823	967,347	16,081,169	6,562,200	195,136	6,757,335
Undistributed income brought forward comprising of:						
- Realised		151,698			115,885	
- Unrealised loss		6,714			(6,511)	
		158,412			109,374	
Accounting income available for distribution						
- Relating to capital gains	20,928			-		
- Excluding capital gains	788,007			385,373		
	808,935			385,373		
Distribution during the period	-			(299,611)		
Undistributed income carried forward		967,347			195,136	
Undistributed income carried forward comprising of:						
- Realised		917,407			209,734	
- Unrealised		49,940			(14,598)	
		967,347			195,136	
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the period	54.9344			54.4717		
Net asset value per unit at the end of the period	62.4764			55.3904		

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, 2025

	Nine months ended	
	March 31, 2025	March 31, 2024
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	2,205,460	664,166
Adjustments for non cash and other items:		
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(49,940)	14,598
	<u>2,155,520</u>	<u>678,764</u>
(Increase) in assets		
Investments - net	(9,488,854)	(5,899,970)
Mark-up, dividend and other receivables	(54,448)	(88,747)
Advances, deposits and prepayments	1,535	(1,032)
Receivables against sale of investment	1,412,666	(839)
Receivable from National Clearing Company of Pakistan Limited	(19,986)	(1,854)
	<u>(8,149,087)</u>	<u>(5,992,442)</u>
Increase / (Decrease) in liabilities		
Payable to MCB Investment Management Limited - Management Company	10,237	13,200
Payable to Central Depository Company of Pakistan Limited - Trustee	903	416
Payable to the Securities and Exchange Commission of Pakistan	777	198
Payable against purchase of investments	(1,056,777)	1,150,371
Payable against redemption of units	(11,601)	-
Accrued and other liabilities	9,991	(1,118)
	<u>(1,046,470)</u>	<u>1,163,067</u>
Net cash used in operating activities	<u>(7,040,037)</u>	<u>(4,150,611)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	31,111,857	23,948,395
Payments on redemption of units	(23,135,314)	(18,756,594)
Distribution during the period	-	(299,611)
Net cash generated from financing activities	<u>7,976,543</u>	<u>4,892,189</u>
Net Increase / (decrease) in cash and cash equivalents during the period	<u>936,505</u>	<u>741,578</u>
Cash and cash equivalents at the beginning of the period	101,340	244,161
Cash and cash equivalents at the end of the period	<u>1,037,846</u>	<u>985,739</u>

13

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, 2025

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 04, 2024 (2023: 'AM1' dated October 06, 2023) to the Management Company and the stability rating of "A+(f)" dated September 06, 2024 (2023: "A+(f)" dated March 8, 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;
- 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 2024. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2025 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2024, whereas 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 2024.
- 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, 2025

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, 2024.

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, 2024. 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, 2024.

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, 2024. 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, 2024. 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, 2025 (Un-audited)	June 30, 2024 (Audited)
			——(Rupees in '000)——	
	In current accounts		43,399	6,403
	In saving accounts	4.1	254,087	94,937
		4.2	297,486	101,340

4.1 These carry mark-up at rates ranging between 8% to 19% per annum (June 2024: 19% to 20.5% per annum).

4.2 These include balances of Rs. 44.47 million (June 30, 2024: 6.38 Rs. million) maintained with MCB Bank Limited (a related party).

5	INVESTMENTS	Note	March 31, 2025 (Un-audited)	June 30, 2024 (Audited)
			——(Rupees in '000)——	
	Investments at fair value through profit or loss			
	Government securities	5.1	15,432,101	5,152,958
	Listed debt securities	5.2	-	-
	Unlisted debt securities	5.3	84,446	84,435
			15,516,547	5,237,393
5.1	Government securities			
	- Market Treasury Bills	5.1.1	7,080,498	1,057,758
	- Pakistan Investment Bonds	5.1.2	1,721,518	602,646
	- Pakistan Investment Bonds - Floating Rate Bond	5.1.3	4,516,362	1,545,280
	- Government of Pakistan (GoP) Ijarah Sukuk - Listed	5.1.4	1,884,413	1,572,159
	- Government of Pakistan (GoP) Ijarah Sukuk - Unlisted	5.1.5	229,310	375,115
			15,432,101	5,152,958

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2025

5.1 Government securities - 'at fair value through profit or loss'

5.1.1 Market Treasury Bills

Tenure	Issue Date	Face value			At March 31, 2025			Market value as a percentage of	
		At July 01, 2024	Purchased during the period	Sales / Matured during the period	At March 31, 2025	Carrying value	Market value	(Diminution) / appreciation	Net assets

(Rupees in '000)

— % —

Market Treasury Bills

3 months	January 23, 2025	-	500,000	500,000	-	-	-	-	-
3 months	April 17, 2025	-	500,000	500,000	-	-	-	-	-
3 months	January 9, 2025	-	250,000	250,000	-	-	-	-	-
3 months	November 14, 2024	-	250,000	250,000	-	-	-	-	-
3 months	February 6, 2025	-	3,605,000	3,605,000	-	-	-	-	-
3 months	October 3, 2024	-	250,000	250,000	-	-	-	-	-
3 months	October 31, 2024	-	350,000	350,000	-	-	-	-	-
3 months	August 22, 2024	-	1,000,000	1,000,000	-	-	-	-	-
3 months	May 29, 2025	-	500,000	-	500,000	490,917	490,527	(420)	3.05
3 months	March 6, 2025	-	5,800,000	5,800,000	-	-	-	-	-
3 months	February 20, 2025	-	500,000	500,000	-	-	-	-	-
3 months	April 3, 2025	-	500,000	250,000	250,000	249,836	249,833	(3)	1.55
3 months	March 20, 2025	-	8,240,000	8,240,000	-	-	-	-	-

Market Treasury Bills

6 months	January 9, 2025	-	250,000	250,000	-	-	-	-	-
6 months	February 6, 2025	-	350,000	350,000	-	-	-	-	-
6 months	May 2, 2025	-	1,000,000	1,000,000	-	-	-	-	-
6 months	April 17, 2025	-	3,400,000	3,400,000	-	-	-	-	-
6 months	June 12, 2025	-	500,000	500,000	-	-	-	-	-
6 months	September 4, 2025	-	1,000,000	1,000,000	-	-	-	-	-
6 months	March 6, 2025	-	24,105,000	24,105,000	-	-	-	-	-
6 months	July 10, 2025	-	3,500,000	2,500,000	1,000,000	969,080	967,853	(1,227)	0.06
6 months	July 24, 2025	-	900,000	900,000	-	-	-	-	-
6 months	April 3, 2025	-	805,000	800,000	5,000	4,996	4,997	0	0.00
6 months	February 20, 2025	-	2,150,000	2,150,000	-	-	-	-	-
6 months	May 29, 2025	-	750,000	750,000	-	-	-	-	-
6 months	May 15, 2025	-	4,500,000	4,500,000	-	-	-	-	-
6 months	January 23, 2025	-	250,000	250,000	-	-	-	-	-
6 months	October 3, 2024	-	3,500,000	3,500,000	-	-	-	-	-
6 months	June 26, 2025	-	500,000	500,000	-	-	-	-	-

Market Treasury Bills

12 months	October 16, 2025	-	850,000	850,000	-	-	-	-	-
12 months	October 31, 2024	500	11,200,000	11,200,500	-	-	-	-	-
12 months	May 29, 2025	-	1,200,000	1,200,000	-	-	-	-	-
12 months	December 12, 2024	-	500,000	500,000	-	-	-	-	-
12 months	October 2, 2025	-	2,700,000	2,700,000	-	-	-	-	-
12 months	July 24, 2025	-	10,240,000	10,150,000	90,000	85,685	86,719	1,034	0.01
12 months	May 2, 2025	835,750	7,532,000	8,367,750	-	-	-	-	-
12 months	July 10, 2025	-	13,090,000	12,390,000	700,000	678,404	677,497	(907)	0.04
12 months	January 22, 2025	-	500,000	500,000	-	-	-	-	-
12 months	August 21, 2025	-	4,975,000	4,975,000	-	-	-	-	-
12 months	April 3, 2025	-	2,688,120	638,120	2,050,000	2,048,657	2,048,627	(30)	0.13
12 months	December 11, 2025	-	2,450,000	2,450,000	-	-	-	-	-
12 months	November 14, 2024	-	5,100,000	5,100,000	-	-	-	-	-
12 months	August 7, 2025	-	850,000	820,000	30,000	28,439	28,779	339	0.00
12 months	January 23, 2025	375,000	668,000	1,043,000	-	-	-	-	-
12 months	November 27, 2025	-	1,800,000	300,000	1,500,000	1,394,432	1,389,962	(4,471)	0.09
12 months	December 26, 2024	-	43,730,000	43,730,000	-	-	-	-	-
12 months	January 8, 2025	-	8,450,000	8,000,000	450,000	412,613	411,725	(888)	0.03
12 months	October 30, 2025	-	2,700,000	2,700,000	-	-	-	-	-
12 months	March 5, 2025	-	500,000	-	500,000	452,038	450,006	(2,032)	0.03
12 months	September 4, 2025	-	28,400,000	28,400,000	-	-	-	-	-
12 months	November 28, 2024	-	4,709,000	4,709,000	-	-	-	-	-
12 months	October 17, 2024	-	13,100,000	13,100,000	-	-	-	-	-
12 months	November 13, 2025	-	1,000,000	705,600	294,400	273,697	273,975	278	0.02

As at March 31, 2025 (Un-Audited)

7,088,824 7,080,498 (8,326)

As at June 30, 2024 (Audited)

1,057,888 1,057,758 (130)

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2025**

5.1.2

Pakistan Investment Bonds

Tenure	Issue Date	Face value			At March 31, 2025			Market value as a percentage of	
		At July 01, 2024	Purchased during the period	Sales / Matured during the period	At March 31, 2025	Carrying value	Market value	(Diminution) / appreciation	Net assets
Pakistan Investment Bonds									
- 2 years	September 20, 2024	-	3,575,000	3,575,000	-	-	-	-	-
Pakistan Investment Bonds									
- 3 years	February 15, 2024	340,000	492,000	832,000	-	1,113,325	1,149,898	36,572	0.07
- 3 years	July 4, 2023	100,000	1,650,000	600,000	1,150,000	-	-	-	-
- 3 years	September 20, 2024	-	1,000,000	1,000,000	-	-	-	-	-
Pakistan Investment Bonds									
- 5 years	January 16, 2025	-	3,450,000	3,450,000	-	-	-	-	-
- 5 years	October 13, 2022	-	100,000	-	100,000	91,847	96,884	5,037	0.01
- 5 years	January 17, 2024	200,000	1,357,000	1,104,000	453,000	451,525	474,737	23,212	0.03
- 5 years	September 20, 2024	-	800,000	800,000	-	-	-	-	-
Pakistan Investment Bonds									
- 10 years	September 20, 2024	-	250,000	250,000	-	-	-	-	-

As at March 31, 2025 (Un-Audited)

1,656,697 1,721,518 64,821

As at June 30, 2024 (Audited)

805,888 802,646 (3,242)

5.1.3

Pakistan Investment Bonds - Floating Rate Bond

Tenure	Issue Date	Face value			At March 31, 2025			Market value as a percentage of	
		At July 01, 2024	Purchased during the period	Sales / Matured during the period	At March 31, 2025	Carrying value	Market value	(Diminution) / appreciation	Net assets
Pakistan Investment Bonds - Floating Rate Bond									
- 2 years	October 3, 2024	-	2,050,000	2,050,000	-	-	-	-	-
Pakistan Investment Bonds - Floating Rate Bond									
- 5 years	April 18, 2024	1,800,000	1,915,000	3,015,000	500,000	484,940	485,250	310	3.13
- 5 years	September 5, 2024	-	2,161,000	-	2,161,000	2,101,203	2,092,712	(8,491)	0.13
- 5 years	September 21, 2023	-	1,050,000	1,050,000	-	-	-	-	-
- 5 years	October 3, 2024	-	14,803,000	12,803,000	2,000,000	1,938,436	1,938,400	(36)	0.12
- 5 years	June 27, 2024	-	25,358,000	25,358,000	-	-	-	-	-
As at March 31, 2025 (Un-Audited)									
As at June 30, 2024 (Audited)									

4,524,580 4,515,362 (8,217)

1,540,286 1,545,280 4,994

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2025

5.1.4 Government of Pakistan (GoP) Ijarah Sukuk - Listed

Tenure	Issue Date	Face value				At March 31, 2025			Market value as a percentage of	
		At July 01, 2024	Purchased during the period	Sales / Matured during the period	At March 31, 2025	Carrying value	Market value	(Diminu-tion) / apprecia-tion	Net assets	Total investments
Government of Pakistan- Ijara Sukuk										
GOP Ijara - 1 year (Fixed)	09-Oct-23	-	463,000	463,000	-	-	-	-	-	-
GOP Ijara - 1 year (Fixed)	15-Mar-24	22,000	-	22,000	-	-	-	-	-	-
GOP Ijara - 1 year (Fixed)	26-Jul-24	-	25,000	-	25,000	23,842	24,100	258	0.00	0.00
GOP Ijara - 1 year (Fixed)	16-Aug-24	-	50,000	50,000	-	-	-	-	-	-
GOP Ijara - 1 year (Fixed)	18-Sept-24	-	250,000	250,000	-	-	-	-	-	-
GOP Ijara - 1 year (Fixed)	21-Oct-24	-	125,000	125,000	-	-	-	-	-	-
GOP Ijara - 1 year (Fixed)	07-Nov-24	-	250,000	250,000	-	-	-	-	-	-
GOP Ijara - 1 year (Fixed)	04-Dec-24	-	1,500,000	500,000	1,000,000	933,988	934,200	212	0.06	0.06
GOP Ijara - 1 year (Fixed)	09-Jan-25	-	187,500	-	187,500	173,826	173,625	(201)	0.01	0.01
GOP Ijara - 3 years (Fixed)	24-Jan-24	62,500	-	62,500	-	-	-	-	-	-
GOP Ijara - 3 years (Fixed)	28-Jun-24	-	75,000	75,000	-	-	-	-	-	-
GOP Ijara - 3 years (Fixed)	18-Sept-24	-	62,500	62,500	-	-	-	-	-	-
GOP Ijara - 3 years (Fixed)	21-Oct-24	-	250,000	125,000	125,000	126,294	126,250	(44)	0.01	0.01
GOP Ijara - 3 years (Fixed)	09-Jan-25	-	62,500	-	62,500	62,500	63,688	1,188	0.00	0.00
GOP Ijara - 3 years (Variable)	24-Jan-24	337,500	-	337,500	-	-	-	-	-	-
GOP Ijara - 3 years (Variable)	28-Jun-24	-	75,000	75,000	-	-	-	-	-	-
GOP Ijara - 3 years (Variable)	18-Sept-24	-	62,500	62,500	-	-	-	-	-	-
GOP Ijara - 3 years (Variable)	21-Oct-24	-	250,000	125,000	125,000	125,835	124,688	(1,148)	0.01	0.01
GOP Ijara - 3 years (Variable)	09-Jan-25	-	62,500	-	62,500	62,500	62,513	13	0.00	0.00
GOP Ijara - 5 years (Fixed)	24-Jan-24	512,500	-	512,500	-	-	-	-	-	-
GOP Ijara - 5 years (Fixed)	28-Jun-24	-	75,000	75,000	-	-	-	-	-	-
GOP Ijara - 5 years (Fixed)	18-Sept-24	-	62,500	62,500	-	-	-	-	-	-
GOP Ijara - 5 years (Fixed)	21-Oct-24	-	312,500	187,500	125,000	126,809	126,063	(747)	0.01	0.01
GOP Ijara - 5 years (Fixed)	09-Jan-25	-	62,500	-	62,500	62,500	62,463	(38)	0.00	0.00
GOP Ijara - 5 years (Variable)	24-Jan-24	637,500	-	637,500	-	-	-	-	-	-
GOP Ijara - 5 years (Variable)	28-Jun-24	-	75,000	75,000	-	-	-	-	-	-
GOP Ijara - 5 years (Variable)	18-Sept-24	-	62,500	62,500	-	-	-	-	-	-
GOP Ijara - 5 years (Variable)	21-Oct-24	-	312,500	187,500	125,000	126,423	124,313	(2,111)	0.01	0.01
GOP Ijara - 5 years (Variable)	09-Jan-25	-	62,500	-	62,500	62,500	62,513	13	0.00	0.00
GOP Ijara - 10 years (Fixed)	18-Sept-24	-	62,500	62,500	-	-	-	-	-	-
GOP Ijara - 10 years (Variable)	18-Sept-24	-	562,500	562,500	-	-	-	-	-	-

As at March 31, 2025 (Un-Audited)

1,887,019 1,884,413 (2,606)

As at June 30, 2024 (Audited)

1,567,443 1,572,159 4,716

5.1.5 Government of Pakistan (GoP) Ijarah Sukuk - Unlisted

Tenure	Issue Date	Face value				At March 31, 2025			Market value as a percentage of	
		At July 01, 2024	Purchased during the period	Sales / Matured during the period	At March 31, 2025	Carrying value	Market value	(Diminu-tion) / apprecia-tion	Net assets	Total investments
Government of Pakistan- Ijara Sukuk										
GOP Ijara - 1 year (Variable)	20-Sept-23	125,000	-	125,000	-	-	-	-	-	-
GOP Ijara - 1 year (Variable)	04-Dec-23	25,000	-	25,000	-	-	-	-	-	-
GOP Ijara - 3 years (Variable)	04-Dec-23	75,000	-	-	75,000	74,907	75,285	378	0.00	0.00
GOP Ijara - 3 years (Fixed)	04-Dec-23	50,000	-	-	50,000	50,038	53,245	3,207	0.00	0.00
GOP Ijara - 5 years (Variable)	04-Dec-23	100,000	-	-	100,000	100,133	100,780	647	0.01	0.01

As at March 31, 2025 (Un-Audited)

225,078 229,310 4,232

As at June 30, 2024 (Audited)

375,117 375,115 (2)

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2025**

5.2

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, 2025				Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at March 31, 2025	Carrying value	Provision	Net amount		
Miscellaneous									
Pace Pakistan Limited	15,000	-	-	15,000	74,910	(74,910)	-	-	-
- Due but not received (Note 5.4)									
Construction and Material									
Eden Housing Limited	10,415	-	-	10,415	10,251	(10,251)	-	-	-
- Due but not received (Note 5.4)									
As at March 31, 2025 (Un-Audited)									
					85,161	(85,161)	-	-	-
As at June 30, 2024 (Audited)									
					85,161	(85,161)	-	-	-

5.3

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

Name of investee company	Number of certificates				As At March 31, 2025			Market value as a percentage of	
	As at July 1, 2024	Purchased during the period	Matured during the period	Disposed during the period	As At March 31, 2025	Carrying value	Market value	Appreciation / (diminution)	Total investment
Commercial Banks									
Askari Bank Limited **	20	-	-	-	20	19,900	19,919	19	0.12%
Bank AL Habib Limited *	5,000	-	-	-	5,000	24,591	24,591	-	0.16%
Samba Bank Limited *	400	-	-	-	400	39,919	39,936	17	0.28%
Total as at March 31, 2025						84,410	84,446	36	
As at June 30, 2024						84,057	84,435	(2,002)	

* 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, 2025 are as follows:

Name of the issuer	Profit rate (per annum)	Issue date	Maturity date	Rating
Commercial Banks				
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, 2025

5.4 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:

		Unaudited				
	Name of investee Company	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
		Rupees in '000'			%	
Investment in debt securities:	a) Pace Pakistan Limited	74,910	74,910	-	-	-
	b) Eden Housing Limited	10,251	10,251	-	-	-

	Note	March 31, 2025 (Un-audited) —(Rupees in '000)—	June 30, 2024 (Audited) (Rupees in '000)
6 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration Payable	6.1	19,237	5,697
Sindh Sales Tax payable on remuneration of the Management Company	6.2	2,885	741
Allocated expense payable	6.3	-	405
Selling and marketing expenses payable	6.4	-	4,933
Sales load payable (including indirect taxes)		-	109
		<u>22,122</u>	<u>11,885</u>

6.1 The management company amend the offering document and with effect from September 01, 2024 has charged management fee at the rate up to 2% of Net Assets of the Fund, calculated on a daily basis. Previously, the Fund has charged management fee at the rate up to 15% of the gross earnings of the Fund, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 Sindh sales tax on remuneration of the management company has been charged at the rate of 15% (June 30, 2024: 13%).

6.3 The SECP has allowed the Asset Management Companies to charge allocated expenses to the Fund on its discretion. This is subject to the condition that the expense charged remains with in the Fund's total expense ratio limit, as defined under the NBFC Regulations and not being higher than the actual expenses.

The Sindh Finance Act, 2024 has introduced an amendment to the Sindh Sales Tax on Services Act, 2011, whereby it is clarified that "consideration in money" also includes any amount of reimbursable expenditure and charged in the course of provision of a service. Accordingly, during the period, the Fund charge sales tax on allocated expenses in the course of provision of service at the rate of 15% and is paid to the Management Company which acts as a collecting agent. During the period, sales tax is at the rate of 15% (June 30, 2024: 13%).

6.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to the Fund on its discretion. This is subject to the condition that the expense charged remains with in the Fund's total expense ratio limit, as defined under the NBFC Regulations and not being higher than the actual expenses.

The Sindh Finance Act, 2024 has introduced an amendment to the Sindh Sales Tax on Services Act, 2011, whereby it is clarified that "consideration in money" also includes any amount of reimbursable expenditure and charged in the course of provision of a service. Accordingly, during the period, the Fund charge sales tax on allocated expenses in the course of provision of service at the rate of 15% and is paid to the Management Company which acts as a collecting agent. During the period, sales tax is at the rate of 15% (June 30, 2024: 13%).

The Management Company has not charged such expenses to the fund during the period.

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

The Fund has charged SECP fee at the rate of 0.075% (June 30, 2024: 0.075%) of the average daily net assets of the Fund which is paid 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, 2025

		March 31, 2025 (Unaudited)	June 30, 2024 (Audited)
		— (Rupees in '000) —	
8	ACCRUED AND OTHER LIABILITIES		
	Note		
	Provision for federal excise duty payable on:		
	- Remuneration of the management fee	16,590	16,590
	- Sales load	4,746	4,746
	Brokerage payable	702	184
	Capital gain tax payable	24,214	14,895
	Auditors' remuneration payable	671	533
	Printing expenses payable	75	40
	Legal advisor fee payable	24	41
		<u>47,022</u>	<u>37,029</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, 2024. 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, 2024 would have been higher by Re. 0.08 per unit (June 30, 2024: Re. 0.20 per unit).

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at March 31, 2025 and June 30, 2024.

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 accumulated losses and 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, therefore, no provision for taxation has been made in this condensed interim financial information 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 2.19% (March 31, 2024: 2.08%) which includes 0.35% (March 31, 2024: 0.23%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

13 CASH AND CASH EQUIVALENTS

Balances with banks
Market Treasury Bills maturing within 3 months

	— (Unaudited) —	
	March 31, 2025	March 31, 2024
	— (Rupees in '000) —	
	297,486	279,437
	740,360	706,302
	<u>1,037,846</u>	<u>985,739</u>

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 owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed / Offering 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:

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

* This reflects the position of related party / connected persons status as at March 31, 2024.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2025

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

	March 31, 2024 (Unaudited) ----- (Rupees in '000) -----	March 31, 2023 (Unaudited) ----- (Rupees in '000) -----
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	267,260	48,002
Allocated expenses	5,097	3,847
Selling and marketing expenses	-	17,274
Amount received against issuance to unitholders*	687	-
Central Depository Company of Pakistan Limited		
Remuneration of the trustee (including indirect taxes)	11,921	3,243
CDC settlement charges	109	17
MCB Bank Limited		
Profit on bank deposits	467	149
Bank charges	22	18
Sale of Securities nil (March 31, 2024 1,375 m)	-	1,188,967

* 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, 2025 (Unaudited) ----- (Rupees in '000) -----	June 30, 2024 (Audited) ----- (Rupees in '000) -----
MCB-Arif Habib Savings & Investments Limited - Management Company		
Management remuneration payable	19,237	5,697
Sindh Sales Tax payable on remuneration of the Management Company	2,885	741
Allocated expenses payable	-	405
Selling and marketing expenses payable	-	4,933
Sales load payable (including indirect taxes)	-	109
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,157	379
Sindh Sales tax payable on remuneration of Trustee	174	49
Security deposits	200	200
MCB Bank Limited		
Bank deposits held	44,472	7,260

15 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.

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, 2025**

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, 2025 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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