

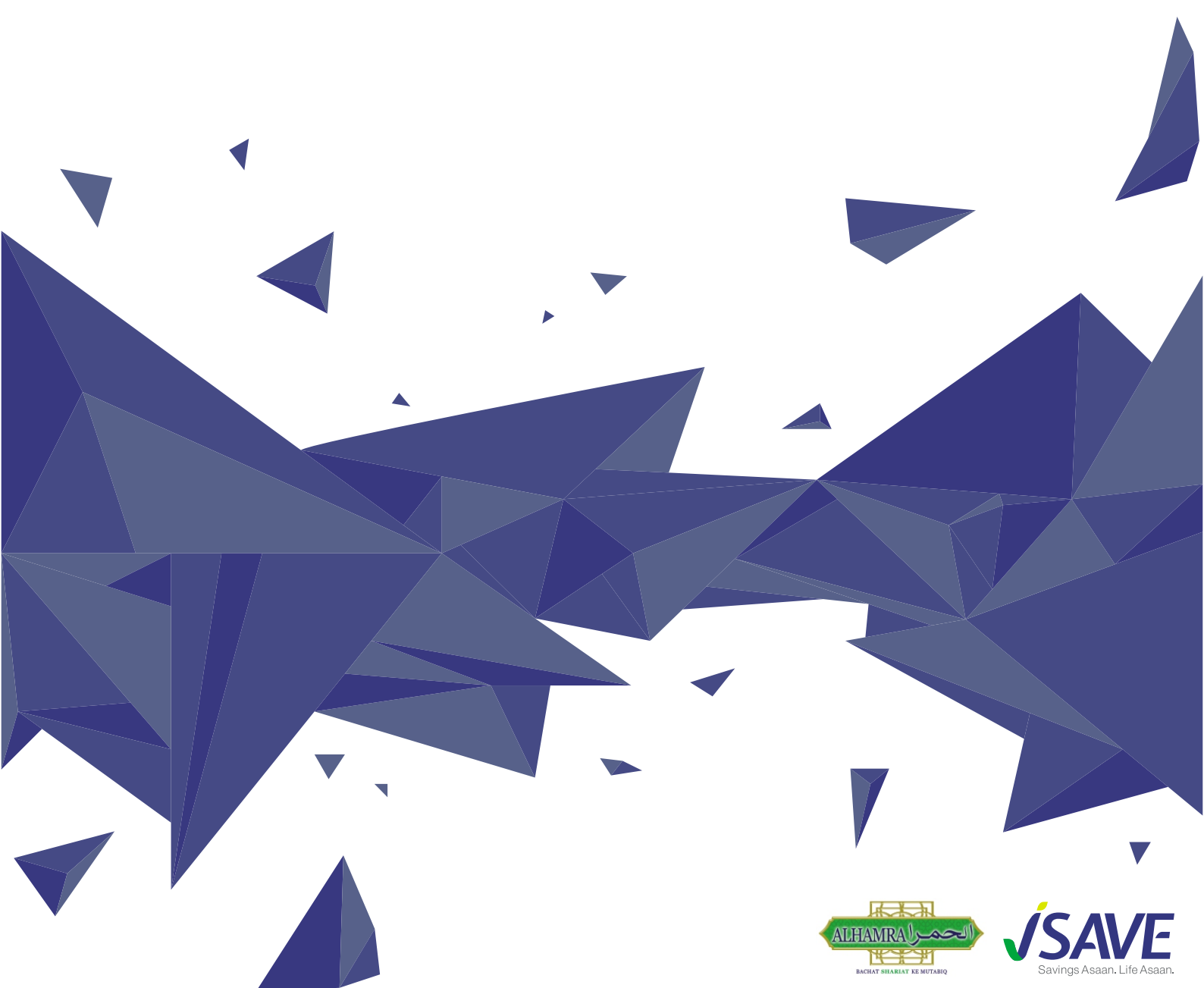


MCB FUNDS  
Investments for Life

# QUATERLY REPORT

SEPTEMBER  
2025  
(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 Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Syed Savail Meekal Hussain 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 Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Khawaja Khalil Shah	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</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 Taraqati 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 QUARTER ENDED SEPTEMBER 30, 2025

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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 quarter ended September 30, 2025.

### Economy Review

The country posted a current account deficit of USD 624 million in the first two months of the fiscal year 2026 (2MFY25) compared to a deficit of USD 430 million in the corresponding period last year. Trade Deficit increased by 7.4% YoY as exports rose by 10.2% while imports increased by 8.8% from a low base. The remittances inflows grew at a healthy rate of 7.0% to USD 6.4 billion. The country's external position remained robust as SBP's foreign exchange reserves remained stable around USD 14.4 billion. The local currency depicted strength against the greenback as the USD/PKR appreciated by 0.9% to 281.3 during the fiscal year.

Headline inflation represented by CPI averaged 4.2% during 1QFY26 compared to 9.2% in the corresponding period last year. This sharp decline was driven by the currency's stability over the past one year. Additionally, base effect further contributed to the lower inflation figures.

Pakistan's Revised GDP growth clocked at 3.0% in FY25 with Agricultural, Industrial and Services sectors increasing by 1.5%, 5.3% and 3.0% respectively. The Agriculture posted subpar growth due to high base effect and flood damaging cotton crop. Industrial and services sector growth recovered due to improvement in macroeconomic indicators. On the fiscal side, FBR tax collection increased by 12.8% in 1QFY26 to PKR 2,885 billion, missing the target by PKR 198 billion. The shortfall is largely attributed to sluggish growth and low inflation.

### FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 9.63% against its benchmark return of 11.20%.

WAM of fund stood at 2.9 years at September end. The fund was mainly invested in PIBs & T-Bills. At period-end, the fund was 58.7% invested in PIBs, 14% in T-Bills.

The Net Assets of the fund as at September 30, 2025 stood at Rs. 2,711 million as compared to Rs.1,072 million as at June 30, 2025 registering an increase of 152.89%.

The Net Asset Value (NAV) per unit as at September 30, 2025 was Rs. 56.3482 as compared to opening NAV of Rs. 55.0133 per unit as at June 30, 2025 registering an increase of Rs. 1.3349 per unit.

## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

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### **TEMPORARY SUSPENSION OF FRESH UNITS**

As explained in detail in Note No. 15 of the condensed interim Financial Statement, the Management Company on behalf of the Fund agreed the conversion of the outstanding TFCs with a face value of Rs. 74,910,000 and accrued mark-up into 13,800,000 ordinary shares of PACE at a price of Rs. 9.0 per share. The settlement terms were also approved by the Securities and Exchange Commission of Pakistan and the Trustee of the Fund. Upon receipt of shares, income will be recognized based on their market value and subsequently will be marked to market on daily basis till disposal. To ensure fair treatment of all unit holders, the issuance of fresh units has been temporarily suspended effective September 25, 2025.

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

Going forward we expect GDP growth to clock at 3.5% in FY26. Agriculture Growth is likely to clock at 2.8% as the growth would remained subdued due to recent floods. The lagged impact of interest rate decline would benefit industrial and services sector going forward which are expected to expand by 4.3% and 3.6% respectively.

The continuation of the IMF program is a key positive as it will allow us to tap funding from different sources. We expect SBP reserves to increase to USD 17.5 billion by year end on the back of timely bilateral rollover, and inflows from IMF and multilateral agencies. Our external position has improved which could allow Pakistan to consider re-entering the international capital markets to explore options such as Panda bonds in this fiscal year.

Pakistan recorded its first annual current account surplus in FY25 after a gap of 14 years, supported by a rebound in exports and remittances coupled with restrained imports. For FY26, we anticipate a modest current account deficit of around USD 1.5 billion (0.3% of GDP). As import demand gradually recovers amid monetary easing, we expect a measured depreciation in the currency, with the USD/PKR likely to close around 295 by June 2026.

Headline inflation is expected to remain in single digits, aided by currency stability and improved supply conditions. A temporary uptick may occur toward the end of FY26 due to the base effect, keeping average inflation around 6.3% for the year. Core inflation continues to trend lower, reflecting stable exchange rates and subdued domestic demand. We expect it to decline further, reaching low single digits by the close of the fiscal year.

On the fiscal side we expect the fiscal deficit to clock in at 4.0% in FY26, which would be the lowest level since FY2006. This marks the fourth consecutive year of budget deficit reduction

## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

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since it peaked at 7.9% in FY2022. The reduction in finance cost would be a major reason for this reduction. Strict IMF target regarding primary surplus would also play its part in maintaining fiscal discipline.

The SBP has decreased interest rates by a cumulative 1,100bps since June-24 as interest rates have declined to 11.0% from a high of 22.0%. Enhanced external stability, coupled with easing inflationary pressures, created room for this monetary easing. Going forward, we expect the central bank to maintain a data-dependent approach in shaping upcoming monetary policies. We believe there remains room for an additional 50–100 basis point reduction in the policy rate during the current fiscal year.

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

### **Mutual Fund Industry Review**

The Net Assets of the open-end mutual funds industry increased by about 10.3% during 1QFY26 to PKR 4,065 billion. Total money market funds declined by 3.6% since June 2025. Within the money market sphere, conventional funds showed a decline of 4.5% to PKR 933 billion while Islamic funds decreased by 2.7% to PKR 888 billion. In addition, the total fixed Income and Fixed Rate funds increased by about 18.5% since June 2025 to PKR 1,471 billion while Equity and related funds increased by 40.6% to PKR 691 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 44.8%, followed by Income and fixed return funds with 36.2% and Equity and Equity related funds having a share of 17.0% as at the end of September 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 QUARTER ENDED SEPTEMBER 30, 2025

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### 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  
October 15, 2025



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**Manzar Mushtaq**  
Director  
October 15, 2025



## ڈائریکٹرز رپورٹ

اظہار تشکر

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

منجانب ڈائریکٹرز،

*Mansoor Mushtaq*

منظر مشتاق

ڈائریکٹر

15 اکتوبر 2025ء

*خواجہ خلیل شاہ*

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

15 اکتوبر 2025ء

ایس بی پی نے سود کی شرحوں میں جون 2024ء سے مجموعی طور پر 1,100 بی پی ایس کی کمی کی ہے، اور یہ 22.0 فیصد کی بلند سطح سے کم ہو کر 11.0 فیصد پر آگئی ہیں۔ یہ مالیاتی تسہیل بہتر خارجی استحکام اور اس کے ساتھ ساتھ افراط زر کے دباؤ میں کمی کی وجہ سے ممکن ہوئی۔ مستقبل میں ہمیں اُمید ہے کہ اسٹیٹ بینک آئندہ مالیاتی پالیسیوں کو تشکیل دینے میں اعداد و شمار پر منحصر لائحہ عمل برقرار رکھے گا۔ ہم سمجھتے ہیں کہ موجودہ مالی سال کے دوران پالیسی شرح میں مزید 50 سے 100 بیسیس پوائنٹس کمی کی گنجائش ہے۔ حاملین قرض کے لیے ہمیں اُمید ہے کہ منی مارکیٹ فنڈز سال بھر پالیسی شرحوں کی بلا رُکاوٹ عکاسی جاری رکھیں گے۔

### میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈز کی صنعت کے net اثاثہ جات مالی سال 2026ء کی پہلی سہ ماہی کے دوران تقریباً 10.3 فیصد بڑھ کر 4,065 بلین روپے ہو گئے۔ منی مارکیٹ کے کل فنڈز میں جون 2025ء کے بعد سے 3.6 فیصد کمی ہوئی۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 4.5 فیصد کم ہو کر 933 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 2.7 فیصد کم ہو کر 888 بلین روپے ہو گئے۔ مزید برآں، کل فیکسڈ انکم اور فیکسڈ ریٹ فنڈز جون 2025ء کے بعد سے تقریباً 18.5 فیصد بڑھ کر 1,471 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 40.6 فیصد بڑھ کر 691 بلین روپے ہو گئے۔ شعبہ جاتی حصے کے اعتبار سے ستمبر 2025ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 44.8 فیصد حصے کے ساتھ سب سے آگے تھے، اور ان کے بعد انکم اور فیکسڈ ریٹ فنڈز کا 36.2 فیصد حصہ، اور ایکویٹی اور اس سے متعلقہ فنڈز کا 17.0 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 رسک کے ساتھ سرمایہ کاری کرنے والوں کے لیے موزوں ترین ہوتے ہیں۔ معاشی بحالی کے تیز تر اور وسیع تر ہونے کے ساتھ ساتھ کیپیٹل مارکیٹس، خصوصاً ایکویٹیز، میں گہری دلچسپی برقرار رہے گی۔ ہمارے آپریشنز بلا 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۔

## ڈائریکٹر رپورٹ

تازہ یونٹس کی عارضی طور معطلی

جیسا کہ کنڈینسڈ عبوری مالیاتی بیانات کے نوٹ نمبر 15 میں تفصیل سے بیان کیا گیا ہے، فنڈ کی جانب سے مینجمنٹ کمپنی نے بتایا TFCs جن کی روپے کی قیمت 74,910,00 اور جمع شدہ مارک اپ کی تبدیلی 13,800,000 حصص 9 روپے فی حصص کی قیمت پر اتفاق کیا ہے۔ تصفیہ کی شرائط کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز نے منظور کیا تھا۔ حصص کی وصولی پر آمدنی انکی مارکیٹ ویلیو کی بنیاد پر پہنچانا جائے گا اس کے بعد مارکیٹ میں ڈسپوزل تک روزانہ کی بنیاد پر نشان زد کیا جائے گا۔ تمام یونٹ ہولڈرز کے ساتھ منصفانہ سلوک کو یقینی بنانے کے لئے تازہ یونٹ کا اجراء 25 ستمبر 2025 سے عارضی طور پر معطل کر دیا گیا ہے۔

### معیشت اور مارکیٹ - مستقبل کا منظر نامہ

مستقبل میں ہمیں اُمید ہے کہ مالی سال 2026ء میں جی ڈی پی کی ترقی میں 3.5 فیصد ہوگی۔ زرعی ترقی متوقع طور پر 2.8 فیصد ہوگی، اور حالیہ سیلابوں کے باعث اس میں سُست روی دیکھی جائے گی۔ سود کی شرح میں کمی کے تاخیر سے ہونے والے اثر سے صنعت اور خدمات کے شعبوں کو فائدہ ہوگا اور ان میں بالترتیب 4.3 فیصد اور 3.6 فیصد توسیع متوقع ہے۔

آئی ایم ایف پروگرام کا تسلسل ایک اہم مثبت پہلو ہے جس سے مختلف ذرائع سے رقم کے حصول میں مدد ملے گی۔ ہمیں اُمید ہے کہ سال کے اختتام تک ایس بی پی کے ذخائر بڑھ کر 17.5 بلین ڈالر ہو جائیں گے، اور اس کے عوامل بروقت دو طرفہ توسیع، اور آئی ایم ایف اور کثیرالجہتی ایجنسیوں کی طرف سے آمدات ہیں۔ موجودہ مالی سال میں ہماری خارجی صورتحال میں بہتری آئی ہے جس کی بدولت پاکستان بین الاقوامی کیپیٹل مارکیٹوں میں دوبارہ داخل ہونے پر غور کر سکتا ہے تاکہ پانڈا بانڈز جیسے موقع آزمائے یا جاسکے۔

پاکستان نے مالی سال 2025ء میں 14 برسوں کے بعد اپنا پہلا سالانہ کرنٹ اکاؤنٹ سرپلس ریکارڈ کیا، جو برآمدات اور ترسیلات میں بحالی اور درآمدات پر قابو کے سبب ممکن ہوا۔ مالی سال 2026ء کے لیے ہمیں کرنٹ اکاؤنٹ میں درمیانے درجے کے خسارے - تقریباً 1.5 بلین ڈالر (جی ڈی پی کا 3 فیصد) کی توقع ہے۔ مالیاتی تسہیل کے پس منظر میں درآمدات کی مانگ میں مستحکم بحالی ہوئی، اور روپے کی قدر میں پیمائش شدہ کمی متوقع ہے، یعنی جون 2026ء تک ایک ڈالر تقریباً 295 روپے کا ہوگا۔

مجموعی افراط زر کا واحد عدد میں رہنے کا امکان ہے، جس کے عوامل روپے کی قدر میں استحکام اور فراہمی کے حالات میں بہتری ہیں۔ مالی سال 2026ء کے اختتام پر base کے اثر کی وجہ سے عارضی طور پر اضافہ ہو سکتا ہے، جس کے باعث سال کی اوسط افراط زر 6.3 فیصد ہو جائے گی۔ بنیادی افراط زر میں بدستور کمی کا رجحان ہے جس سے زرمبادلہ کی شرحوں میں استحکام اور مقامی طلب کے کم ہونے کی عکاسی ہوتی ہے۔ ہمیں اُمید ہے کہ اس میں مزید کمی ہوگی اور مالی سال کے اختتام تک یہ واحد عدد کی کم سطح پر پہنچ جائے گی۔

مالی سال 2026ء میں مالیاتی خسارہ 4.0 فیصد ہونے کا امکان ہے، جو مالی سال 2006ء سے اب تک کی کم ترین سطح ہوگی۔ یہ بجٹ خسارے میں مالی سال 2022ء کی بلند ترین سطح 7.9 فیصد سے کمی کا چوتھا متواتر سال ہوگا۔ اس کمی کی اہم ترین وجہ فنانس لاگت میں کمی ہے۔ پرائمری سرپلس سے متعلق آئی ایم ایف کا سخت ہدف بھی مالیاتی نظم و ضبط برقرار رکھنے میں اپنا کردار ادا کرے گا۔

## ڈائریکٹر رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم انہینسمنٹ فنڈ کے اکاؤنٹس برائے مدتِ مختتمہ 30 ستمبر 2025ء کا جائزہ پیش خدمت ہے۔

### معیشت کا جائزہ

ملک کا کرنٹ اکاؤنٹ خسارہ مالی سال 2026ء کے پہلے دو ماہ کے دوران 624 ملین ڈالر تھا، جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 430 ملین ڈالر تھا۔ تجارتی خسارے میں 7.4 فیصد سال در سال (YoY) اضافہ ہوا جس کے عوامل برآمدات میں 10.2 فیصد اضافہ اور درآمدات میں کم base سے 8.8 فیصد اضافہ ہے۔ ترسیلات 7.0 فیصد کی بھرپور شرح سے بڑھ کر 6.4 بلین ڈالر تک پہنچ گئیں۔ ملک کی خارجی صورتحال خواش آسند رہی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر تقریباً 14.4 بلین ڈالر پر مستحکم رہے۔ دوران مالی سال مقامی کرنسی نے ڈالر کے مقابلے میں استحکام کا مظاہرہ کیا اور روپے کی قدر 0.9 فیصد بڑھ کر 281.3 ہو گئی۔

مجموعی افراط زر، جس کی ترجمانی سی پی آئی سے ہوتی ہے، کا اوسط مالی سال 2026ء کی پہلی سہ ماہی کے دوران 4.2 فیصد رہا، جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 9.2 فیصد تھا۔ اس بڑی کمی کی وجہ گزشتہ سال کے دوران کرنسی کا استحکام ہے۔ مزید برآں، base کے اثر نے بھی افراط زر میں کمی میں کردار ادا کیا۔

مالی سال 2025ء میں پاکستان کی جی ڈی پی میں نظر ثانی شدہ ترقی 3.0 فیصد ہے، اور اس ضمن میں زرعی، صنعتی اور خدمات کے شعبوں میں بالترتیب 1.5 فیصد، 5.3 فیصد اور 3.0 فیصد ترقی ہوئی۔ زراعت نے اوسط سے کم ترقی پوسٹ کی جس کی وجہ بلند base اثر اور سیلاب سے کپاس کی فصل کو نقصان ہیں۔ مجموعی معاشی اشاروں میں بہتری کی بدولت صنعت اور خدمات کے شعبوں میں بحالی ہوئی۔ مالیاتی جہت میں ایف بی آر ٹیکس وصولی مالی سال 2026ء کی پہلی سہ ماہی میں 12.8 فیصد سے بڑھ کر 2,885 بلین روپے ہو گئی، جو ہدف سے 198 بلین روپے کم ہے۔ اس کمی کی بڑی وجہ سست رفتار ترقی اور کم افراط زر ہیں۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 9.63 فیصد تھا، جبکہ اس کے بالمقابل بنچ مارک منافع 11.20 فیصد تھا۔ فنڈ کی WAM ستمبر کے اختتام پر 2.9 سال تھی۔ اختتام مدت پر فنڈ کی زیادہ تر سرمایہ کاری پی آئی بی (58.7 فیصد) اور ٹی۔بلز میں (14 فیصد) تھی۔

30 ستمبر 2025ء کو فنڈ کے net اثاثہ جات 2,711 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2025ء کو 1,072 ملین روپے تھے، یعنی 152.89 فیصد اضافہ ہوا۔

30 ستمبر 2025ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 56.3482 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2025ء کو ابتدائی این اے وی 55.0133 روپے فی یونٹ تھی، یعنی 1.3349 روپے فی یونٹ اضافہ ہوا۔

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2025

		September 30, 2025 (Unaudited) (Rupees in '000)	June 30, 2025 (Audited)
	Note		
<b>ASSETS</b>			
Balances with banks		335,511	839,015
Investments	5	2,325,953	272,950
Dividend, profit and other receivable		49,507	45,323
Advances, deposits and prepayments		5,236	4,514
Receivable from National Clearing Company of Pakistan Limited		24,021	24,021
<b>Total assets</b>		<b>2,740,228</b>	<b>1,185,823</b>
<b>LIABILITIES</b>			
Payable to the Management Company	6	4,094	18,196
Payable to Central Depository Company of Pakistan Limited - Trustee		205	17
Payable to the Securities and Exchange Commission of Pakistan	7	178	844
Payable against redemption of units		1,514	1,514
Accrued expenses and other liabilities	8	22,798	93,401
<b>Total liabilities</b>		<b>28,789</b>	<b>113,972</b>
<b>NET ASSETS</b>		<b>2,711,439</b>	<b>1,071,851</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,711,439</b>	<b>1,071,851</b>
<b>Contingencies and Commitments</b>	9		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>48,119,347</b>	<b>19,483,501</b>
		(Rupees)	
<b>NET ASSETS VALUE PER UNIT</b>		<b>56.3482</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 QUARTER ENDED SEPTEMBER 30, 2025

		Quarter Ended September 30,	
		2025	2024
	Note	(Rupees in '000)	
<b>INCOME</b>			
Income from government securities		64,155	502,777
Income from Term Finance Certificates		2,636	4,645
Profit on bank deposits		11,599	42,744
Capital (loss) / gain on sale of investments - net		(234)	115,321
Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net		(3,802)	399,020
Other income		2,050	159
<b>Total income</b>		<b>76,404</b>	<b>1,064,665</b>
<b>EXPENSES</b>			
Remuneration of Management Company		10,231	48,045
Sindh sales tax on remuneration of Management Company		1,535	7,207
Remuneration of Central Depository Company of Pakistan Limited - Trustee		539	2,303
Sindh Sales tax on remuneration of Central Depository Company of Pakistan Limited - Trustee		81	346
Annual fee to Securities and Exchange Commission of Pakistan		539	2,303
Allocated expenses including taxes		-	852
Securities transaction cost and brokerage expenses		472	2,084
Fees and subscription		166	148
Legal and professional charges		85	84
Auditors' remuneration		220	194
Bank charges		97	392
Printing and related costs		-	25
<b>Total expenses</b>		<b>13,965</b>	<b>63,982</b>
<b>Net income for the period before taxation</b>		<b>62,439</b>	<b>1,000,683</b>
Taxation	10	-	-
<b>Net income for the period after taxation</b>		<b>62,439</b>	<b>1,000,683</b>
<b>Allocation of net income for the period:</b>			
Net income for the period		62,439	1,000,683
Income already paid on units redeemed		8,023	24,028
		<b>70,462</b>	<b>1,024,711</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	507,691
- Excluding capital gains		70,462	517,020
		<b>70,462</b>	<b>1,024,711</b>
<b>Earnings per unit</b>	11		

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 OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

	Quarter Ended	
	September 30,	
	2025	2024
Note	(Rupees in '000)	
Net income for the period after taxation	62,439	1,000,683
Other Comprehensive Income	-	-
<b>Total comprehensive income for the period</b>	<b>62,439</b>	<b>1,000,683</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 STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Quarter Ended					
	September 30, 2025			September 30, 2024		
	------(Rupees in '000) -----					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	912,145	159,707	1,071,851	5,740,756	158,412	5,899,167
Issue of 51,243,841 units (2024: 273,710,827 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,819,093		2,819,093	15,036,140		15,036,140
- Element of income	19,408		19,408	485,190		485,190
	2,838,501		2,838,501	15,521,330		15,521,330
Redemption of 22,607,995 units (2024: 35,662,631 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,243,740)		(1,243,740)	(1,959,105)		(1,959,105)
- Element of income	(25,635)	8,023	(17,612)	(70,951)	24,028	(46,923)
	(1,269,375)	8,023	(1,261,352)	(2,030,056)	24,028	(2,006,028)
Total comprehensive income for the period		62,439	62,439		1,000,683	1,000,683
		62,439	62,439		1,000,683	1,000,683
Net assets at end of the period	2,481,271	230,169	2,711,439	19,232,030	1,183,123	20,415,152
Undistributed income brought forward						
- Realised		158,217			151,698	
- Unrealised		1,490			6,714	
		159,707			158,412	
Accounting income available for distribution						
- Relating to capital gains		-			507,691	
- Excluding capital gains		70,462			517,020	
		70,462			1,024,711	
Cash distribution during the period		-			-	
Undistributed income carried forward		230,169			1,183,123	
Undistributed income carried forward						
- Realised		230,169			784,103	
- Unrealised		-			399,020	
		230,169			1,183,123	
Net assets value per unit at beginning of the period	55.0133			54.9344		
Net assets value per unit at end of the period	56.3482			59.1000		

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 CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Quarter Ended	
	September 30, 2025	September 30, 2024
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	62,439	1,000,683
<b>Adjustments for non cash and other items:</b>		
Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net	3,802	(399,020)
	<b>66,241</b>	<b>601,663</b>
<b>Decrease/( Increase) in assets</b>		
Investments - net	(2,056,805)	(15,911,202)
Dividend, profit and other receivable	(4,184)	(58,209)
Receivables against sale of investment	-	6,224
Receivable from National Clearing Company of Pakistan Limited	-	(19,986)
Advances, deposit and prepayments	(722)	1,406,067
	<b>(2,061,711)</b>	<b>(14,577,106)</b>
<b>(Decrease) / Increase in liabilities</b>		
Payable to the Management Company	(14,102)	19,877
Payable to Central Depository Company of Pakistan Limited - Trustee	188	888
Payable to the Securities and Exchange Commission of Pakistan	(666)	765
Payable against redemption of units	-	(11,601)
Accrued expenses and other liabilities	(70,603)	1,116,203
	<b>(85,183)</b>	<b>1,126,131</b>
<b>Net cash generated from/ (used in) operating activities</b>	<b>(2,080,653)</b>	<b>(12,849,313)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units (excluding additional units)	2,838,501	15,521,330
Payment against redemption and conversion of units	(1,261,352)	(2,006,028)
<b>Net cash (used in) /generated from financing activities</b>	<b>1,577,149</b>	<b>13,515,302</b>
<b>Net increase in cash and cash equivalents during the year</b>	<b>(503,504)</b>	<b>665,989</b>
Cash and cash equivalents at beginning of the period	839,015	101,340
<b>Cash and cash equivalents at end of the period</b>	<b>335,511</b>	<b>767,329</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

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Income Enhancement Fund (the Fund) was established through a Trust Deed executed between Ar if Habib Investments Limited (now MCB Investment Management Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft 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. Accordingly, on August 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by 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 transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on the Pakistan Stock Exchange Limited (PSX).
- 1.4 The Fund primarily invests in debt securities, 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 to the Management Company and "A+(f)" as stability rating dated May 05, 2025 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

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

#### 2.1 Statement of compliance

- 2.1.1 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 Financial Reporting Standards (IFRSs) 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
  - Non-Banking Finance Companies (Establishment and Regulations) 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 the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulation and the requirements of the Trust Deed have been followed.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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- 2.1.2** 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 30 September 2025 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 quater ended 30 September 2024.
- 2.1.3** 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.
- 2.1.4** 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.
- 2.1.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

### **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. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.
- 3.2** The preparation of the 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 recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

		<b>Sep 30, 2025 (Un-audited)</b>	<b>June 30, 2025 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>4 BALANCES WITH BANKS</b>			
In current accounts		855	792
In saving accounts	4.1	334,656	838,223
	4.2	<u>335,511</u>	<u>839,015</u>

**4.1** These carry mark-up at rates ranging to 6.50% to 12% per annum (June 30, 2025: 8.50% to 9.50% per annum).

**4.2** These include balances held with MCB Bank Limited (a related party) of Rs. 13.195 million (June 30, 2025: Rs 21.906 million).

		<b>Sep 30, 2025 (Un-audited)</b>	<b>June 30, 2025 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>5 INVESTMENTS</b>			
<i>At fair value through profit or loss</i>			
Government securities	5.1	2,166,620	189,183
Listed debt securities	5.2	-	-
Unlisted debt securities	5.3	63,737	83,767
Listed equity securities	5.4	100,122	-
Future stock contracts		<u>(4,526)</u>	<u>-</u>
		<u>2,325,953</u>	<u>272,950</u>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

## 5.1 Government securities - Fair value through profit or loss

Tenure	Issue Date	Face value				At Sep 30, 2025			Market value as a percent- age of net assets	Market value as a percent- age of total invest- ments	
		At July 01, 2025	Purchased during the period	Sales / matured during the period	At Sep 30, 2025	Carrying value	Market value	(Diminu- tion) / appreciation			
(Rupees in '000)											
Market Treasury Bills											
*Treasury bills - 1 months	September 4, 2025	-	125,000	125,000	-	-	-	-	-	-	-
*Treasury bills - 3 months	May 15, 2025	-	125,000	125,000	-	-	-	-	-	-	-
*Treasury bills - 6 months	May 29, 2025 August 21, 2025	-	150,000 250,000	150,000 250,000	-	-	-	-	-	-	-
*Treasury bills - 12 months	July 10, 2025 November 14, 2024 October 17, 2024 May 15, 2025	- 400 9,000 -	150,000 - - 250,000	- 395 8,958 -	150,000 400 9,000 250,000	138,747 395 8,959 234,569	138,261 395 8,959 234,111	(486) 0 1 (458)	5.10% 0.01% 0.33% 8.63%	5.94% 0.02% 0.39% 10.07%	
As at September 30, 2025 (Unaudited)					382,669		381,726		(943)		
As at June 30, 2025 (Audited)					9,085		9,104		19		
Pakistan Investments Bonds											
*PIB - 1 Year	January 16, 2025	-	1,000,000	-	1,000,000	875,673	872,647	(3,026)	32.18%	37.52%	
*PIB - 5 Year	July 17, 2025 January 17, 2024 January 16, 2025	- 3,000 -	600,000 - 250,000	600,000 - -	- 3,000 250,000	- 3,217 253,978	- 3,220 254,388	- 3 410	0.00% 0.12% 9.38%	0.00% 0.14% 10.94%	
As at September 30, 2025 (Unaudited)					1,132,868		1,130,254		(2,613)		
As at June 30, 2025 (Audited)					2,921		3,234		313		
Pakistan Investments Bonds-Floating Rate Bond											
*PIB FRB - 10 Year	April 17, 2025 May 29, 2025 December 14, 2023	- - -	250,000 500,000 250,000	- 250,000 250,000	250,000 250,000 -	238,688 238,137 -	239,100 238,850 -	412 713 -	8.82% 8.81% 0.00%	10.28% 10.27% 0.00%	
As at September 30, 2025 (Unaudited)					476,825		477,950		1,125		
As at June 30, 2025 (Audited)					-		-		-		
Government of Pakistan											
*Ijara Securities - 3 Year	December 4, 2023	75,000	-	-	75,000	75,383	75,420	37	2.78%	3.24%	
*Ijara Securities - 5 Year	December 4, 2023	100,000	-	-	100,000	101,279	101,270	(9)	3.73%	4.35%	
As at September 30, 2025 (Unaudited)					176,661		176,690		29		
As at June 30, 2025 (Audited)					175,044		176,845		1,801		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

**5.2 Listed debt securities - Term Finance Certificates/Sukuks**

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

Name of investee company	Number of Certificates			As at September 30, 2025				Market value as a percentage of Net assets	Market value as a percentage of Total investment
	As at July 01, 2025	Purchase d during the year	Sold during the year	As at September 30, 2025	Carrying value	Provision	Net amount		
<b>Miscellaneous</b>									
Pace Pakistan Limited									
- Due but not received (Note 5.2.1)	15,000	-	-	15,000	74,910	(74,910)	-	-	-
<b>Construction and Material</b>									
Eden Housing Limited									
- Due but not received (Note 5.2.1)	10,415	-	-	10,415	10,251	(10,251)	-	-	-
<b>As at June 30, 2025</b>					<b>85,161</b>	<b>(85,161)</b>	<b>-</b>	<b>-</b>	
<b>As at June 30, 2025</b>									
					85,161	(85,161)	-	-	

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

**5.2.1 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 investments	Type of Instrument	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) -----						
Pace Pakistan Limited	TFC	-	(74,910)	(74,910)	-	-
Eden Housing Limited	TFC	-	(10,251)	(10,251)	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

**5.3 Unlisted debt securities - Term Finance Certificates/Sukuks - 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				At Sep 30, 2025				Market value as a percentage of net assets	Market value as a percentage of total investment
	At July 01, 2025	Purchased during the period	Matured during the period	Disposed during the period	At Sep 30, 2025	Carrying value	Market value	Appreciation / (diminution)		
Rupees in '000										
Commercial Banks										
Askari Bank Limited **	20	-	20	-	-	-	-	-	0.00%	0.00%
Bank AL Habib Limited *	5,000	-	-	-	5,000	24,586	24,586	-	0.91%	1.06%
Samba Bank Limited *	400	-	-	-	400	39,388	39,151	(236)	1.44%	1.68%
As at September 30, 2025 (Unaudited)						63,973	63,737	(236)		
As at June 30, 2025 (Audited)						84,410	83,767	(643)		

\* Nominal value of this certificate is Rs. 1,000,000 per certificate.

\*\* Nominal value of this certificate is Rs. 100,000 per certificate.

**5.3.1** Significant terms and conditions of term finance certificates outstanding as at September 30, 2025 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Commercial Banks				
The Bank of Punjab	6 months KIBOR + 1.25%	23-Apr-18	23-Apr-28	AA
Bank AL Habib Limited	6 months KIBOR + 0.75%	30-Sep-21	30-Sep-31	AAA

**5.4 Listed equity securities - 'At fair value through profit or loss'**  
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	Number of shares				Balance as at September 30, 2025				Market value	
	As at July 01, 2025	Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at September 30, 2025	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>										
Fauji Cement Company Limited	-	1,640	-	-	1,640	96,760	100,122	3,362	3.69%	4.30%
					<b>1,640</b>	<b>96,760</b>	<b>100,122</b>	<b>3,362</b>		

**5.4.1** 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 (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

<b>6 PAYABLE TO THE MANAGEMENT COMPANY</b>		<b>(Unaudited) September 30, 2025</b>	<b>(Audited) June 30, 2025</b>
		<b>'---- (Rupees in '000) ----'</b>	
Management remuneration payable	6.1	<b>3,560</b>	15,017
Sindh sales tax payable on remuneration of the Management Company	6.2	<b>534</b>	2,253
Sales load payable		-	926
		<b>4,094</b>	<b>18,196</b>

- 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 September 30, 2025, 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.

Upto June 30, 2025 (i.e. Prior to July 01, 2025), the Management Company, pursuant to the amendment in the Offering Document effective from September 1, 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.

- 6.2 Sales tax on management remuneration has been charged at the rate of 15%.

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

	<b>Sep 30, 2025 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2025 (Audited)</b>
SECP Fee Payable	<b>178</b>	844
	<b>178</b>	<b>844</b>

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>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>Sep 30, 2025 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2025 (Audited)</b>
Provision for federal excise duty and related taxes on			
- Management fee	8.1	16,590	16,590
- Sales load		4,746	4,746
Brokerage payable		310	58
Capital gain tax payable		861	71,371
Auditors' remuneration payable		257	597
Legal advisor payable		34	39
Other payable		-	-
		<b>22,798</b>	<b>93,401</b>



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

### 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 Assets Value of the Fund as at September 30, 2025 would have been higher by Re 0.4 5 per unit (June 30, 2025: Rs 1.10) per unit.

### 9 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at the September 30, 2025 and June 30, 2025.

9.1 Commitments	Sep 30, 2025 (Unaudited) (Rupees in '000)	June 30, 2025 (Audited)
Future transactions of equity securities entered into by the Fund in respect of which the following transactions have not been settled as at year end		
- Future sale transaction	96.760	-
	96.760	-

### 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 annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2025 is 1.94% which includes 0.31% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

### 13 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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

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

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

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

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

For the Quarter ended September 30, 2025 (unaudited)							
As at July 01, 2025	Issued for cash	Redeemed	As at Sep 30, 2025	As at July 01, 2025	Issued for cash	Redeemed	As at Sep 30, 2025
----- Units -----				----- (Rupees in '000) -----			
<b>Associated Companies:</b>							
Lalpir Staff Provident Fund	68,580	-	68,580	-	3,773	-	3,803
Security General Insurance Co. Ltd. Employees Provident Fund Trust	2	-	2	-	0	-	0
Pakgen Staff Provident Fund	22,282	-	22,282	-	1,226	-	1,235
<b>Key management personnel*</b>	12	2,428	2,417	23	1	134	134
<b>Unit holders holding 10% or more units</b>	-	-	-	-	-	-	-

For the Quarter ended September 30, 2024 (unaudited)							
As at July 01, 2024	Issued for cash	Redeemed	As at Sep 30, 2024	As at July 01, 2024	Issued for cash	Redeemed	As at Sep 30, 2024
----- Units -----				----- (Rupees in '000) -----			
<b>Associated Companies:</b>							
Shoab Mumtaz	28,913	-	7,926	20,987	1,588	-	448
Pakgen Power Limited	-	78,648,953	-	78,648,953	-	4,648,153	-
Nishat Power Limited	-	62,959,973	-	62,959,973	-	3,720,934	-
<b>Key management personnel*</b>	15,485	354,422	304,012	65,895	851	-	-
<b>Unit holders holding 10% or more units</b>	21,910,702	14,045,338	-	35,956,040	1,203,651	800,000	-

\* This reflects position of related party / connected persons status

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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

	September 30, 2025 (Unaudited) ----- (Rupees in '000) -----	September 30, 2024 (Unaudited) ----- (Rupees in '000) -----
<b>MCB Investments Management Limited - Management Company</b>		
Remuneration including indirect taxes	11,766	55,251
Allocated expenses including indirect taxes	-	852
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration of the trustee (including indirect taxes)	620	2,649
CDC settlement charges	6	49
<b>MCB Bank Limited</b>		
Profit on bank deposits	328	73
Bank charges	7	5

### 13.3 Amount outstanding as at period end / year end

	September 30, 2025 (Unaudited) ----- (Rupees in '000) -----	June 30, 2025 (Audited) ----- (Rupees in '000) -----
<b>MCB Investments Management Limited - Management Company</b>		
Remuneration payable	3,560	15,017
Sindh Sales tax payable on remuneration to the Management Company	534	2,253
Sales load payable	-	926
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	178	15
Sindh Sales tax payable on remuneration of Trustee	27	2
Security deposits	200	200
<b>MCB Bank Limited</b>		
Bank deposits held	12,357	22,681
Profit Receivable	78	214

## 14 FAIR VALUE MEASUREMENTS

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.

The following table shows financial instruments recognized at fair value based on:

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

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

Level 3: inputs for the asset 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 (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

### 15 SUBSEQUENT EVENTS

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

Due to the continuous default by Pace (Pakistan) Limited ("PACE") 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. (Refer note 5.2.1)

Following extensive correspondence and discussions between the Management Company and the management of PACE, it was mutually agreed to settle entire outstanding principal and accrued mark-up through the issuance of ordinary shares of Pace (Pakistan) Limited in lieu of the defaulted TFCs. The Management Company agreed to this arrangement and duly informed both the Securities and Exchange Commission of Pakistan (SECP) and the Trustee for their review and approval.

Subsequently, the SECP, vide its letter No. SCD/AMCW/PIF/2017/211 dated February 25, 2025, approved the proposed settlement of the defaulted TFCs through the issuance of shares. Thereafter, CDC, vide its letter No. CDC/T&C/B1/525/2025 dated June 11, 2025, conveyed its concurrence to the agreed terms by confirming that 13,800,000 ordinary shares of PACE would be issued to the Fund in settlement of the TFC exposure of Rs. 74,910,000 million of outstanding principal and accrued mark-up.

On September 24, 2025, PACE in its Extraordinary General Meeting (EOGM) wherein the shareholders approved the conversion of the outstanding TFCs with a face value of Rs. 74,910,000 million and accrued mark-up into 13,800,000 ordinary shares of PACE at a price of Rs. 9.0 per share, representing a 10% discount, against consideration other than cash. In the best interest of the Unit Holders and after careful deliberation, the management of MCB Investment Management Limited has decided to accept the full and final settlement offer from Pace (Pakistan) Limited.

PACE is currently in the process of completing the necessary regulatory approvals for the share transfer, after which the shares will be credited to the Fund's CDC account. On the day of receipt of shares, income would be recorded equivalent to the market value of shares. Thereafter, these shares will be marked to market on daily basis until their disposal.

In light of this development, and to ensure equitable treatment of all Unit Holders, **the Management Company has decided to suspend the issuance of fresh units** (investment, conversion-in and transfer-in transactions) effective from **September 25, 2025**, until the shares are received and duly reflected in the portfolios of the Fund.

Had these shares been marked to market at fair value as of September 30, 2025, the Net Asset Value (NAV) of the Fund would have been higher by Rs. 193.338 million resulting in an increase in Net Asset Value per Unit (NAVPU) by Rs. 4.0179 per unit.

### 16 GENERAL

16.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

16.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

### 17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 15, 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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