

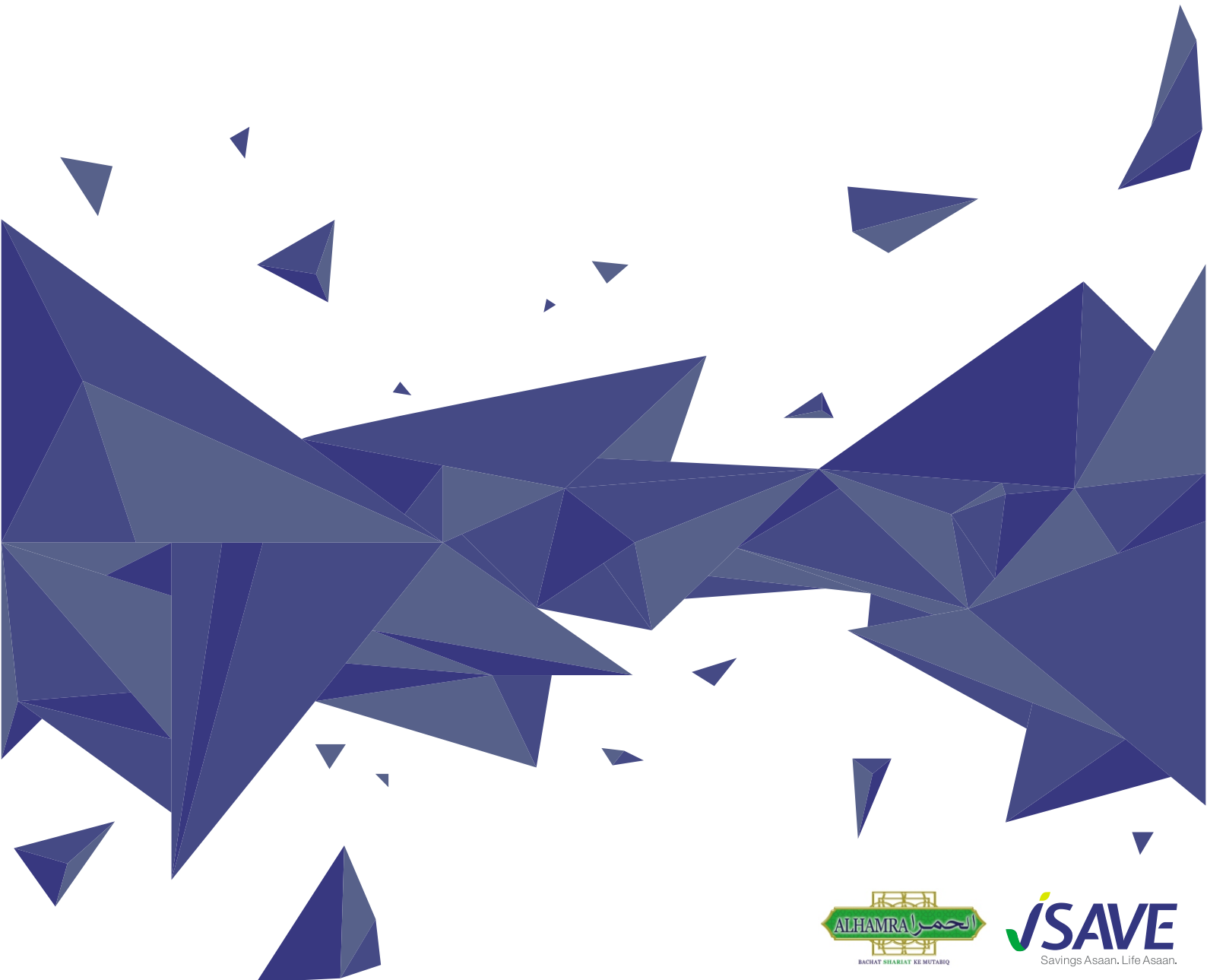


MCB FUNDS
Investments for Life

QUATERLY REPORT

SEPTEMBER
2025
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



MCB PAKISTAN SOVEREIGN FUND

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Muhammad Nauman Chughtai Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy 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. Muhammad Rehan Khan	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited	Habib Metropolitan Bank Limited United Bank Limited Zarai Taraqati Bank Limited Js Bank Limited National Bank Of Pakistan
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

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

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Sovereign 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 a annualized return of 9.44% as against its benchmark return of 10.65%. At period-end, the fund exposure towards cash was 17.7%.

The Net Assets of the Fund as at September 30, 2025 stood at Rs. 37,677 million as compared to Rs. 28,813 million as at June 30, 2025 registering an increase of 30.76%.

The Net Asset Value (NAV) per unit as at September 30, 2025 was Rs. 56.34 as compared to opening NAV of Rs. 55.03 per unit as at June 30, 2024 registering an increase of Rs. 1.31 per unit.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 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 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.

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

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.

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
October 15, 2025



Manzar Mushtaq
Director
October 15, 2025

ڈائریکٹر رپورٹ

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 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 برقرار 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

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

منجانب ڈائریکٹر،

Mansur Mushtaq

منظر مشتاق

ڈائریکٹر

15 اکتوبر 2025ء

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

15 اکتوبر 2025ء

معیشیت 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 سست 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 دوطرفہ توسیع، اور آئی ایم ایف اور کثیرالاجہتی 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 سروس پلس ریکارڈ کیا، جو برآمدات اور ترسیلات میں بحالی اور درآمدات پر قابو کے سبب ممکن ہوا۔ مالی سال 2026ء کے لیے ہمیں کرنٹ اکاؤنٹ میں درمیانے درجے کے خسارے - تقریباً 1.5 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 زیر مبادلہ 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 سروس پلس سے متعلق آئی ایم ایف کا سخت ہدف بھی مالیاتی نظم و ضبط برقرار رکھنے میں اپنا کردار ادا کرے گا۔

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 بلاؤ کاوٹ عکاسی جاری رکھیں گے۔

ڈائریکٹر رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان سوورن 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 زیر مبادلہ 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 9.44 فیصد تھا، جبکہ اس کے بالمقابل بیچ مارک منافع 10.65 فیصد تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری نقد میں 17.7 فیصد تھی۔

30 ستمبر 2025ء کو فنڈ کے net اثاثہ جات 37,677 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2025ء کو 28,813 ملین روپے تھے، یعنی 30.76 فیصد اضافہ ہوا۔

30 ستمبر 2025ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 56.34 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2025ء کو ابتدائی این اے وی 55.03 روپے فی یونٹ تھی، یعنی 1.31 روپے فی یونٹ اضافہ ہوا۔

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

		(Un-Audited) September 30, 2025	(Audited) June 30, 2025
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	5	7,523,115	4,552,352
Investments	6	34,307,240	24,037,384
Profit receivable		61,646	621,039
Advances, prepayments and other receivables		703,843	50,074
Total assets		42,595,844	29,260,849
LIABILITIES			
Payable to MCB Investment Management Limited - Management Company	7	38,154	42,427
Payable to Central Depository Company of Pakistan Limited - Trustee		2,009	299
Payable to the Securities and Exchange Commission of Pakistan		2,382	1,577
Payable against purchase of investments		4,834,647	-
Accrued expenses and other liabilities	9	41,779	403,404
Total liabilities		4,918,971	447,707
NET ASSETS		37,676,873	28,813,142
Unit holders' fund (as per statement attached)		37,676,873	28,813,142
Contingencies and commitments	10		
		----- (Number of units) -----	
Number of units in issue		668,750,698	523,550,894
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		56.34	55.03

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Quarter ended September 30,	
	2025	2024
Note	(Rupees in '000) -----	
Income		
Income from government securities	939,979	706,962
Capital (loss)/ gain on sale of investments - net	(20,494)	260,683
Profit on bank deposits	78,171	67,290
Unrealised appreciation diminution in fair value of investments classified 'at fair value through profit or loss' - net	(16,039)	657,943
Other Income	993	-
Total income	982,609	1,692,878
Expenses		
Remuneration of the Management Company	109,318	68,794
Sindh Sales Tax on remuneration of the Management Company	16,398	10,319
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	5,111	2,450
Sindh Sales Tax on remuneration of Trustee	767	368
Securities and Exchange Commission of Pakistan - annual fee	6,969	3,341
Allocated expenses	-	1,398
Auditors' remuneration	294	258
Brokerage, printing and bank charges	1,693	3,088
Other Charges	372	267
Total expenses	140,922	90,283
Net income for the period before taxation	841,687	1,602,595
Taxation	11 -	-
Net income for the period	841,687	1,602,595
Allocation of net income for the period:		
Net income for the period	841,687	1,602,595
Income already paid on units redeemed	(73,525)	(49,058)
	768,162	1,553,537
Accounting income available for distribution:		
- Relating to capital gains	-	901,749
- Excluding capital gains	768,162	651,789
	768,162	1,553,537
Earning / (Loss) per unit	12	

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Quarter ended September 30,	
	2025	2024
	----- (Rupees in '000) -----	
Net income for the period after taxation	841,687	1,602,595
Other comprehensive Income for the period:	-	-
Total comprehensive income for the period	841,687	1,602,595

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

Quarter ended September 30,						
2025			2024			
----- (Rupees in '000) -----						
Capital value	Undistributed income / (loss)	Total	Capital value	Undistributed income / (loss)	Total	
Net assets at beginning of the period	29,364,332	(551,190)	28,813,142	11,746,432	(664,703)	11,081,729
Issue of 307,691,416 units (2024:457,938,383 units)						
- Capital value (at net asset value per unit at the beginning of the period)	16,932,258	-	16,932,258	24,756,154	-	24,756,154
- Element of income	155,974	-	155,974	1,069,815	-	1,069,815
Total proceeds on issuance of units	17,088,232	-	17,088,232	25,825,969	-	25,825,969
Redemption of 162,491,612 units (2024:57,146,958 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(8,941,914)	-	(8,941,914)	(3,089,360)	-	(3,089,360)
- Amount paid out of element of income						
- Relating to 'Net income for the period after taxation'	(50,749)	(73,525)	(124,274)	(22,744)	(49,058)	(71,802)
Final Distribution during the period @ 0.06	-	-	-	-	(12,309)	(12,309)
Total payments on redemption of units	(8,992,663)	(73,525)	(9,066,188)	(3,112,104)	(61,367)	(3,173,471)
Total comprehensive income for the period	-	841,687	841,687	-	1,602,595	1,602,595
Net income for the period less distribution	-	841,687	841,687	-	1,602,595	1,602,595
Net assets at end of the period	37,459,901	216,972	37,676,873	34,460,297	876,525	35,336,822
Undistributed loss brought forward						
- Realised	(658,011)		(697,867)			
- Unrealised	106,821		33,164			
	(551,190)		(664,703)			
Accounting income available for distribution						
- Relating to capital gains	-		901,749			
- Excluding capital gains	768,162		651,789			
	768,162		1,553,537			
Distribution made during the period	-		(12,309)			
Undistributed loss carried forward	216,972		876,525			
Undistributed loss carried forward						
- Realised	233,011		218,582			
- Unrealised	(16,039)		657,943			
	216,972		876,525			
Net assets value per unit at beginning of the period	55.03		54.06			
Net assets value per unit at end of the period	56.34		58.33			

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Note	Quarter ended September 30,	
		2025	2024
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		841,687	1,602,595
Adjustments for:			
Unrealised diminution in fair value of investments classified 'at fair value through profit or loss' - net		16,039	(657,943)
		857,726	944,652
Decrease /(Increase) in assets			
Investments		(10,324,921)	(27,233,305)
Profit receivables		559,393	(93,547)
Receivable against sale of investment		-	1,541,304
Advances, deposits, prepayments		(653,769)	(43,648)
		(10,419,297)	(25,829,196)
Increase / (decrease) in liabilities			
Payable to the Management Company		(4,273)	26,792
Payable to Central Depository Company of Pakistan Limited - Trustee		1,710	804
Payable to the Securities and Exchange Commission of Pakistan		805	942
Payable against purchase of investments		4,834,647	5,007,071
Accrued expenses and other liabilities		(361,625)	16,636
		4,471,264	5,052,245
Net cash used in operating activities		(5,090,307)	(19,832,299)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		17,088,233	25,825,970
Payments on redemption of units		(9,066,188)	(3,173,471)
Net cash generated from financing activities		8,022,045	22,652,499
Net increase /(decrease) in cash and cash equivalents during the period		2,931,737	2,820,199
Cash and cash equivalents at beginning of the period		6,322,800	2,847,931
Cash and cash equivalents at end of the period	14	9,254,537	5,668,130

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1

MCB Pakistan Sovereign Fund (the Fund) was established through a Trust Deed executed between MCB Investment Management Limited (formerly was: MCB-Arif Habib Savings and Investments Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed of the Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated December 20, 2002 consequent to which Trust Deed was executed on January 07, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provisional Trust Act namely "Sindh Trusts Act, 2021" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was registered under the Sindh Trust Act on August 12, 2021.

- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through certificate of registration issued by SECP. The registered office of the Management Company situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund is an open ended mutual Fund and is listed on the Pakistan Stock Exchange Limited. MCB Pakistan Sovereign Fund has a policy of investing in Pakistani rupee denominated debt securities issued by the Government of Pakistan, reverse repurchase transaction in government securities and any otherwise un-invested funds in deposits with banks and financial institutions. In addition, the Fund can also invest in sub-scheme of the Fund. The units of the Funds are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering to the Fund. The Fund has been categorised as 'Income scheme' by the Board of Directors of Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP.
- 1.4** The Fund has a policy of investing in debt securities issued by the Government of Pakistan, reverse repurchase transaction in government securities and any otherwise un-invested funds in deposits with banks and financial institutions.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' dated October 03, 2025 to the Management Company and stability rating of 'AA-(f)' dated May 27, 2025 to the Fund.
- 1.6** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited, as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 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.

- 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 quarter ended 30 September 2024.

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

- 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. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

- 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.

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.

3.2 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.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2025.

		(Un-Audited) September 30, 2025	(Audited) June 30, 2025
	Note	----- (Rupees in '000) -----	
5. BANK BALANCES			
In savings accounts	5.1	7,518,499	4,546,738
In current accounts	5.2	4,615	5,614
		<u>7,523,114</u>	<u>4,552,352</u>

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

- 5.1** These carry profit at the rates ranging 6.5% to 12% (June 2025: 8.5%to 10.5%) per annum. It includes bank balance of Rs. 29.24 million (June 2025: Rs 8.290 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 6.5% (June 2025: 9.5%) per annum.
- 5.2** These include Rs. 0.367 million (June 30, 2025: Rs 5.61 million) maintained with MCB Bank Limited, a connected person / related party.

		September 30, 2025	June 30, 2025
	Note	----- (Rupees in '000) -----	
6	INVESTMENTS		
	Financial assets 'at fair value through profit or loss'		
	Government Securities		
	Pakistan investment bonds	6.1.1 16,722,727	12,211,659
	Pakistan investment bonds - Floating Rate Bond (FRB)	6.1.2 7,959,989	7,211,081
	Market treasury bills	6.1.3 8,217,979	2,711,640
	Gop Ijarah Sukuk	6.1.4 1,406,545	1,903,004
		34,307,240	24,037,384

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

6.1 At fair value through profit or loss

6.1.1 Government securities - Pakistan Investment Bonds

Name of security	Date of issue	Date of Maturity	Face value				As at September 30, 2025			Market value	
			As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at September 30, 2025	Carrying value	Market value	Unrealised loss	As a percentage of net assets	As a percentage of total investments
(Rupees in '000)											
Pakistan Investment Bonds - 02 years	16-Jan-25	16-Jan-27	6,350,000	5,000,000	-	11,350,000	9,946,015	9,904,543	(41,472)	26.29	28.87
Pakistan Investment Bonds - 03 years	04-Jul-23	04-Jul-26	3,383,000	2,883,000	3,383,000	2,883,000	2,894,581	2,901,740	7,158	7.70	8.46
Pakistan Investment Bonds - 05 years	17-Jan-24	17-Jan-29	317,000	-	-	317,000	339,925	340,227	302	0.90	0.99
Pakistan Investment Bonds - 05 years	16-Jan-25	16-Jan-30	1,000,000	2,020,000	2,385,000	635,000	643,586	646,147	2,561	1.71	1.88
Pakistan Investment Bonds - 05 years	13-Oct-22	13-Oct-27	300,000	-	-	300,000	297,012	296,040	(971)	0.79	0.86
Pakistan Investment Bonds - 05 years	17-Jul-25	17-Jul-30	-	3,900,000	2,427,000	1,473,000	1,452,878	1,447,249	(5,629)	3.84	4.22
Pakistan Investment Bonds - 05 years	20-Sept-24	20-Sept-29	500,000	-	500,000	-	-	-	-	-	-
Pakistan Investment Bonds - 10 years	12-Jul-18	12-Jul-28	1,259,000	1,259,000	1,259,000	1,259,000	1,172,620	1,186,781	14,161	3.15	3.46
Total as at September 30, 2025 (un-audited)							16,746,618	16,722,727	(23,890)		
Total as at June 30, 2025							12,152,388	12,211,659	59,271		

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

6.1.2 Government securities - Pakistan Investment Bonds FRB

Name of security	Date of issue	Date of Maturity	Face value			As at September 30, 2025			Market value			
			As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at September 30, 2025	Carrying value	Market value	Unrealised loss	As a percentage of net assets	As a percentage of total investments	
(Rupees in '000)												
Pakistan Investment Bonds - 05 years	14-Nov-24	14-Nov-29	1,000,000	-	-	1,000,000	983,697	985,100	1,403	2.61	2.87	
Pakistan Investment Bonds - 05 years	18-Apr-24	18-Apr-29	500,000	-	-	500,000	492,671	492,350	(321)	1.31	1.44	
Pakistan Investment Bonds - 05 years	03-Oct-24	03-Oct-29	2,750,000	-	-	2,750,000	2,697,995	2,704,900	6,905	7.18	7.88	
Pakistan Investment Bonds - 05 years	05-Sept-24	05-Sept-29	1,208,000	-	1,208,000	-	-	-	-	-	-	
Pakistan Investment Bonds - 10 years	29-May-25	29-May-35	1,000,000	-	-	1,000,000	952,928	955,400	2,472	2.54	2.78	
Pakistan Investment Bonds - 10 years	17-Apr-25	17-Apr-35	750,000	-	-	750,000	716,168	717,300	1,132	1.90	2.09	
Pakistan Investment Bonds - 10 years	14-Dec-23	14-Dec-33	-	-	1,000,000	1,000,000	962,146	958,800	(3,346)	2.54	2.79	
Pakistan Investment Bonds - 10 years	25-Jul-19	25-Jul-29	100,000	-	-	100,000	99,118	100,400	1,282	0.27	0.29	
Pakistan Investment Bonds - 10 years	22-Aug-19	22-Aug-29	90,000	-	-	90,000	89,603	90,639	1,036	0.24	0.26	
Pakistan Investment Bonds - 10 years	10-Jul-25	10-Jul-35	-	1,000,000	-	1,000,000	952,331	955,100	2,769	2.53	2.78	
Total as at September 30, 2025 (un-audited)												
							7,946,656	7,959,989	13,333			
Total as at June 30, 2025							7,211,762	7,211,081	(681)			

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

6.1.3 Government securities - Treasury Bills

Name of security	Date of issue	Date of Maturity	Face value				As at September 30, 2025			Market value	
			As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at September 30, 2025	Carrying value	Market value	Unrealised gain / (loss)	As a percentage of net assets	As a percentage of total investments
(Rupees in '000)											
Market treasury bills - 1 months	21-Aug-25	18-Sept-25	-	7,750,000	7,750,000	-	-	-	-	-	-
Market treasury bills - 1 months	10-Jul-25	07-Aug-25	-	3,500,000	3,500,000	-	-	-	-	-	-
Market treasury bills - 3 months	10-Jul-25	02-Oct-25	-	1,100,000	-	1,100,000	1,099,679	1,099,662	(16)	0.03	0.04
Market treasury bills - 3 months	12-Jun-25	04-Sept-25	500,000	-	500,000	-	-	-	-	-	-
Market treasury bills - 3 months	21-Aug-25	13-Nov-25	-	640,000	-	640,000	632,082	631,760	(322)	0.02	0.03
Market treasury bills - 3 months	29-May-25	21-Aug-25	1,300,000	8,500,000	9,800,000	-	-	-	-	-	-
Market treasury bills - 6 months	04-Sept-25	05-Mar-26	-	2,000,000	-	2,000,000	1,912,347	1,910,726	(1,621)	0.05	0.08
Market treasury bills - 6 months	21-Aug-25	19-Feb-26	-	2,000,000	-	2,000,000	1,920,966	1,918,410	(2,556)	0.05	0.08
Market treasury bills - 6 months	10-Jul-25	08-Jan-26	-	3,100,000	381,500	2,718,500	2,642,423	2,639,653	(2,770)	0.07	0.11
Market treasury bills - 6 months	15-May-25	13-Nov-25	-	18,000	-	18,000	17,777	17,768	(9)	0.00	0.00
Market treasury bills - 6 months	26-Jun-25	26-Dec-25	-	9,000,000	9,000,000	-	-	-	-	-	-
Market treasury bills - 12 Months	15-May-25	14-May-26	500,000	100,000	600,000	-	-	-	-	-	-
Market treasury bills - 12 Months	26-Jun-25	24-Jun-26	-	2,500,000	2,500,000	-	-	-	-	-	-
Market treasury bills - 12 Months	11-Jul-24	10-Jul-25	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills - 12 Months	17-Oct-24	16-Oct-25	500,000	-	500,000	-	-	-	-	-	-
Market treasury bills - 12 Months	10-Jul-25	09-Jul-26	-	1,500,000	1,500,000	-	-	-	-	-	-
Total as at September 30, 2025 (un-audited)							8,225,274	8,217,979	(7,295)		
Total as at June 30, 2025							2,710,366	2,711,640	1,274		

6.1.4 GoP Ijarah Sukuk Bonds - at fair value through profit or loss

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

Name of security	Issue date	Face value				Balance as at Septemeber 30, 2025			Market value as a % of net asset of the sub fund
		As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at September 30, 2025	Carrying value	Market value	Unrealised (loss) / gain	
(Rupees '000)									
GOP Ijara (1 Year)	21-Aug-25	-	125,000	125,000	-	-	-	-	-
GOP Ijara (1 Year)	26-Jun-25	187,500	-	187,500	-	-	-	-	-
GOP Ijara (3 Year)	09-Jan-25	125,000	-	62,500	62,500	62,191	62,375	184	0.17
GOP Ijara (3 Year)	26-Jun-23	600,000	-	-	600,000	634,438	636,240	1,802	1.69
GOP Ijara (3 Year)	30-May-25	100,000	62,500	100,000	62,500	63,058	62,963	(96)	0.17
GOP Ijara (3 Year)	04-Dec-23	200,000	-	-	200,000	201,021	201,120	99	0.53
GOP Ijara (5 Year)	21-Oct-24	85,000	-	85,000	-	-	-	-	-
GOP Ijara (5 Year)	21-Oct-24	85,000	-	85,000	-	-	-	-	-
GOP Ijara (5 Year)	30-May-25	187,500	62,500	125,000	125,000	125,024	125,350	326	0.33
GOP Ijara (5 Year)	09-Jan-25	62,595	-	62,500	95	94	95	0	0.00
GOP Ijara (5 Year)	04-Dec-23	250,000	-	-	250,000	253,196	253,175	(21)	0.67
GOP Ijara (10 Year)	30-May-25	65,000	125,000	125,000	65,000	65,000	65,228	228	0.17

Total as at Septemeber 30, 2025 (Un-Audited)

1,404,022 1,406,545 2,522

Total as at June 30, 2025

1,856,047 1,903,004 46,957

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

7 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED – MANAGEMENT COMPANY

		(Un-Audited) September 30, 2025	(Audited) June 30, 2025
		----- (Rupees in '000) -----	
Management remuneration payable	7.1	32,865	36,236
Sindh Sales Tax on management remuneration payable	7.2	4,930	5,435
Sale load payable		359	756
		<u>38,154</u>	<u>42,427</u>

- 7.1** 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 1.5% 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 1.25% per annum of the average daily net assets of the Scheme.

Upto June 30, 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 10% 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.

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

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

		(Un-Audited) September 30, 2025	(Audited) June 30, 2025
		----- (Rupees in '000) -----	
SECP fee payable		2,382	1,577
		<u>2,382</u>	<u>1,577</u>

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.

9 ACCRUED AND OTHER LIABILITIES

		(Un-Audited) September 30, 2025	(Audited) June 30, 2025
		----- (Rupees in '000) -----	
Provision for Federal Excise Duty and related tax on			
- Management fee	9.1	29,028	29,028
- Sales load		4,170	4,170
Brokerage payable		598	693
Withholding tax payable		6,880	368,549
Auditors' remuneration payable		906	760
Others		197	204
		<u>41,779</u>	<u>403,404</u>

9.1 Federal Excise Duty and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2025. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2025 would have been higher by Re. 0.05 per unit (June 30, 2025: Re. 0.07 per unit).

10. CONTINGENCIES AND COMMITMENTS

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

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

11. 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.

12. EARNING / (LOSS) PER UNIT

Earnings/(Loss) 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.

13. TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 1.52% (September 30, 2024: 2.03%) and this includes 0.26% (September 30, 2024: 0.33%) representing government levy, SECP fee etc.

14. CASH AND CASH EQUIVALENTS

Bank balances

Government securities - Treasury bill 3Months

(Un-Audited) September 30,	(Un-Audited) September 30,
2025	2024
----- (Rupees in '000) -----	
7,523,115	5,423,067
1,731,422	245,063
<u>9,254,537</u>	<u>5,668,130</u>

15. TRANSACTIONS WITH CONNECTED PERSONS

Related parties / connected persons of the Fund include MCB-Arif Habib Savings and Investments Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively.

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

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

	For the quarter ended September 30, 2025							
	As at July 01, 2025	Issued for cash	Redeemed	As at September 30, 2025	As at July 01, 2025	Issued for cash	Redeemed	As at September 30, 2025
	Units				(Rupees in '000)			
MCB INVESTMENT MANAGEMENT LIMITED	0	18,594,017	-	18,594,017	0	1,036,404	-	1,047,587
LALPIR STAFF PROVIDENT FUND	1,352,121	-	1,352,121	0	74,407	-	74,880	0
D.G. KHAN CEMENT COMPANY LTD	11	-	-	11	1	-	-	1
ADAMJEE INSURANCE CO.LTD. EMPLOYEES GRATUITY FUND	2	-	-	2	0	-	-	0
ADAMJEE INSURANCE CO.LTD EMPLOYEES PROVIDENT FUND	5	-	-	5	0	-	-	0
SECURITY GENERAL INSURANCE CO. LTD. EMPLOYEES PROVIDENT FUND TRUST	54	-	-	54	3	-	-	3
ADAMJEE LIFE ASSURANCE COMPANY LIMITED - DSF	85,127	-	-	85,127	4,685	-	-	4,796
PAKGEN POWER LIMITED	70,458,417	49,050,881	-	119,509,298	3,877,327	2,724,045	-	6,733,154
NISHAT POWER LIMITED	57,642,941	40,053,595	17,988,847	79,707,689	3,172,091	2,224,065	1,000,000	4,490,731
ADAMJEE LIFE ASSURANCE CO. LTD-SHF	3,691,966	-	3,691,966	(0)	203,169	-	204,978	(0)
Key management personnel	1,208,109	401,061	1,608,532	638	66,482	22,275	89,323	36
Mandate Under Discretionary Portfolio Services	9	529	8	530	1	30	448,130	30
Unit holders holding 10% or more units**	128,101,358	89,104,476	17,988,847	199,216,987	7,049,418	4,948,110	996,807	11,223,885

**These persons became connected persons / related parties during the period due to acquiring unit holding of more than 10% of net assets of the Fund.

	For the quarter ended September 30, 2024							
	As at July 01, 2024	Issued for cash	Redeemed	As at September 30, 2024	As at July 01, 2024	Issued for cash	Redeemed	As at September 30, 2024
	Units				(Rupees in '000)			
Mcb Investment Management Limited	6,565,797	9,713,624	8,242,714	8,036,707	354,947	541,290	467,000	468,781
Mcb Employees Provident Fund (Pak Staff)	16,098,713	17,887	-	16,116,600	870,296	966	-	940,081
Adamjee Insurance Co. Ltd.	-	1,338,808	-	1,338,808	-	75,000	-	78,093
D.G. Khan Cement Company Ltd	9	-	-	9	1	-	-	1
Adamjee Life Assurance Company Limited-Employees Gratuity Fund	421,385	8,239,778	421,736	8,239,427	22,780	463,455	22,888	480,606
Adamjee Life Assurance Company Limited - Dsf	113,194	94	-	113,288	6,119	5	-	6,608
Key management personnel	293,842	6,079,278	919,850	5,453,270	15,885	336,612	51,998	318,089
Mandate Under Discretionary Portfolio Services	4,149,701	6,502,430	8,180,457	2,471,674	224,333	356,935	448,130	144,173

* This reflects the position of related party / connected persons status as at September 30, 2024.

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

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

	(Unaudited) September 30, 2025 ----- (Rupees in '000) -----	(Unaudited) September 30, 2024 ----- (Rupees in '000) -----
MCB Investment Management Limited - 'Management Company		
Remuneration of the Management Company including indirect taxes	125,716	79,113
Expenses allocated by the Management Company and related taxes	-	1,398
Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	5,878	2,818
MCB Bank Limited		
Mark-up on bank deposits	-	194
Bank charges	12	7

15.3 Balances outstanding at period / year end:

	(Unaudited) September 30, 2025 ----- (Rupees in '000) -----	(Audited) June 30, 2025 ----- (Rupees in '000) -----
MCB Investment Management Limited - 'Management Company		
Remuneration payable to Management Company	32,865	36,236
Sales tax payable on remuneration to Management Company	4,930	5,435
Sales load payable	359	756
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable (including indirect taxes)	1,747	260
Sales tax on remuneration payable	262	39
MCB Bank Limited		
Bank balance	29,607	13,897

16 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

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

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

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

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

17 GENERAL

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

17.2 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.

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized 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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