

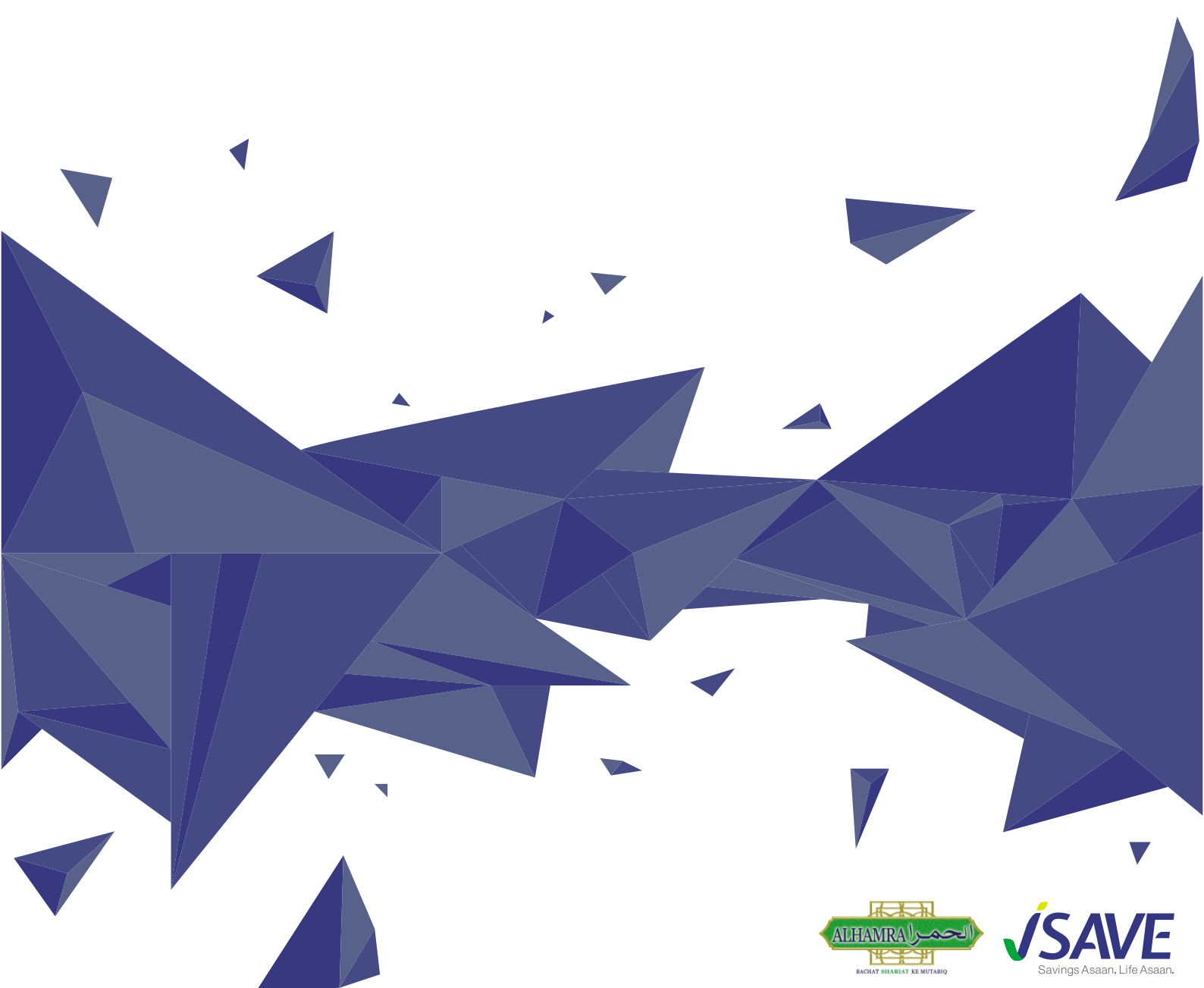


MCB FUNDS
Investments for Life

QUATERLY REPORT

SEPTEMBER
2025
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



PAKISTAN INCOME 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 Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited	U Micro Finance Bank Limited JS Bank Limited Zarai Traqiati Bank Limited Habib Bank Limited HBL Mirco Finance Bank Limited National Bank of Pakistan Soneri Bank Limited
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

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

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Income 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 county'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 10.94% as against its benchmark return of 10.57%.

At period end, the fund was invested 9.0% in T-Bills, 29.4% in PIBs and 15.4% in TFC/Sukuks. The weighted average maturity of the fund stood at 1.7 years at September 30, 2025.

The Net Assets of the Fund as at September 30, 2025, stood at Rs. 2,396 million as compared to Rs. 1,363 million as at June 30, 2025 registering an increase of 75.79%.

The Net Asset Value (NAV) per unit as at September 30, 2025 was Rs. 56.5412 as compared to the opening NAV of Rs. 55.0236 per unit as at June 30, 2025 registering a decrease of Rs. 1.5176 per unit.

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

TEMPORARY SUSPENSION OF FRESH UNITS

As explained in detail in Note No. 16 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. 49,940,000 and accrued mark-up into 9,200,000 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

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

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

ڈائریکٹرز رپورٹ

اظہارِ تشکر

فنڈ کے قابلِ قدر سرمایہ کاروں، سیکورٹیز 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 کاوشوں کو خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز،

Munzir Mushatag

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 بلاؤ کاوٹ 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 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 بلاؤ کاوٹ 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۔

تازہ یونٹس کی عارضی طور معطلی

جیسا کہ کنڈینسڈ عبوری مالیاتی بیانات کے نوٹ نمبر 16 میں تفصیل سے بیان کیا گیا ہے، فنڈ کی جانب سے مینجمنٹ کمپنی نے بتایا TFCs جن کی روپے کی قیمت 49,940,000 اور جمع شدہ مارک اپ کی تبدیلی 9,200,000 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 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 آئندہ ہی کیونکہ ایس بی پی کے زیرِ مبادلہ کے ذخائر تقریباً 14.4 بلین ڈالر پر مستحکم رہے۔ دورانِ 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 افراطِ 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 افراطِ 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 افراطِ زر ہیں۔

فنڈ کی کارکردگی

زیرِ جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 10.94 فیصد تھا، جبکہ اس کے بالمقابل بنچ مارک منافع 10.57 فیصد تھا۔ اختتامِ مدت پر فنڈ کی سرمایہ کاری 9.0 فیصدی۔ بلو میں، 29.4 فیصد پی آئی بی میں اور 15.4 فیصد ٹی ایف سی اسٹاک میں تھی۔ فنڈ کی پالوزن اوسط میچورٹی 30 ستمبر 2025ء کو 1.7 سال تھی۔

30 ستمبر 2025ء کو فنڈ کے net اثاثہ جات 2,396 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2025ء کو 1,363 ملین روپے تھے، یعنی 75.79 فیصد اضافہ ہوا۔

30 ستمبر 2025ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 56.5412 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2025ء کو ابتدائی این اے وی 55.0236 روپے فی یونٹ تھی، یعنی 1.5176 روپے فی یونٹ کمی ہوئی۔

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	4	748,154	401,407
Investments	5	1,589,826	918,303
Profit receivable		48,733	19,094
Advances, deposits, prepayments and other receivables		25,023	19,724
Receivable against conversion of units		-	83,999
Total Assets		2,411,736	1,442,527
LIABILITIES			
Payable to the Management Company	6	3,530	4,073
Payable to Central Depository Company of Pakistan Limited - Trustee		177	19
Payable to the Securities and Exchange Commission of Pakistan	7	153	153
Payable against redemption of units		-	44,977
Accrued expenses and other liabilities	8	11,659	30,694
Total liabilities		15,520	79,916
NET ASSETS		2,396,216	1,362,611
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,396,216	1,362,611
CONTINGENCIES AND COMMITMENTS	9		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		42,379,999	24,764,119
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		56.5412	55.0236

The annexed notes 1 to 18 form an integral part of these 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

	September 30, 2025	September 30, 2024
	----- (Rupees in '000) -----	
INCOME		
Markup / return on Investments	45,672	84,890
Gain / (loss) on sale of investments - net	5,294	28,812
Markup on deposits with banks	18,448	11,842
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	(2,697)	18,143
Other income	1,911	1,730
Dividend Income	4,200	-
Total income	72,828	145,417
EXPENSES		
Remuneration of the Management Company	8,737	7,155
Sindh sales tax on remuneration of the Management Company	1,311	1,073
Allocated expenses	-	90
Remuneration of Central Depository Company of Pakistan Limited - Trustee	437	390
Sindh sales tax on remuneration of Trustee	66	58
Annual fee of Securities and Exchange Commission of Pakistan	437	390
Brokerage expense	778	396
Legal, professional and other charges	85	87
Settlement and bank charges	181	484
Fees and subscription	166	148
Auditors' remuneration	308	274
Printing and related costs	-	25
Total operating expenses	12,505	10,568
Net income for the period before taxation	60,323	134,849
Taxation	-	-
Net income for the period after taxation	60,323	134,849
Allocation of net income for the period		
Net income for the period after taxation	60,323	134,849
Income already paid on units redeemed	(5,100)	(7,233)
	55,223	127,616
Accounting income available for distribution		
Relating to capital gains	2,347	45,162
Excluding capital gains	52,876	82,454
	55,223	127,616
Earning/ (Loss) per unit		

The annexed notes 1 to 18 form an integral part of these 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

	September 30, 2025 ----- (Rupees in '000) -----	September 30, 2024 ----- (Rupees in '000) -----
Net income for the period after taxation	60,323	134,849
Other comprehensive income	-	-
Total comprehensive income for the period	60,323	134,849

The annexed notes 1 to 18 form an integral part of these 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

	For the period ended September 30,					
	2025			2024		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	1,220,500	142,111	1,362,611	1,759,062	140,268	1,899,330
Issue of 39,205,750 units (2024: 9,503,350 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,157,242	-	2,157,241	522,163	-	522,162
- Element of income	22,925	-	22,925	11,106	-	11,106
	2,180,167	-	2,180,166	533,269	-	533,268
Redemption of 21,589,870 units (2024: 8,207,013 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,187,952)	-	(1,187,952)	(450,936)	-	(450,936)
- Amount paid out of element of income						
- Relating to 'Net income for the period after taxation'	(13,832)	(5,100)	(18,932)	(6,261)	(7,233)	(13,494)
	(1,201,784)	(5,100)	(1,206,884)	(457,197)	(7,233)	(464,430)
Total comprehensive income for the period	-	60,323	60,323	-	134,849	134,849
	-	60,323	60,323	-	134,849	134,849
Net assets at end of the period	2,198,883	197,334	2,396,216	1,835,135	267,884	2,103,017
Undistributed income brought forward						
- Realised		143,835			137,638	
- Unrealised		(1,724)			2,630	
		142,111			140,268	
Accounting income available for distribution						
- Relating to capital gains		2,347			45,162	
- Excluding capital gains		52,876			82,454	
		55,223			127,616	
Undistributed income carried forward		197,334			267,884	
Undistributed income carried forward						
- Realised		200,031			249,741	
- Unrealised		(2,697)			18,143	
		197,334			267,884	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		55.0236			54.9452	
Net assets value per unit at end of the period		56.5412			58.6386	

The annexed notes 1 to 18 form an integral part of these 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

	September 30, 2025	September 30, 2024
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	60,323	134,849
Adjustments for:		
Unrealised diminution / (appreciation) on re-measurement of investments at fair value through profit or loss - net	2,697	(18,143)
	<u>63,020</u>	<u>116,706</u>
(Increase) / Decrease in assets		
Investments	(821,925)	(660,826)
Profit receivable	(29,639)	51,064
Advances, deposits, prepayments and other receivables	(5,299)	(1,817)
Receivable against sale of investments	-	201,739
Receivable against conversion of units	84,000	-
	(772,863)	(409,841)
(Decrease) / Increase in liabilities		
Payable to the Management Company	(543)	(299)
Payable to Central Depository Company of Pakistan Limited - Trustee	158	9
Payable to the Securities and Exchange Commission of Pakistan	-	6
Payable against purchase of investment	-	(101,666)
Accrued expenses and other liabilities	(19,035)	(39,619)
Payable against redemption of units	(44,977)	-
	(64,397)	(141,569)
Net cash (used in) operating activities	<u>(774,240)</u>	<u>(434,704)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	2,180,166	533,268
Amount paid against redemption of units	(1,206,884)	(464,430)
Net cash generated from financing activities	973,282	68,838
Net increase / (decrease) in cash and cash equivalents during the period	<u>199,042</u>	<u>(365,866)</u>
Cash and cash equivalents at the beginning of the period	549,112	435,062
Cash and cash equivalents at the end of the period	<u><u>748,154</u></u>	<u><u>69,196</u></u>

The annexed notes 1 to 18 form an integral part of these 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 Fund (the Fund) was established through a Trust Deed executed between MCB - Arif Habib Saving and Investments Limited (now: MCB Investment Management Limited), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated January 25, 2011 consequent to which Trust Deed was executed on March 07, 2011 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (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 13, 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 a certificate of registration issued by the 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-end collective investment scheme categorised as an "Income scheme" by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs. 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The Fund primarily invests in money market and other short-term placements / instruments which include short-term corporate debt, government securities, margin trading system transactions and spread transactions. The Fund may also invest a portion of its assets under management in medium term assets in order to provide higher return to the unit holders.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of "AM1" dated October 03, 2025, to the Management Company and the stability rating of AA(f) to the Fund dated May 05, 2025
- 1.6** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

- 2.1.1** These 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 as 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 (the Act);
- Provisions of and directives issued under the Companies Act 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Accounting Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and 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

- 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.
- 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, 2024. 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**

		Un-Audited September 30, 2025 ----- (Rupees in '000) -----	Audited June 30, 2025
4	BANK BALANCES	Note	
	In savings accounts	4.1	747,214
	In current accounts	4.2	399,626
			<u>940</u>
			<u>748,154</u>
			<u>401,407</u>
4.1	These carry profit at the rates ranging from 6.5% to 12% (June 2025: 7% to 9.5%) per annum and include Rs 16.66 million (June 2025: Rs 14.207 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 6.5% (June 2025: 9.5%) per annum.		
4.2	This include Rs 0.933 million (2024: Rs 12.870 million) maintained with MCB Bank Limited (a related party).		
		Note	Un-Audited September 30, 2025 ----- (Rupees in '000) -----
5	INVESTMENTS		Audited June 30, 2025
	Financial assets 'at fair value through profit or loss' - net		
	Government securities - Market Treasury Bills & Pakistan		
	Investment Bonds & GOP Ijara Securities	5.1	926,502
	Term finance certificates - listed	5.2	515,884
	Term finance certificates - unlisted	5.2.2	-
	Listed Equity Securities	5.3	372,400
	Future Stock Contracts	5.3.2	402,419
	Commercial Paper	5.4	205,128
			(9,274)
			95,069
			<u>1,589,826</u>
			<u>918,303</u>

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

5.1 Financial assets 'at fair value through profit or loss' - net

5.1.1 Government securities - Market Treasury Bills

Particulars	Issue Date	Face value				As at September 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at September 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----										
Treasury bills - 1 months	12-Jun-25	-	200,000	200,000	-	-	-	-	-	-
Treasury bills - 3 months	15-May-25	-	225,000	225,000	-	-	-	-	-	-
Treasury bills - 3 months	29-May-25	150,000	-	150,000	-	-	-	-	-	-
Treasury bills - 6 months	21-Aug-25	-	250,000	250,000	-	-	-	-	-	-
Treasury bills - 12 months	22-Aug-24	305	-	305	-	-	-	-	-	-
Treasury bills - 12 months	09-Jan-25	33,000	-	-	33,000	32,010	32,043	33	1.34	2.02
Treasury bills - 12 months	15-May-25	100,000	-	100,000	-	-	-	-	-	-
Treasury bills - 12 months	26-Jun-25	-	1,200,000	1,200,000	-	-	-	-	-	-
Treasury bills - 12 months	10-Jul-25	-	200,000	-	200,000	184,996	184,348	(648)	7.69	11.60
Total as at September 30, 2025 (Un-Audited)						217,006	216,390	(616)		
Total as at June 30, 2025 (Audited)						270,320	270,584	264		

5.1.2 Pakistan investment bonds - Floating Rate Bonds (FRB)

Particulars	Issue Date	Face value				As at September 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchased during the period	Sold during the period	As at September 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----										
Pakistan Investment Bond - 5 years	27-Jun-24	250,000	-	-	250,000	245,597	246,050	453	10.27	15.48
Pakistan Investment Bond - 5 years	03-Oct-24	-	250,000	-	250,000	245,184	245,900	716	10.26	15.47
Total as at September 30, 2025 (Un-Audited)						490,780	491,950	1,170		
Total as at June 30, 2025 (Audited)						245,658	245,300	(358)		

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

5.1.3 Pakistan investment bonds

Particulars	Issue Date	Face value				As at September 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchased during the period	Sold during the period	As at September 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)		
Pakistan Investment Bond - 2 years	16-Jan-25	-	250,000	-	250,000	218,720	218,162	(558)	9.10	13.72
Pakistan Investment Bond - 5 years	16-Jan-25	-	250,000	250,000	-	-	-	-	-	-
Pakistan Investment Bond - 5 years	17-Jul-25	-	650,000	650,000	-	-	-	-	-	-
Total as at September 30, 2025 (Un-Audited)						218,720	218,162	(558)		
Total as at June 30, 2025 (Audited)						-	-	-		

5.1.4 (GOP) Ijara Sukkuks

Particulars	Issue Date	Face value				As at September 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchased during the period	Sold / Matured during the period	As at September 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)		
GOP Ijara Sukuk - 1 year	21-Aug-25	-	125,000	125,000	-	-	-	-	-	-
GOP Ijara Sukuk - 5 year	30-May-25	-	62,500	62,500	-	-	-	-	-	-
Total as at September 30, 2025 (Un-Audited)						-	-	-		
Total as at June 30, 2025 (Audited)						-	-	-		

5.2 Term finance certificates - listed debt securities

Market value as at June 30										
Less: Provision as at July 1										
- Pace Pakistan Limited										(49,940)
- Telecard Limited										(10,880)
- Trust Investment Bank Limited										(18,743)
										(79,563)
										-

September 30, 2025
June 30, 2025
----- (Rupees in '000) -----

Note

5.2.1

79,563

79,563

5.2.4

(49,940)

(9,326)

(18,743)

(78,008)

-

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

5.2.1 Listed debt securities - Term finance certificates

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

Name of investee company	Number of certificates				As at Sepetmber 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	As at July 1, 2025	Purchased during the period	Sold / matured during the period	As at September 30, 2025	Carrying value	Market value	Unrealised diminution			
----- (Rupees in '000) -----										
----- (%) -----										
Investment Banks / Investment Companies / Securities Companies										
Trust Investment Bank Limited										
- Due but not received (Note 5.2.4)	10,000	-	-	10,000	18,743	(18,743)	-	-	-	-
Miscellaneous										
Pace Pakistan Limited										
- Due but not received (Note 5.2.4)	10,000	-	-	10,000	49,940	(49,940)	-	-	-	-
Technology & Communication										
Telecard Limited										
- Due but not received (Note 5.2.4)	19,975	-	-	19,975	9,326	(9,326)	-	-	-	-
Total as at September 30, 2025 (Un-Audited)					78,008	(78,008)	-			
Total as at June 30, 2025 (Audited)					79,563	(79,563)	-			

5.2.2 Term finance certificates - unlisted debt securities

Certificates have a face value of Rs 5,000 each

Name of investee company	Number of certificates				As at Sepetmber 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2025	Purchased during the period	Sold / matured during the period	As at September 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----									
----- (%) -----									
Commercial Banks									
Askari Bank Limited	30	-	30	-	-	-	-	-	-
Bank AL Habib Limited	41,000	-	-	41,000	201,602	201,602	-	8.41	12.68
The Bank of Punjab	1,730	-	-	1,730	171,105	170,798	(307)	7.13	10.74
Total as at September 30, 2025 (Un-Audited)					372,707	372,400	(307)		
Total as at June 30, 2025 (Audited)					404,049	404,419	(1,630)		

5.2.3 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

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

5.2.4 Status of non compliance as per circular 16 of 2010 issued by the Securities and Exchange Commission of Pakistan

In accordance with clause (v) of the investment criteria laid down for 'income scheme' in Circular No. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at June 30, 2025, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by the respective issuer at the time of repayment of coupon due on the respective dates.

Name of non-compliant investments	Note	Type of Instrument	Value of Investment before provision	Provision held if any	Value of Investment after provision	% of net assets	% of gross assets
Trust Investment Bank Limited	5.2.1	TFC	(18,743)	(18,743)	(37,485)	-	-
Telecard Limited*	5.2.1	TFC	(9,326)	(9,326)	(18,652)	-	-
Pace Pakistan Limited	5.2.1	TFC	(49,940)	(49,940)	(99,880)	-	-

Owing to continuous default on repayment of coupon by the issuer, the Fund had classified the said investment as non-performing. The Fund has recognised full provision against outstanding principal in accordance with applicable provisioning circular issued by the Securities and Exchange Commission of Pakistan and provisioning policy of the Fund duly approved by the Board of Directors of the Management Company. The Fund has suspended further accrual of mark-up there against.

*The issuer with the consent of TFC holders have restructured the issue. The restructuring term spreads over a period of 8 years with the first payment of principal started from March 2022 and thereafter in equal quarterly installments with maturity in December 2028. During the period, an amount equal to Rs. 1.55 (June 30, 2024: Rs. 6.22) million payment has been received.

5.3 Listed equity securities - 'At fair value through profit or loss'

5.3.1 Ordinary shares have a face value 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
(Number of shares) (Rupees in '000) %										
Cement										
Fauji Cement Company Limited	-	3,360,000	-	-	3,360,000	198,240	205,128	6,888	0.09	0.13
						198,240	205,128	6,888		

5.3.2 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

5.4 Commercial Paper

		Face value				Balance as at September 30, 2025			Market value as a percentage of	
Name of Security	Issue Date	As at July 01, 2025	Purchased during the period	Sold / matured during the period	As at September 30, 2025	Carrying value	Market value	Unrealized gain / (loss)	net assets of the fund	total invest-ments
----- (Rupees in '000) ----- % -----										
Pakistan Microfinance Inv. Co. Ltd	12-Sept-25	-	95,069	-	95,069	95,069	95,069	-	0.04	0.06
Total as at September 30, 2025						95,069	95,069	-		
Total as at June 30, 2025						-	-	-		

6	PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED -MANAGEMENT COMPANY	Note	September 30, 2025	June 30, 2025
			----- (Rupees in '000) -----	
	Management remuneration payable	6.1	3,070	3,542
	Sindh Sales Tax payable on remuneration of the Management Company	6.2	460	531
			<u>3,530</u>	<u>4,073</u>

- 6.1** In accordance with the requirements of S.R.O. 600(I)/2025 dated April 10, 2025, issued by the Securities and Exchange Commission of Pakistan (SECP), the fund, with effect from July 1, 2025 may charge management fee up to 1.50% per annum of the average daily net assets of the Scheme. During the period ended 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 2, 2024, revised the basis for charging management fee. Under the revised methodology, the management fee was charged at the rate of up to 2% per annum of the net assets of the Scheme, calculated on a daily basis. Prior to this amendment, the management fee had been charged at the rate of up to 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.

- 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)

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.

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

		September 30, 2025	June 30, 2025
	Note	----- (Rupees in '000) -----	
8	ACCRUED EXPENSES AND OTHER LIABILITIES		
Provision for Federal Excise Duty and related tax on			
- Management fee	8.1	9,210	9,210
- Sales load		239	239
Legal and professional charges		33	39
Withholding tax on capital gains		482	20,368
Auditors' remuneration payable		974	814
Brokerage payable		721	24
		11,659	30,694

8.1 Federal Excise Duty (FED) 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, 2024. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2025 would have been higher by Re. 0.22 per unit (June 30, 2025: Re. 0.38 per unit).

9 CONTINGENCIES AND COMMITMENTS

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

		September 30, 2025	June 30, 2025
		---(Rupees in '000)---	
9.1	COMMITMENTS		
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		198,240	-

10 TOTAL EXPENSE RATIO

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2025 is 2.15% which includes 0.33% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

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 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

		Un-Audited September 30, 2025 ----- (Rupees in '000) -----	Audited June 30, 2025
13 CASH AND CASH EQUIVALENTS			
Bank balances	4	748,154	401,407
Government securities - Treasury bill	5.1.1	-	147,705
		<u>748,154</u>	<u>549,112</u>

14 TRANSACTIONS WITH RELATED PARTY / 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 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, 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 to the Management Company and Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed of the Fund.

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:

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

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

For the quarter ended September 30, 2025					
	As at July 1, 2025	Issued for cash	Redeemed	As at September 30, 2025	As at September 30, 2025
	Units			(Rupees in '000)	
Adamjee Insurance Co.Ltd. Employees Gratuity Fund	10	-	-	10	1
Adamjee Life Assurance Co. Ltd-Shf	2,725	-	-	2,725	154
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	441	-	-	441	25
Nishat Paper Products Company Limited Staff Provident Fund Trust	3	-	-	3	-
Security General Insurance Co. Ltd. Employees Provident Fund Trust	180,894	-	-	180,894	10,228
Directors and key management personnel of the Management Company	164	18,334	18,413	85	5
Mandate under discretionary portfolio services	121	-	-	121	7
For the quarter ended September 30, 2024					
	As at July 01, 2024	Issued for cash	Redeemed	As at September 30, 2024	As at September 30, 2024
	Units			(Rupees in '000)	
Security General Insurance Company Limited Employees Provident Fund Trust	154,449	-	-	154,449	9,057
Directors and key management personnel of the Management Company	8,892	180,143	189,029	6	-
Mandate under discretionary portfolio services	56	-	-	56	3

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

14.2 Details of transactions with related parties / connected persons during the year

	Un-Audited September 30, 2025	Un-Audited September 30, 2024
	----- (Rupees in '000) -----	
MCB Investments Management Limited - Management Company		
Remuneration including indirect taxes	10,048	8,228
Allocated expenses	-	90
Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	502	448
CDS charges	4	17
MCB Bank Limited - Parent of the Management Company		
Profit on bank balances	393	89
Bank charges	10	5

14.3 Details of balances with related parties / connected persons as at year end

	Un-Audited September 30, 2025	Audited June 30, 2025
	----- (Rupees in '000) -----	
MCB Investments Management Limited - Management Company		
Management remuneration payable	3,070	3,542
Sindh sales tax payable on management remuneration	460	531
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	153	16
Sindh sales tax payable on Trustee remuneration	23	3
Security deposit	200	200
MCB Bank Limited - Parent of the Management Company		
Bank balance	17,595	15,981

15 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 date. 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

16 SUBSEQUENT EVENTS

16.1 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. 49,940,000 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 9,200,000 ordinary shares of PACE would be issued to the Fund in settlement of the TFC exposure of Rs. 49,940,000 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. 49,940,000 and accrued mark-up into 9,200,000 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. 128.892 million resulting in an increase in Net Asset Value per Unit (NAVPU) by Rs. 3.0413 per unit.

17 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.

18 DATE OF AUTHORISATION FOR ISSUE

These 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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