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786 INVESTMENTS LIMITED



786 ISLAMIC MONEY MARKET FUND

**FOR THE
HALF YEAR ENDED
DECEMBER 31, 2024
(UN-AUDITED)**



786 ISLAMIC MONEY MARKET FUND

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786 ISLAMIC MONEY MARKET FUND

CORPORATE INFORMATION

Management Company	786 Investments Limited G-3 B.R.R. Tower, Hassan Ali Street, Off I.I. Chundrigar Road, Karachi - 74000 Pakistan Tel: (92-21) 32603751-54 Email: info@786investments.com Website: www.786investments.com	
Board of Directors	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Nadeem Akhtar Mr. Naveed Ahmed Syed Musharaf Ali Mr. Iqbal Shafiq Mr. Ahmer Zia Sarwar	Chairperson Chief Executive Officer Director Director Director Director Director
Chief Financial Officer & Company Secretary	Mr. Noman Shakir	
Audit Committee	Mr. Ahmer Zia Sarwar Mr. Naveed Ahmed Syed Musharaf Ali	Chairman Member Member
Human Resource Committee	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Naveed Ahmed	Chairperson Member Member
Trustee:	Digital Custodian Company Limited (formerly: MCB Financial Services Limited) 4th Floor, Pardasi House, 2/1 R-Y old Queens Road, Karachi	
Auditors	Reanda Haroon Zakaria & Company Chartered Accountants	
Legal Advisor	Rauf & Ghaffar Law Associates (Advocates & Consultants) Suite # 65, 5th Floor, Fareed Chamber, Abdullah Haroon Road, Saddar – Karachi, Pakistan.	
Registrars	F.D. Registrar Services (Pvt.) Ltd. Office# 1705, 17th Floor Saima Trade Tower. A, I.I. Chundrigar Road, Karachi-74000, Pakistan.	
Banker:	Al Baraka Bank (Pakistan) Limited	
Rating	Not Applicable	



786 ISLAMIC MONEY MARKET FUND

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

The Board of Directors of 786 Investments Limited, referred to as '786' or 'the Company,' which serves as the Management Company of 786 Islamic Money Market Fund (786 IMMF), is pleased to present the audited financial statements for the half yearly period ended December 31, 2024.

Economic & Money Market Review:

Pakistan's economy demonstrated resilience in 2024, achieving key milestones despite ongoing challenges. The Pakistan Stock Exchange (PSX) crossed the 100,000-point mark, while inflation dropped to a six-year low of 4.9%, significantly lower than the previous year's 38%. The State Bank of Pakistan (SBP) reduced the policy rate from 22% to 13%, boosting economic activity and lowering production costs. The current account recorded a \$729 million surplus, the highest in two decades, with foreign exchange reserves increasing by \$4 billion. The rupee also strengthened by Rs3 against the US dollar. Fiscal achievements included a PKR 1,700 billion budget surplus, the first in 24 years, driven by higher revenue and controlled spending.

However, industrial production declined by 0.64%, and tax reforms, such as the Tajir-Dost scheme, failed to meet expectations. A new \$7 billion IMF loan was secured under stringent conditions, including additional taxes and the removal of exemptions. Saudi Arabia extended its \$3 billion deposit, providing financial stability. While reduced inflation and interest rates set a positive outlook for 2025, challenges in industrial growth and IMF-imposed conditions require strategic policy interventions to sustain momentum.

Fund's Performance

The 786 IMMF is an open-ended mutual fund established under a Trust Deed on October 22, 2024, between 786 Investments Limited (Management Company) and Digital Custodian Company (Trustee). SECP authorized its constitution on November 3, 2023 (Letter No. SCD/AMCW/786MMF/2023/179) under NBFC Regulations, 2008. The Fund aims to deliver competitive, risk-adjusted returns by investing in a diversified, Shariah-compliant portfolio of short-term debt instruments while ensuring liquidity.

The Fund's total income during the period stood at PKR 690,453, while total expenses were PKR 818,150. Net assets amounted to PKR 100.140 million, and the Net Asset Value (NAV) per unit was PKR 100.69.

Acknowledgement

The Directors express their gratitude to the Securities & Exchange Commission of Pakistan and other regulatory bodies for their valuable support, assistance, and guidance. The Board also extends its thanks to the employees of the Asset Management Company and the Trustee for their dedication and hard work. Additionally, the Directors appreciate the unit holders for their confidence in the Management.

On behalf of the board of
786 Investments Limited

----SD----
Chairperson

----SD----
Director

Date: February 27, 2025
Place: Karachi



786 ISLAMIC MONEY MARKET FUND

ڈائریکٹرز کی رپورٹ

786 اسلامی فنڈ (IMMF 786) کی مینجمنٹ کمپنی، 786 انویسٹمنٹ لمیٹڈ (786 ایڈی کمپنی) کے بورڈ آف ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

اقتصادی اور مالی مارکیٹ کا جائزہ

پاکستان کی معیشت نے 2024ء میں چلک کا مظاہرہ کرتے ہوئے مسلسل مشکلات کے باوجود اہم سنگ میل عبور کئے ہیں۔ پاکستان اسٹاک ایکسچینج (پی ایس ایکس) 100,000 پونٹس کی مدد سے گریڈنگ کی وجہ سے افراتفر چھ سال کی کم ترین سطح پر آگئی جو گزشتہ سال کی 38 فیصد کے مقابلے میں نمایاں طور پر کم ہے۔ اسٹینڈنگ بینک آف پاکستان (ایس بی پی) نے پالیسی ریٹ کو 22 فیصد سے کم کر کے 13 فیصد کر دیا ہے جس سے معاشی سرگرمیوں میں اضافہ اور پیداواری لاگت میں کمی آئی ہے۔ کرنٹ اکاؤنٹ میں 729 بلین ڈالر سرپلس درج کیا گیا جو دو دہائیوں میں سب سے زیادہ، زرمبادلہ کے ذخائر میں 4 بلین ڈالر کا اضافہ ہوا ہے۔ امریکی ڈالر کے مقابلے میں روپیہ کی قدر میں بھی 3 روپے کا اضافہ ہوا۔ مالی کامیابیوں میں 1,700 بلین روپے کا بجٹ سرپلس شامل ہے، جو 24 سالوں میں پہلی بار ہے، جس کی بنیادی وجہ آمدنی زیادہ اور کنٹرولڈ اخراجات ہیں۔

تاہم صنعتی پیداوار میں 0.64 فیصد کمی واقع ہوئی اور ٹیکس اصلاحات جیسے کہ تازہ دوست اسکیم توقعات پر پورا اترنے میں ناکام رہی۔ آئی ایم ایف سے 7 بلین ڈالر کا نیا قرض سخت شرائط کے تحت حاصل کیا گیا جس میں اضافی ٹیکس کا نفاذ اور اسٹیشن کو ختم کرنا شامل ہے۔ سعودی عرب نے اپنے 3 بلین ڈالر کے ذیلیات میں توسیع کرتے ہوئے مالی استحکام فراہم کیا۔ اگرچہ افراتفر میں کمی اور شرح سود نے 2025 کے لئے مثبت نقطہ نظر قائم کیا ہے، لیکن سختی ترقی میں مشکلات اور آئی ایم ایف کی طرف سے عائد کردہ شرائط کی رفتار کو برقرار رکھنے کے لئے اسٹریٹجک پالیسی میں مداخلت ضروری ہے۔

فنڈ کی کارکردگی:

IMMF 786 ایک اوپن انڈ فنڈ جو 22 اکتوبر 2024 کو 786 انویسٹمنٹ لمیٹڈ (مینجمنٹ کمپنی) اور ڈیجیٹل سٹوڈین کمپنی (ٹرسٹی) کے درمیان ٹرسٹ معاہدہ کے تحت قائم کی گئی ہے۔ SECP نے NBFC ریگولیشنز، 2008 کے تحت 3 نومبر 2023 (Letter No. SCD/AMCW/786MMF/2023/179) کو اس کے آئین کی اجازت دی۔ فنڈ کا مقصد لیویڈیٹی کو یقینی بنانے کے لئے قلیل مدتی ڈیبٹ آلات کے متنوع پورٹ فولیو میں سرمایہ کاری کے ذریعے سالیانہ، رسک ایڈجسٹڈ ریٹرنز فراہم کرنا ہے۔ مدت کے دوران فنڈ کی کل آمدنی 690,453 روپے رہی، جبکہ کل اخراجات 818,150 روپے ہوئے۔ خالص اثاثوں کی مالیت 100,140 بلین روپے، اور خالص اثاثہ کی قیمت (NAV) نی پونٹ 100.69 روپے تھی۔

انتہائی تشکر

ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور دیگر ریگولیٹری اداروں کے قابل قدر تعاون، مدد اور رہنمائی کے لیے ان کا شکریہ ادا کرتے ہیں۔ بورڈ اثاثہ مینجمنٹ کمپنی کے ملازمین، ڈائریکٹرز اور مینجمنٹ کے لیے، اور یونٹ ہولڈرز کا مینجمنٹ پر ان کے اعتماد کے لیے بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

786 انویسٹمنٹ لمیٹڈ

---SD---

ڈائریکٹر

---SD---

چیئر پرسن

تاریخ: 27 فروری 2025

مقام: کراچی



786 ISLAMIC MONEY MARKET FUND



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REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

786 ISLAMIC MONEY MARKET FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

The 786 Islamic Money Market Fund has been established through a Trust Deed (the Deed), dated February 29, 2024 entered into and between 786 Investments Limited, the Management Company, and Digital Custodian Company Limited, the Trustee.

1. 786 Investments Limited, the Management Company of 786 Islamic Money Market Fund has, in all material respects, managed 786 Islamic Money Market Fund during the period ended December 31, 2024 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement.

2. Statement on the shortcoming(s) that may have impact on the decision of the existing or the potential unit holders remaining or investing in the Collective Investment Scheme; and

Statement

No short coming has been addressed during the period ended December 31, 2024.

3. Disclosure of the steps taken to address the shortcoming(s) or to prevent the recurrence of the short coming(s).

Disclosure of the steps

We have critically examine the fund in accordance with circular, directives, NBFC Regulations 2008 and its constitutive documents. However, no shortcoming has been addressed.

4. Trustee's opinion regarding the calculation of the management fee, CIS Monthly Fee Payable to the Commission and other expenses in accordance with the applicable regulatory framework.

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Perdesi House

Old Queens Road

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786 ISLAMIC MONEY MARKET FUND



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Trustee Opinion

“The Management fee, CIS monthly fee payable to the Commission and other expenses has been accurately calculated in accordance with the NBFC Regulations, 2008 and its constitutive documents”.

Dabeer Khan
Manager Compliance
Digital Custodian Company Limited

Karachi: February 27, 2025

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786 ISLAMIC MONEY MARKET FUND



**TO THE MEMBERS OF 786 ISLAMIC MONEY MARKET FUND
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of asset and liabilities of **786 Islamic Money Market Fund** ("the fund) as at December 31, 2024 and the related condensed interim income statement, statement of other comprehensive income, condensed interim statement of movement in unit holders fund, condensed interim statement of cash flows, and condensed interim notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management company (786 investment limited) is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this report on interim financial statements is **Farhan Ahmed Memon**.

Reanda Haroon Zakaria Aamir Salman Rizwan & Company

Reanda Haroon Zakaria Aamir Salman Rizwan & Company Place: Karachi

Chartered Accountants

Dated: February 25, 2025

UDIN:RR202410147VC3oNvpWq

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

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Lahore and Islamabad



786 ISLAMIC MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT DECEMBER 31, 2024

ASSETS	Note	December 31, 2024 Rupees
Advances		550,025
Accrued profit		854,867
Balances with banks	5	100,387,622
Total Assets		101,792,514
Liabilities		
Payable to 786 Investments Limited - Management Company	6	166,433
Payable to Digital Custodian Company Limited - Trustee	7	85,559
Payable to Securities and Exchange Commission of Pakistan	8	6,401
Unclaimed dividend		-
Payable against Redemption of Units		-
Accrued expenses and other liabilities	9	843,668
Total Liabilities		1,102,061
Contingencies and Commitments	10	-
Net Assets		100,690,453
Unit Holders' Funds		100,690,453
Number Of Units In Issue	11	1,000,000
Net assets value per unit		100.69

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

----SD----
Chief Executive Officer

----SD----
Chief Financial Officer

----SD----
Director



786 ISLAMIC MONEY MARKET FUND

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2024

		December 31, 2024 Rupees
INCOME	Note	
Income from saving accounts	12	1,508,603
EXPENSES		
Remuneration to the management company	6.1	288,320
Sindh sales tax on remuneration to the management company	6.2	43,248
Accounting and operational charges	6.3	19,221
Remuneration to the trustee	7.1	138,526
Sindh sales tax on trustee fee	7.2	20,776
Annual fee to Securities and Exchange Commission of Pakistan	8	14,416
Auditor's remuneration		129,499
Fees and subscription		69,490
Printing and related charges		8,334
Legal and professional charges		86,320
		<u>818,150</u>
Net income for the period before Levy and tax		690,453
Levy		-
Net income for the period before tax		<u>690,453</u>
Taxation		-
Net income for the period after tax		<u><u>690,453</u></u>
Allocation of net income for the period		
Net income for the period		690,453
Income already paid on units redeemed		-
Accounting income available for distribution:		<u><u>690,453</u></u>
Relating to capital gain		-
Excluding capital gain		<u>690,453</u>
		<u><u>690,453</u></u>

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

----SD----
Chief Executive Officer

----SD----
Chief Financial Officer

----SD----
Director



786 ISLAMIC MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2024

	December 31, 2024 Rupees	
Net income for the period after taxation	690,453	
Unrealized Gain / (loss) on revaluation of investments classified as fair value through other comprehensive income - net	<table border="1"><tr><td style="text-align: center;">-</td></tr></table>	-
-		
	-	
Total comprehensive income for the period	690,453	

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

____SD____
Chief Executive Officer

____SD____
Chief Financial Officer

____SD____
Director



786 ISLAMIC MONEY MARKET FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2024

	<i>December 31, 2024</i>			
	<i>Capital Value</i>	<i>Undistributed Income</i>	<i>Unrealized Gain/ (Loss) on Investment</i>	<i>Total</i>
	----- Rupees -----			
Issue of 1,000,000 units				
- Capital value (at net asset value per unit at the beginning of the period)	100,000,000	-	-	100,000,000
- Element of income	-	-	-	-
Total proceeds on issuance of units	100,000,000	-	-	100,000,000
Redemption of Nil units				
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-
- Amount paid out of element of income	-	-	-	-
- Refund/adjustment on units as element of income	-	-	-	-
Total payments on redemption of units	-	-	-	-
Net income for the period before Levy and tax				
	-	690,453	-	690,453
Other comprehensive income/ (loss)	-	-	-	-
	-	690,453	-	690,453
Net assets at end of the period	100,000,000	690,453	-	100,690,453
Undistributed (loss)/income brought forward				
- Realized Income		-		
- Unrealized income		-		
Accounting income available for distribution				
- Relating to capital gain		690,453		
- Excluding capital gain		-		
		690,453		
Distribution during the period		-		
Undistributed Income carried forward		690,453		
Undistributed Income carried forward				
- Realized Income		690,453		
		690,453		
Net assets value per unit at end of the period				100.69

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

-----SD-----
Chief Executive Officer

-----SD-----
Chief Financial Officer

-----SD-----
Director



786 ISLAMIC MONEY MARKET FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2024

	<i>Note</i>	<i>December 31, 2024 Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before Levy and tax		690,453
Adjustments For:		
Income from saving accounts		<u>(1,508,603)</u>
Operating Loss Before Working Capital Changes		(818,150)
Changes in working capital		
Increase in Assets		
Advances		(550,025)
Increase in Liabilities		
Payable to 786 Investments Limited - Management Company		166,433
Payable to Digital Custodian Company Limited - Trustee		85,559
Payable to Securities and Exchange Commission of Pakistan		6,401
Accrued expenses and other liabilities		<u>843,668</u>
Net cash used in operating activities		<u>(266,114)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on investments and balances with banks		<u>653,736</u>
Net cash Used in from operating activities		<u>653,736</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issue of units		<u>100,000,000</u>
Net cash generated from financing Activities		<u>100,000,000</u>
Net decrease in cash and cash equivalents		100,387,622
Cash and cash equivalents at beginning of the year		-
Cash and cash equivalents at end of the period	5	<u><u>100,387,622</u></u>

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

____SD____
Chief Executive Officer

____SD____
Chief Financial Officer

____SD____
Director



786 ISLAMIC MONEY MARKET FUND

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2024**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 786 Islamic Money Market Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on October 22, 2024 between 786 Investments Limited as the Management Company and the Digital Custodian Company Limited as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorized constitution of the Trust Deed vide letter no. SCD/AMCW/786IMMF/2023/179 dated November 3, 2023 in accordance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at G3, B.R.R Tower, Hassan Ali Street, I.I Chundrigar Road, Karachi, Pakistan. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at G3, B.R.R Tower, Hassan Ali Street, I.I Chundrigar Road, Karachi, Pakistan.

1.4 The objective of the Fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking into account liquidity considerations.

1.5 Title to the assets of the Fund are held in the name of Digital Custodian Company Limited as the Trustee of the Fund.

1.6 The Fund is categorized as "Shariah compliant Money Market Fund" as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS).

1.7 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM3" to the Management Company as at December 20, 2024.

1.8 The funds are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Due to the enactment of the Sindh Trusts Act, 2020 (as amended by the Sindh Trusts (Amendment) Act, 2021), trusts, including collective investment and private funds, which are considered specialized trusts, must be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh, under Section 12A of the Sindh Trusts Act, 2020. Accordingly, on September 21, 2023, the Trust Deed of the fund was registered under the Sindh Trust Act.

1.9 Significant events or transactions

There are no significant events or transactions during the period.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of the directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non Banking Finance Companies (Establishment and Regulation) Rules 2003 (the NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of 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 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.



786 ISLAMIC MONEY MARKET FUND

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

4 MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

		<i>December 31, 2024</i>
	<i>Note</i>	<i>Rupees</i>
5 BALANCES WITH BANKS		
- Saving accounts	5.1	<u><u>100,387,622</u></u>

5.1 These saving accounts carry profit at rates ranging from 10% to 11% per annum.

**6 PAYABLE TO 786 INVESTMENTS LIMITED
- MANAGEMENT COMPANY**

Management remuneration	6.1	128,010
Sindh sales tax payable	6.2	19,202
Accounting and operational charges	6.3	19,221
		<u><u>166,433</u></u>

6.1 According to the provisions of the Trust Deed of the Fund, the Management Company has charged its remuneration at the rate of 1.5% per annum on the average annual net assets of the Fund calculated on a daily basis.

6.2 The Sindh Provincial Government has levied Sindh Sales tax at the rate of 15% on Management Company's remuneration.

6.3 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I)/2015 dated November 25, 2015, the Management Company of the Fund is entitled for reimbursement of fee and expenses incurred by the Management Company in relation to registrar service, accounting, operation and valuation services related to the Fund maximum up to 0.1% of average annual net assets of the scheme or actual which ever is less. Accordingly, the Management Company has charged accounting and operating expenses to the Fund at a rate of 0.1% per annum of the average annual net assets of the Fund for the period ended December 31, 2024.

		<i>December 31, 2024</i>
	<i>Note</i>	<i>Rupees</i>
7 PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE		
Trustee Remuneration	7.1	74,399
Sindh sales tax payable on Trustee remuneration	7.2	11,160
		<u><u>85,559</u></u>



786 ISLAMIC MONEY MARKET FUND

7.1 According to the provisions of the Trust Deed of the 786 Islamic Money Market Fund, the Trustee is entitled to monthly remuneration for services rendered to the Fund as follows:

On net assets:

- Up to Rs.1 billion	Rs.0.6 million or 0.15% per annum of the net assets of the Fund computed on a daily basis whichever is higher.
- Exceeding Rs.1 Billion	Rs.0.6 million plus 0.09% per annum of the net assets of the Fund computed on a daily basis exceeding Rs.1 billion.

7.2 The Sindh Provincial Government has levied sindh sales tax at the rate of 15% on trustee's remuneration.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents the annual fee payable to SECP as amended in clause 'c' of Schedule II of the Non-Banking Financial Companies (NBFC) Regulation 2008, read in conjunction with regulation 62 of the NBFC Regulation 2008. This fee became applicable from July 1, 2023, and it mandates that the Fund must remit to SECP an amount equal to 0.075% of the average daily net assets. This payment is due within fifteen days following the conclusion of each calendar month of the Collective Investment Scheme.

	<i>Note</i>	<i>December 31, 2024 Rupees</i>
9 ACCRUED EXPENSES AND OTHER LIABILITIES		
Accrued expenses		293,643
Other liabilities	9.1	550,025
		<u>843,668</u>
9.1 This represents payable to 786 Investment Limited in respect of preliminary expenses.		
Auditors' remuneration payable		129,499
Rating fee payable - PACRA		27,778
PSX fee payable		41,712
Printing and related expenditure payable		8,334
Shariah and tax advisors fee payable		86,320
		<u>293,643</u>

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2024.

11 NUMBER OF UNITS IN ISSUE

	<i>Number of Units</i>
Total outstanding as of July 01	
Issued during the period	1,000,000
Redemption during the period	-
Closing units	<u>1,000,000</u>

12 INCOME FROM SAVING ACCOUNTS

	<i>Rupees</i>
Income from PLS	<u>1,508,603</u>



786 ISLAMIC MONEY MARKET FUND

13 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ending on December 31, 2024, is 2.18%, which includes 0.32% representing government levies on the Fund, such as federal excise duties and sales taxes, as well as the annual fee payable to the SECP, among other expenses. This ratio is within the maximum limit of 2.5% (June 2024: 2.5%) prescribed under the NBFC Regulations for a collective investment scheme categorised as a Shariah Compliant income scheme.

14 TAXATION

The Fund's income is exempt from income tax as per 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 available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management has distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements.

15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related party/connected person include 786 Investments Limited being the Management Company, other collective investment schemes managed by the Management company, Digital Custodian Company Limited formerly (MCB Financial Services Limited) being the Trustee of the Fund, Directors and Officers of the Management Company, other associated undertakings and unit holder's holding more than 10% units in the Fund or any other connected person.

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

The transactions with related parties are in the normal course of business and at contracted rates and terms determined in accordance with market rates.

Aggregate transactions and balances with related parties, associated undertakings and connected person which are not disclosed elsewhere in the notes are as follows:

		<i>December 31, 2024 Rupees</i>
15.1 Transactions during the Period Ended	<i>Note</i>	
786 Investments Limited - Management Company		
Remuneration of the management company	6.1	<u>288,320</u>
Sales tax on remuneration to the management company	6.2	<u>43,248</u>
Accounting and operational charges	6.3	<u>19,221</u>
Issue of 1,000,000 Units		<u>100,000,000</u>
Digital Custodian Company Limited - Trustee		
Remuneration of the Trustee	7.1	<u>138,526</u>
Sales tax on Trustee fee	7.2	<u>20,776</u>
15.2 Balance as at period ended		
786 Investments Limited - Management Company		
Investment 1,000,000 Units		<u>100,690,453</u>
Remuneration payable to the management company	6	<u>128,010</u>
Sales tax payable on management company's remuneration	6	<u>19,202</u>
Accounting and operational charges	6	<u>19,221</u>



786 ISLAMIC MONEY MARKET FUND

		<i>December 31, 2024</i>
	<i>Note</i>	<i>Rupees</i>
<i>Digital Custodian Company Limited - Trustee</i>		
Remuneration payable to the Trustee	7	<u>74,399</u>
Sales tax payable on Trustee fee	7	<u>11,160</u>
15.3	The transactions with related parties/connected persons are in the normal course of business at contracted rates and terms, determined in accordance with market rates.	
16	GENERAL	
	Figures have been rounded off to the nearest rupee.	
17	DATE OF AUTHORISATION FOR ISSUE	
	These financial statements were authorized for issue by the board of directors of the Management Company on February 27, 2025.	

----SD----
Chief Executive Officer

For 786 Investments Limited
(Management Company)
----SD----
Chief Financial Officer

----SD----
Director



BOOK POST



If undelivered, please return to:
786 SMART FUND
G-3, B.R.R. Tower,
Hassan Ali Street,
Off I.I. Chundrigar Road,
Karachi - 74000 Pakistan



Managed By:
786 Investments Limited
Trustee: Digital Custodian Company
G-3, B.R.R. Tower, Hassan Ali Street,
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