INVESTMENTS

WE KNOW YOUR VALUE

786 INVESTMENTS LIMITED

786 ISLAMIC MONEY MARKET FUND

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

CONTENTS

Corporate Information	2
Directors' Report	3
ڈائریکٹرز کی رپورٹ	4
Report Trustee	5
Auditors' Report	7
Condensed Interim Statement of Assets and Liabilities	8
Condensed Interim Income Statement	9
Condensed Interim Statement of Comprehensive Income	10
Condensed Interim Statement of Movement in Unitholders' Fund	11
Condensed Interim Cash Flow Statement	12
Notes to the Condensed Interim Financial Statements	13

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	Chairperson
	Miss Tara Uzra Dawood	Chief Executive Officer
	Mr. Nadeem Akhtar	Director
	Mr. Naveed Ahmed	Director
	Syed Musharaf Ali	Director
	Mr. Iqbal Shafiq	Director
	Mr. Ahmer Zia Sarwar	Director
Chief Financial Officer & Company Secretary	Mr. Noman Shakir	
Audit Committee	Mr. Ahmer Zia Sarwar	Chairman
	Mr. Naveed Ahmed	Member
	Syed Musharaf Ali	Member
Human Resource Commitee	Mr. Ahmed Salman Munir	Chairperson
	Miss Tara Uzra Dawood	Member
	Mr. Naveed Ahmed	Member
Trustee:	Digital Custodian Compaany 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	

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----	**----SD----**
Chairperson	Director

Date: February 27, 2025
Place: Karachi

786 ISLAMIC MONEY MARKET FUND

ڈائریکٹرز کی رپورٹ

786 اسلامک منی مارکیٹ فنڈ (786 IMMF) کی مینجمنٹ کمپنی، 786 انویسٹمنٹ لمیٹڈ (786 یا دی کمپنی) کے بورڈ آف ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اقتصادی اور منی مارکیٹ کا جائزہ

پاکستان کی معیشت نے 2024ء میں لچک کا مظاہرہ کرتے ہوئے مسلسل مشکلات کے باوجود اہم سنگ میل عبور کیے ہیں۔ پاکستان اسٹاک ایکسچینج (پی ایس ایکس) 100,000 پوائنٹس کی حد عبور کر گئی جبکہ افراط زر چھ سال کی کم ترین سطح 4.9 فیصد پر آ گئی جو گزشتہ سال کی 38 فیصد کے مقابلے میں نمایاں طور پر کم ہے۔ اسٹیٹ 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 ملین 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 تاجر دوست اسکیم توقعات پر پورا اُترنے 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 استثنٰی کو ختم کرنا شامل ہے۔ سعودی عرب نے اپنے 3 بلین ڈالر کے ڈیپازٹ میں توسیع کرتے ہوئے مالی استحکام فراہم کیا۔ اگرچہ افراط زر میں کمی اور شرح سود نے 2025 کے لئے مثبت نقطہ نظر قائم کیا ہے، لیکن صنعتی 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:

786 IMMF ایک اوپن اینڈ ڈ فنڈ جو 22 اکتوبر 2024 کو 786 انویسٹمنٹ لمیٹڈ (مینجمنٹ کمپنی) اور ڈیجیٹل کسٹوڈین 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 لیکویڈیٹی کو یقینی بناتے ہوئے قلیل مدتی ڈیٹ آلات کے متنوع، شریعہ کمپلائنٹ پورٹ فولیو میں سرمایہ کاری کے ذریعے مسابقتی، 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 ملین روپے، اور خالص اثاثہ کی قیمت (NAV) فی یونٹ 100.69 روپے تھی۔

اظہار تشکر

ڈائریکٹرز سکیورٹیز 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، ٹرسٹی کا ان کی لگن اور محنت کے لیے، اور یونٹ ہولڈرز کا مینجمنٹ پر ان کے اعتماد کے لیے بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

786 انویسٹمنٹ لمیٹڈ

----SD---- ----SD----

چیئرپرسن ڈائریکٹر

تاریخ: 27 فروری 2025

مقام: کراچی

DIGITAL CUSTODIAN COMPANY

#MonetizeYourAssets

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.

D.K

ONLINE
+923-111-322-228
digitalcustodian.co
/ digitalcustodian

LAHORE
LSE Plaza, 508
Kashmir Egerton Road
+92 42 3630 4406

KARACHI
Perdesi House
Old Queens Road
+92 21 3241 9770

DIGITAL CUSTODIAN COMPANY

#MonetizeYourAssets

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

ONLINE
+923-111-322-228
digitalcustodian.co
/ digitalcustodian

LAHORE
LSE Plaza, 508
Kashmir Egerton Road
+92 42 3630 4406

KARACHI
Perdesi House
Old Queens Road
+92 21 3241 9770

REANDA

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
Chartered Accountants

Place: Karachi
Dated: February 25, 2025

UDIN: RR202410147VC3oNvpWq

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants
Suite Nos. M1-M4 & 709-710, Progressive Plaza, Beaumont Road, Karachi 75530, Pakistan.
Tel: +92 (21) 3567 4741-44 Fax: +92 (21) 3567 4745 | Email: info@hzasrkhi.pk | www.hzasr.pk

Other offices at:
Lahore and Islamabad

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

	Note	*December 31, 2024* *Rupees*
ASSETS		
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)
Number Of Units In Issue	11	**1,000,000**
		(Rupees)
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----	----SD----	----SD----
Chief Executive Officer	**Chief Financial Officer**	**Director**

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

	Note	December 31, 2024 Rupees
INCOME		
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**
		818,150
Net income for the period before Levy and tax		**690,453**
Levy		**-**
Net income for the period before tax		**690,453**
Taxation		**-**
Net income for the period after tax		**690,453**
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:		**690,453**
Relating to capital gain		**-**
Excluding capital gain		**690,453**
		690,453

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

For 786 Investments Limited
(Management Company)

----SD----	----SD----	----SD----
Chief Executive Officer	**Chief Financial Officer**	**Director**

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	**-**
	-
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----	----SD----	----SD----
Chief Executive Officer	**Chief Financial Officer**	**Director**

786 ISLAMIC MONEY MARKET FUND

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

	December 31, 2024			
	Capital Value	*Undistributed Income*	*Unrealized Gain/ (Loss) on Investment*	*Total*
	------ 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----	----SD----	----SD----
Chief Executive Officer	**Chief Financial Officer**	**Director**

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

		Note	*December 31, 2024*
A.	***CASH FLOWS FROM OPERATING ACTIVITIES***		***Rupees***
	Net income for the period before Levy and tax		**690,453**
	Adjustments For:		
	Income from saving accounts		**(1,508,603)**
	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		**843,668**
			1,102,061
	Net cash used in operating activities		**(266,114)**
B.	***CASH FLOWS FROM INVESTING ACTIVITIES***		
	Profit received on investments and balances with banks		**653,736**
	Net cash Used in from operating activities		**653,736**
C.	***CASH FLOWS FROM FINANCING ACTIVITIES***		
	Amounts received against issue of units		**100,000,000**
	Net cash generated from financing Activities		**100,000,000**
	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	**100,387,622**

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

For 786 Investments Limited
(Management Company)

----SD----	----SD----	----SD----
Chief Executive Officer	**Chief Financial Officer**	**Director**

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 complaint 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.

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.

		December 31, 2024
5 BALANCES WITH BANKS	***Note***	***Rupees***
- Saving accounts	5.1	**100,387,622**

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**
		166,433

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.

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

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.

9 ACCRUED EXPENSES AND OTHER LIABILITIES	*Note*	*December 31, 2024 Rupees*
Accrued expenses		**293,643**
Other liabilities	9.1	**550,025**
		843,668

9.1 This reperesents 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**
	293,643

10 CONTINGENCIES AND COMMITMENTS

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

11 NUMBER OF UNITS IN ISSUE	*Number of Units*
Total outstanding as of July 01	
Issued during the period	**1,000,000**
Redemption during the period	**-**
Closing units	**1,000,000**

12 INCOME FROM SAVING ACCOUNTS	*Rupees*
Income from PLS	**1,508,603**

13 TOTAL EXPENSE RATIO

As of December 31, 2024, the Total Expense Ratio (TER) of the 786 Islamic Money Market Fund stood at 3.60%, which includes 0.32% to government levies such as sales tax and SECP fees. This exceeds the regulatory cap of 2% prescribed under the NBFC Regulations for Money Market Schemes.

The elevated TER primarily resulted from the Fund's relatively small size at inception, which led to a disproportionate impact on expenses during the initial months. The Management Company acknowledges this regulatory deviation and has initiated corrective measures, including internal cost rationalization and a formal request to the SECP for a reduction in the management fee, to ensure alignment with the prescribed 2% TER cap in upcoming reporting periods. The Company remains committed to maintaining transparency, regulatory compliance, and safeguarding investor interests.

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:

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

	Note	December 31, 2024 Rupees
Digital Custodian Company Limited - Trustee		
Remuneration payable to the Trustee	7	**74,399**
Sales tax payable on Trustee fee	7	**11,160**

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.

For 786 Investments Limited
(Management Company)

----SD----	----SD----	----SD----
Chief Executive Officer	**Chief Financial Officer**	**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,
Off I.I. Chundrigar Road, Karachi - 74000 Pakistan
Tel: (92-21) 32603751-54
Email: info@786investments.com
Website: www.786investments.com

ARP Tel: 0300-3626628, 0332-3496955