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**786 INVESTMENTS LIMITED**



**786 ISLAMIC MONEY MARKET FUND**

**ANNUAL REPORT  
2025**



786 ISLAMIC MONEY MARKET FUND

<b>Corporate Information</b>	<b>02</b>
<b>Mission Statement</b>	<b>03</b>
<b>Report of the Directors of the Management Company</b>	<b>04</b>
<b>مینیجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ</b>	<b>10</b>
<b>Report of the Fund Manager</b>	<b>11</b>
<b>Additional Information</b>	<b>14</b>
<b>Details of Pattern of Holdings (Units)</b>	<b>15</b>
<b>Report of the Shariah Advisor</b>	<b>16</b>
<b>Trustee Report to the Certificate Holders</b>	<b>17</b>
<b>Independent Auditors' Report to the Unit Holders</b>	<b>19</b>
<b>Financial Statements:</b>	
<b>Statement of Assets and Liabilities</b>	<b>22</b>
<b>Income Statement</b>	<b>23</b>
<b>Statement of Comprehensive Income</b>	<b>24</b>
<b>Statement of Movement in Unit Holder's Fund</b>	<b>25</b>
<b>Cash Flow Statement</b>	<b>26</b>
<b>Notes to the Financial Statements</b>	<b>27</b>
<b>Six Year Financial Summary</b>	<b>41</b>
<b>Proxy Issued By The Fund</b>	<b>42</b>



786 ISLAMIC MONEY MARKET FUND

## CORPORATE INFORMATION

<b>Management Company</b>	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	
<b>Board of Directors</b>	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
<b>Chief Financial Officer &amp; Company Secretary</b>	Mr. Noman Shakir	
<b>Audit Committee</b>	Mr. Ahmer Zia Sarwar Mr. Naveed Ahmed Syed Musharaf Ali	Chairman Member Member
<b>Human Resource Committee</b>	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Naveed Ahmed	Chairperson Member Member
<b>Trustee:</b>	Digital Custodian Compaany Limited (formerly: MCB Financial Services Limited) 4th Floor, Pardasi House, 2/1 R-Y old Queens Road, Karachi	
<b>Auditors</b>	Reanda Haroon Zakaria & Company Chartered Accountants	
<b>Legal Advisor</b>	Rauf & Ghaffar Law Associates (Advocates & Consultants) Suite # 65, 5th Floor, Fareed Chamber, Abdullah Haroon Road, Saddar – Karachi, Pakistan.	
<b>Registrars</b>	F.D. Registrar Services (Pvt.) Ltd. Office# 1705, 17th Floor Saima Trade Tower. A, I.I. Chundrigar Road, Karachi-74000, Pakistan.	
<b>Banker:</b>	Al Baraka Bank (Pakistan) Limited	
<b>Rating</b>	Not Applicable	



786 ISLAMIC MONEY MARKET FUND

### ***Mission Statement***

*To offer our unit holders the best possible return by expertly diversifying the Fund's investment portfolio into minimal risk and high yielding instruments and at all time to be a good corporate citizen.*



786 ISLAMIC MONEY MARKET FUND

## **REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY**

The Board of Directors of 786 Investments Limited. ("786" or the "Company") the Management Company of **786 Islamic Money Market Fund** is pleased to present the annual report and the audited financial statements of the Company for the year ended June 30, 2025.

### **Economic Review:**

The global economy in mid-2025 is marked by rising uncertainty, with growth projected at 3.0% in 2025 before moderating to 2.6% in the second half, reflecting trade frictions, high borrowing costs, and supply chain disruptions. Inflation has eased but remains uneven, with the OECD forecasting U.S. inflation at 4.2%, above target levels. In North America, U.S. growth is expected to slow sharply to 1.6% in 2025 from 2.8% in 2024, while Canada is also forecast at 1.6%. The EU is projected to expand by just 1.0%, with Germany under pressure, though service-driven economies such as Spain and Greece show resilience. In Asia-Pacific, India remains strong with 7.4% growth in Q1 2025, contrasting with East Asian economies weakened by U.S. tariffs and Japan constrained by rising bond yields. China's growth is projected at 4.6%, weighed down by weak exports and a struggling property sector. The Middle East faces declining oil prices despite U.S.-Gulf investments, while Sub-Saharan Africa is forecast to grow 3.6%, though high debt undermines stability. Overall, global risks remain tilted downward, requiring businesses to stay agile, diversify markets, and focus on cost management to navigate volatility.

Pakistan recorded a current account deficit of USD 103 million in May 2025; however, the cumulative current account balance for 11MFY25 remained in surplus at USD 1.81 billion, supported primarily by strong remittance inflows. As of June 20, 2025, the State Bank of Pakistan's foreign exchange reserves fell to an 11-month low of USD 9.06 billion on account of external debt repayments. Subsequently, reserves were replenished as the central bank secured USD 3.6 billion in commercial and multilateral inflows, lifting reserves above the FY25 target and strengthening the country's external position.

### **Money Market Review:**

The Monetary Policy Committee, in its meeting on June 16, 2025, maintained the policy rate at 11 percent, noting that headline inflation rose to 3.5 percent in May, broadly in line with expectations, while inflation expectations moderated. Provisional GDP growth for FY25 stood at 2.7 percent, with the government targeting 4.2 percent in FY26, supported by improving industrial and services activity. The current account posted a surplus of USD 1.9 billion during Jul-Apr FY25, backed by strong remittances, though rising imports widened the trade deficit. SBP reserves reached USD 11.7 billion in early June and are expected to increase to USD 14 billion by year-end on planned inflows. Fiscal indicators strengthened, with the primary surplus improving to 2.2 percent of GDP, while a target of 2.4 percent has been set for FY26. Inflation is projected to remain within the 5-7 percent target range, though risks persist from external sector pressures, volatile oil prices, and geopolitical tensions.

### **Fund Overview**

786 Islamic Money Market Fund was launched on October 22, 2024 as a Shariah-compliant open-end money market scheme, with the objective of providing competitive returns to investors by investing primarily in low-risk, Shariah-compliant money market instruments.

### **Fund Performance**

As of June 30, 2025, the net assets of the Fund stood at PKR 437.28 million, with a Net Asset Value (NAV) per unit of PKR 100.40. The Fund generated total income of PKR 8.63 million, primarily from investments and bank balances. Total expenses for the period amounted to PKR 1.63 million, resulting in net income after taxation of PKR 6.99 million. The accounting income available for distribution during the period was PKR 1.58 million.



786 ISLAMIC MONEY MARKET FUND

### Corporate Governance and Financial Reporting Framework

The Directors are pleased to state as follows:

1. The financial statements, prepared by the company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
2. Proper books of account have been maintained by the company.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained.
5. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further.
6. There are no significant doubts upon the company's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance except as disclosed in the statement of compliance annexed with these financial statements.
8. There is no statutory payment on account of taxes, duties, levies and charges outstanding.
9. During the year 2024-25, the no transactions were recorded.

The Company has complied with the requirement of the Regulation and LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 in the following manner.

The total number of directors are seven (7) as per the following:

- a) Male: 6
- b) Female: 1

The Composition of board is as follows:

Category	Names	Designation
Independent Directors	Mr. Ahmed Salman Munir Syed Shabahat Hussain Mr. Ahmer Zia Sarwar	Chairperson Director Director
Executive Director	Ms. Tara Uzra Dawood	Chief Executive Officer
Non-Executive Directors	Syed Musharaf Ali Mr. Naveed Ahmed Mr. Iqbal Shafiq	Director Director Director
Female Directors	Ms. Tara Uzra Dawood	Chief Executive Officer



## 786 ISLAMIC MONEY MARKET FUND

### Board of Directors Meetings

During the year, four meetings were held. The attendance of each Director is as follows:

Name	No of Meetings held	No of Meetings attended	Leave granted
Ms. Tara Uzra Dawood	4	4	-
Mr. Iqbal Shafiq	4	4	-
Syed Musharaf Ali	4	4	-
Nadeem Akhtar	4	3	-
Mr. Ahmed Salman Munir	4	4	-
Mr. Naveed Ahmed	4	4	-
Mr. Ahmer Zia Sarwar	4	4	-

### Audit Committee Meeting

During the year, four meetings were held. The attendance of each member is as follows:

Name	No of Meetings held	No of Meetings attended	Leave granted
Ahmer Zia Sarwar	4	4	-
Syed Musharaf Ali	4	4	-
Mr. Naveed Ahmed	4	4	-

### Directors Remuneration

The remuneration of the Non-Executive Directors, Independent Directors and Chief Executive Officer for attending Board and its Committees meetings is determined by the Company in the General Meeting. The remuneration of the Directors is determined on the basis of prevailing industry trends and business practices. The details of remuneration paid to the Chief Executive Officer and Directors are available in note 32 to the financial statements.

### Auditors

The Auditors M/s Reanda Haroon Zakaria & Co Chartered Accountants, have given their consent to continue as auditors of the Fund. The Board Audit Committee has recommended their re-appointment for the year ending June 30, 2026, for 786 Islamic Money Market Fund, which has been duly approved by the Board along with a 10% increase in their audit fee.

### Dividend

The Board of Directors announced a cash dividend of PKR 4.16138 per unit on June 24, 2025.

### Sales and Redemption Units

During the period, 5,597,861 units amounting to PKR 569.89 million were issued, while 1,242,525 units amounting to PKR 129.67 million were redeemed. As of June 30, 2025, the total number of outstanding units stood at 4,355,336, valued at PKR 437.28 million.

### Events after the Balance Sheet Date

There was no subsequent event after the Balance sheet date.



786 ISLAMIC MONEY MARKET FUND

### **Acknowledgement**

The Board of Directors of the Management Company is thankful to the Securities and Exchange Commission of Pakistan and the management of the Pakistan Stock Exchange Limited for their continued support and cooperation. The Directors also appreciate the efforts put in by the employees of the Company for their commitment and dedication and shareholders for their confidence in the Company.

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**Ahmed Salman Munir**

Director Chairperson

September 29, 2025

Karachi.





786 ISLAMIC MONEY MARKET FUND

## آڈٹ کمیٹی کا اجلاس

سال کے دوران، چار اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام	منعقدہ اجلاسوں کی تعداد	تعداد حاضری اجلاس	تعطیل
جناب احمد ضیاء سرور	4	4	-
سید شرف علی	4	4	-
جناب نوید احمد	4	4	-

## ڈائریکٹرز کا مشاہرہ

بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے نان ایگزیکٹو ڈائریکٹرز، آزاد ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کے مشاہرہ کا تعین کمیٹی اجلاس عام میں کرتی ہے۔ ڈائریکٹرز کا مشاہرہ موجودہ انڈسٹری رجحانات اور کاروباری پیکسز کی بنیاد پر معین کیا جاتا ہے۔ چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کو ادائے جانے والے مشاہرہ کی تفصیلات مالی حسابات کے نوٹ 33 میں دستیاب ہیں۔

## محاسب کا تقرر

محاسب میسرز ریندا ہارون زکریا اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے کمیٹی کے آڈیٹر کے طور پر کام کرنے پر رضامندی ظاہر کی ہے۔ بورڈ آڈٹ کمیٹی نے 30 جون 2026 کو ختم ہونے والے سال کے لیے 1786 ملاک مئی مارکیٹ فنڈ کے لیے ان کی دوبارہ تقرری کی سفارش کی اور بورڈ نے آئی آئی آڈٹ فیس میں 10% اضافہ کے ساتھ اس کی توثیق کی ہے۔

## ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 24 جون 2025 کو 4.16138 روپے فی یونٹ نقد ڈیویڈنڈ کا اعلان کیا ہے۔

## پینس کی بیلز اور ریٹرنس

اس عرصہ کے دوران، 569.89 ملین روپے کی مالیت کے 5,597,861 پینس جاری، جبکہ 129.67 ملین روپے کی مالیت کے 1,242,525 پینس کی ریٹرنس کی گئی۔ 30 جون 2025 تک، بقایا پینس کی کل تعداد 4,355,336 تھی، جس کی مالیت 437.28 ملین روپے تھی۔

## بعد از بیلنس شیٹ واقعات

بیلنس شیٹ کی تاریخ کے بعد کوئی دیگر واقعہ نہیں ہوا۔

## اظہار تشکر

مینیجمنٹ کمیٹی کے بورڈ آف ڈائریکٹرز قابل قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کے شکر گزار ہیں۔ ڈائریکٹرز عزم، لگن اور محنت پر کمیٹی کے ملازمین اور انتظامیہ کا اور کمیٹی میں اعتماد پر شیئرز ہولڈرز کا بھی شکریہ ادا کرتے ہیں۔

ڈائریکٹر

احمد سلمان مینر  
چیرمین

29 ستمبر 2025ء

کراچی



## 786 ISLAMIC MONEY MARKET FUND

- 5 اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
  - 6 کمپنی کے گورننگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
  - 7 کارپوریٹ گورنس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے سوائے جن کامائی گوشواروں کے ساتھ منسلک تعلیمی بیان میں انکشاف کیا گیا۔
  - 8 ٹیکسز، ڈیویڈنڈ، لیویز اور بقایا چارجز کی مد میں کوئی قانونی ادائیگی نہیں ہے۔
  - 9 سال 2024-25 کے دوران، کوئی لین دین نہیں کیا گیا۔
- کمپنی نے درج ذیل انداز میں اس کی کمپنیز (کوڈ آف کارپوریٹ گورنس) ریگولیشنز 2019 اور ریگولیشن کے تقاضوں کی تعمیل کی ہے۔
- ڈائریکٹرز کی کل تعداد سات (7) درج ذیل کے مطابق ہے:

(a)۔ مرد 6

(b)۔ خاتون 1

بورڈ کی ترتیب درج ذیل ہے:

کمیٹری	نام	عہدہ
آزاد ڈائریکٹر	جناب احمد سلمان منیر سید ندیم اختر جناب احمد رضا ہرور	چیئر پرسن ڈائریکٹر ڈائریکٹر
ایگزیکٹو ڈائریکٹر	محترمہ تارا عزا راداد	چیف ایگزیکٹو آفیسر
نان ایگزیکٹو ڈائریکٹر	سید مشرف علی جناب نوید احمد جناب اقبال شفیق	ڈائریکٹر ڈائریکٹر ڈائریکٹر
خاتون ڈائریکٹر	محترمہ تارا عزا راداد	چیف ایگزیکٹو آفیسر

### بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران، چار اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام	منعقدہ اجلاس کی تعداد	اجلاسوں میں شرکت کی تعداد	تعطیل
محترمہ تارا عزا راداد	4	4	-
جناب اقبال شفیق	4	4	-
سید مشرف علی	4	4	-
جناب ندیم اختر	4	3	-
جناب احمد سلمان منیر	4	4	-
جناب نوید احمد	4	4	-
جناب احمد رضا ہرور	4	4	-



786 ISLAMIC MONEY MARKET FUND

## مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

786 اسلامک منی مارکیٹ فنڈ کی مینجمنٹ کمپنی 786 انویسٹمنٹ لمیٹڈ (786 یا دی کمپنی) کے بورڈ آف ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کی سالانہ رپورٹ اور نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### اقتصادی جائزہ:

2025 کے وسط میں عالمی معیشت میں بڑھتی ہوئی غیر یقینی صورتحال پائی گئی، دوسری ششماہی میں 2.6 فیصد تک اعتدال پسند ہونے سے قبل 2025 میں نمو 3.0 فیصد رہنے کا تخمینہ تھا، تجارتی فریکشن، قرض کے زیادہ اخراجات اور سپلائی چین میں رکاوٹوں کی عکاسی کرتی ہے۔ افراط زر میں کمی آئی لیکن تاہم امریکی افراط زر 4.2% ہدف کی سطح سے زیادہ پیش گوئی کی ہے۔ شمالی امریکہ میں، امریکی نمو 2024 میں 2.8 فیصد سے 2025 میں تیزی سے 1.6 فیصد رہنے کی توقع ہے، جبکہ کینیڈا میں بھی 1.6 فیصد کی پیش گوئی کی گئی ہے۔ جرمنی زبردباؤ ہونے کے ساتھ، یورپی یونین کے صرف 1.0 فیصد تک پھیلنے کا امکان ہے، حالانکہ سروس سے چلنے والی معیشتیں جیسے کہ اسپین اور یونان چلک کا مظاہرہ کرتی ہیں۔ ایشیائی پیسیفک میں، ہندوستان Q1 2025 میں 7.4% نمو کے ساتھ مضبوط رہا ہے، اس کے برعکس مشرقی ایشیائی معیشتیں امریکی ٹریف اور جاپان کی بڑھتی ہوئی بانڈ کے شرح منافع کی وجہ سے کمزور ہیں۔ چین کی نمو کا تخمینہ 4.6 فیصد ہے، جو کمزور برآمدات اور جائیداد کے شعبے میں مشکلات کا شکار ہے۔ مشرق وسطیٰ کو امریکی - چینی سرمایہ کاری کے باوجود تیل کی گرتی ہوئی قیمتوں کا سامنا ہے، جبکہ سب صحارائے افریقہ میں 3.6 فیصد نمو کی پیش گوئی کی گئی ہے، حالانکہ زیادہ ڈیٹ اسٹیکام کو نقصان پہنچاتا ہے۔ مجموعی طور پر، عالمی خطرات کا رجحان نیچے کی طرف ہے، جس سے کاروباروں کو فعال رہنے، مارکیٹوں کو متنوع بنانے، اور اتار چڑھاؤ کو کم کرنے کے لیے لاگت کے انتظام پر توجہ دینے کی ضرورت ہے۔

مئی 2025 میں پاکستان کا کرنٹ اکاؤنٹ خسارہ 103 ملین امریکی ڈالر درج کیا گیا۔ تاہم، 11MFY25 کے لیے مجموعی کرنٹ اکاؤنٹ بیلنس بنیادی طور پر مضبوط ترسیلات زر کی بدولت 1.81 بلین امریکی ڈالر سرپلس رہا۔ 20 جون 2025 تک، بیرونی قرضوں کی ادائیگی کی وجہ سے اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر 9.06 بلین امریکی ڈالر تک 11 ماہ کی کم ترین سطح پر آ گئے۔ بعد ازاں، ذخائر کو دوبارہ بھریا گیا کیونکہ مرکزی بینک نے تجارتی اور کثیرالطرفہ رقم کی مد میں 3.6 بلین امریکی ڈالر حاصل کیے، ذخائر کو مالی سال 25 کے ہدف سے زیادہ اور ملک کی بیرونی پوزیشن کو مضبوط کیا گیا۔

### منی مارکیٹ کا جائزہ:

مانیٹری پالیسی کمیٹی نے 16 جون 2025 کو اپنے اجلاس میں پالیسی شرح کو منی میں ہیڈ لائن افراط زر بڑھ کر 3.5 فیصد تک پہنچ جانے کی وجہ سے وسیع طور پر توقعات کے مطابق 11 فیصد پر برقرار رکھا، جبکہ افراط زر کی توقعات معتدل تھیں۔ مالی سال 25 کے لیے عارضی پی ڈی پی کی نمو 2.7 فیصد رہی، حکومت نے مالی سال 26 میں 4.2 فیصد کا ہدف رکھا، جس کی مدد سے صنعتی اور خدمات کی سرگرمیوں میں بہتری آئی۔ کرنٹ اکاؤنٹ نے جولائی تا اپریل مالی سال 25 کے دوران 1.9 بلین امریکی ڈالر کا سرپلس درج کیا، جو کہ مضبوط ترسیلات زر کی حمایت سے ممکن ہوا، اگرچہ بڑھتی ہوئی درآمدات نے تجارتی خسارہ بڑھا دیا۔ جن کے اوائل میں اسٹیٹ بینک کے ذخائر 11.7 بلین امریکی ڈالر تک پہنچ گئے اور توقع ہے کہ منصوبہ بند رقم کی آمد پر سال کے آخر تک بڑھ کر 14 بلین امریکی ڈالر ہو جائیں گے۔ بنیادی سرپلس پی ڈی پی کے 2.2 فیصد تک بہتر ہونے کے ساتھ، مالیاتی اشاریے مضبوط ہوئے، جبکہ مالی سال 26 کے لیے 2.4 فیصد کا ہدف مقرر کیا گیا ہے۔ افراط زر کے 5-7 فیصد ہدف کی حد کے اندر رہنے کا امکان ہے، حالانکہ بیرونی شعبے کے دباؤ، تیل کی غیر مستحکم قیمتوں اور جغرافیائی سیاسی تناؤ سے خطرات برقرار ہیں۔

### فنڈ کا جائزہ

786 اسلامک منی مارکیٹ فنڈ کا آغاز 22 اکتوبر 2024 کو شریعت کے مطابق اوپن اینڈ منی مارکیٹ اسکیم کے طور پر کیا گیا، جس کا مقصد بنیادی طور پر کم خطرہ والے شریعت کے مطابق منی مارکیٹ کے آلات میں سرمایہ کاری کر کے سرمایہ کاروں کو مسابقتی منافع فراہم کرنا ہے۔

### فنڈ کی کارکردگی

30 جون 2025 تک، فنڈ کے خالص اثاثے 437.28 ملین روپے رہے، جس کی خالص اثاثہ قیمت (NAV) فی یونٹ 100.40 روپے تھی۔ فنڈ نے بنیادی طور پر سرمایہ کاری اور بینک بیلنس سے 8.63 ملین روپے کی کل آمدنی حاصل کی۔ اس مدت کے لیے کل اخراجات 1.63 ملین روپے ہوئے، جس کے نتیجے میں ٹیکس کے بعد خالص آمدنی 6.99 ملین روپے ہوئی۔ اس مدت کے دوران تقسیم کے لیے دستیاب اکاؤنٹ آمدنی 1.58 ملین روپے تھی۔

### کارپوریٹ گورننس اور مالیاتی رپورٹنگ کا دائرہ کار

ڈائریکٹرز بخوشی بیان کرتے ہیں کہ:

1. کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکٹیوٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
2. کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
3. مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
4. مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف اور وضاحت کی گئی ہے۔



786 ISLAMIC MONEY MARKET FUND

## **REPORT OF THE FUND MANAGER FOR THE YEAR ENDED 30 JUNE 2025**

### **Description of Collective Investment Scheme Category and Type**

Shariah Compliant Income/Open end

### **Fund Objective**

The objective of the Fund is to ensure maximum preservation of capital while delivering a competitive and reasonable rate of return through strategic investments in highly liquid, Shariah-compliant money market instruments.

### **Explanation as to whether the Collective Investment Scheme Achieved Its Stated Objective**

The Collective Investment Scheme achieved its stated objective.

### **Fund Performance**

As of June 30, 2025, the net assets of the Fund stood at **PKR 437.28 million**, with a Net Asset Value (NAV) per unit of **PKR 100.40**. The Fund generated total income of **PKR 8.63 million**, primarily from investments and bank balances. Total expenses for the period amounted to **PKR 1.63 million**, resulting in net income after taxation of **PKR 6.99 million**. The accounting income available for distribution during the period was **PKR 1.58 million**.

### **Fund Return**

Benchmark: 90% three months PKISRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated Scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.

<b>Period</b>	<b>June-2025</b>	<b>FYTD-2025</b>
Return (%)	8.64%	10.45%
Benchmark (%)	6.63%	9.93%

### **Asset Allocation (2025)**

<b>Credit Quality</b>	<b>Jun-25</b>
AA	51.45%
A+	47.86%
Unrated	0.69%

### **Changes in Total NAV and NAV per Unit since the Last Review Period**

<b>June 30, 2025</b>	<b>June 30, 2025</b>
<b>437.28 Million</b>	<b>100.4003</b>



## 786 ISLAMIC MONEY MARKET FUND

### Investment Strategy

The Fund shall mainly invest in Shariah-compliant authorized instruments, subject to the exposure limits specified under the Rules, Regulations, and directives issued by SECP from time to time.

### Dividend

The Board of Directors announced a cash dividend of **PKR 4.16138** per unit on June 24, 2025.

### Pattern of Unit Holding

S. No.	Category	No of Unit Holders	Unit Held	Amount	% of Total
1	Associated Companies	3	3,448,752	346,255,686	79.18
2	Individuals	-	-	-	0.00
3	Insurance Companies	1	747,970	75,096,413	17.17
4	Others	3	158,614	15,924,797	3.64
<b>TOTAL</b>		<b>7</b>	<b>4,355,336</b>	<b>437,276,896</b>	<b>100.00</b>

### Economic Review:

The global economy is confronting with slower economic growth and high inflationary pressures due to the Russia-Ukraine conflict and subsequent supply chain disruptions. The impact of war has revised the global growth forecast downward by 0.8 and 0.2 percentage points to 3.6 percent in both 2022 and 2023. Global commodity prices showed mixed trend in the month of May, 2022. The projection for economic growth of European Economies has been revised downwards by 1.1 percentage points to 2.8 percent. Similarly, the outlook for advanced and emerging economies also revised downwards by 0.6 and 1.0 percentage points, respectively. In the medium-term, the outlook is revised downwards for all groups, except commodity exporters who are benefitting from the surge in energy and food prices. The fiscal deficit in Jul-Apr FY2022 was recorded at 4.9 percent of GDP. The primary balance posted a deficit of Rs 890 billion. During the period 1st July - 03rd June, FY2022 money supply (M2) witnessed growth of 8.4 percent (Rs 2,050.2 billion) as compared to growth of 9.8 percent (Rs 2,042.2 billion) in last year. During Jul-May FY2022, the current account deficit was recorded at \$ 15.2 billion.

### Money Market Review:

Monetary Policy Committee (MPC) has increased the policy rate by 250 bps to 12.25 percent in its meeting held on 07th April 2022, on account of significant uncertainty around the outlook for international commodity prices and global financial condition. During 1st July - 01st April, FY22 money supply (M2) observed growth of 2.7 percent (Rs. 665.5 billion) as compared to growth of 6.7 percent (Rs. 1,439.5 billion) last year. Within M2, Net



# 786 ISLAMIC MONEY MARKET FUND

Foreign Assets (NFA) decreased by Rs 1,198.9 billion as compared to an increase of Rs 704.7 billion last year, shows pressure on external front. Net Domestic Assets (NDA) of the banking sector increased by Rs. 1,864.4 billion as compared Rs. 734.8 billion last year. Under the borrowing for budgetary support, government has borrowed Rs. 895.7 billion against the borrowing of Rs. 711.1 billion last year. Government has retired Rs. 52.4 billion to SBP against the retirement of Rs. 1,194.8 billion last year. Government has borrowed Rs. 843.2 billion from Scheduled banks against the borrowing of Rs 1,905.9 billion last year. Under the head of net government borrowing, government has borrowed Rs 840.6 billion as compared to the borrowing of Rs. 600.3 billion over the previous year. Private Sector has borrowed Rs 1,198.3 billion as compared Rs 443.7 billion last year showing a growth of 20.8 percent as on 01st April, FY2022.

## Other Disclosure under NBFC Regulations 2008:

The Fund Manager hereby makes the following disclosures as required under NBFC Regulations 2008;

- The Management Company or any of its delegates did not receive any soft commission (goods & services) from any of its brokers/dealers by virtue of transactions conducted by the Fund.
- There was no unit split undertaken during the year.
- Investments are subject to market risk that may materially affect any interests of unit holders

S. No.	Category	No of Unit Holders	Unit Held	Amount	% of Total
1	<b>Associated Companies</b>				
	786 Investments Limited	1	1,294,047	129,922,658	29.71
	Dawood Family Takaful Limited	1	996,985	100,097,605	22.89
2	<b>Individuals</b>	-	-	-	0.00
3	<b>Insurance Companies</b>	1	747,970	75,096,413	17.17
4	<b>Bank/DFIs</b>	-	-	-	-
5	<b>Modaraba / Mutual Funds</b>	-	-	-	-
6	<b>Others</b>	4	1,316,334	132,160,220	30.22
	<b>TOTAL</b>	7	4,355,336	437,276,896	100.00



786 ISLAMIC MONEY MARKET FUND

**DETAILS OF PATTERN OF HOLDINGS (UNITS)  
AS AT JUNE 30, 2025**

Number Of Certificate holders	Certificate Holding		Number Of Certificates
	From	To	
-	0.0001	- 9,999.9999	-
2	10,000	- 49,999.9999	74,662
1	50,000	- 99,999.9999	83,953
-	100,000	- 499,999.9999	-
2	500,000	- 999,999.9999	1,744,955
2	1,000,000	- 14,999,999.9999	2,451,766
-	15,000,000	- 99,999,999.9999	-
<b>7</b>			<b>4,355,336</b>

S. No.	Category	No of Unit Holders	Unit Held	Amount	% of Total
<b>1</b>	<b>Associated Companies</b>				
	786 Investments Limited	<b>1</b>	<b>1,294,047</b>	<b>129,922,658</b>	<b>29.71</b>
	Dawood Family Takaful Limited	<b>1</b>	<b>996,985</b>	<b>100,097,605</b>	<b>22.89</b>
<b>2</b>	<b>Individuals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
<b>3</b>	<b>Insurance Companies</b>	<b>1</b>	<b>747,970</b>	<b>75,096,413</b>	<b>17.17</b>
<b>4</b>	<b>Bank/DFIs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5</b>	<b>Modaraba / Mutual Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6</b>	<b>Others</b>	<b>4</b>	<b>1,316,334</b>	<b>132,160,220</b>	<b>30.22</b>
	<b>TOTAL</b>	<b>7</b>	<b>4,355,336</b>	<b>437,276,896</b>	<b>100.00</b>



786 ISLAMIC MONEY MARKET FUND

**DETAILS OF PATTERN OF HOLDINGS (UNITS)  
AS AT JUNE 30, 2025**

<b>S. No.</b>	<b>Category</b>	<b>No of Unit Holders</b>	<b>Unit Held</b>	<b>Amount</b>	<b>% of Total</b>
1	Associated Companies	2	2,291,032	230,020,263	52.60
2	Individuals	0	-	-	0.00
3	Insurance Companies	1	747,970	75,096,413	17.17
4	Others	4	1,316,334	132,160,220	30.22
<b>TOTAL</b>		<b>7</b>	<b>4,355,336</b>	<b>437,276,896</b>	<b>100.00</b>



September 29, 2025



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in 786 Islamic Money Market fund managed by 786 Investments Limited are permissible and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz  
Member Shariah Council



Faraz Younus Bandukda, CFA  
Chief Executive



## 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 year ended June 30, 2025 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 year ended June 30, 2025.

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.

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#### KARACHI

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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: September 29, 2025

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## INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF 786 ISLAMIC MONEY MARKET FUND

### *Opinion*

We have audited the annexed financial statements of **786 Islamic Money Market Fund (the fund)** which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, the statement of movement in unit holder's fund and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statement gives a true and fair view of the financial position of the Fund as at June 30, 2025 and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting and reporting standard as applicable in Pakistan

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Information Other than the Financial Statements and Auditor's Report Thereon*

Management is responsible for the other information. The Other Information comprises the information included in the Company's Annual Report does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

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### **Reanda Haroon Zakaria Aamir Salman Rizwan & Company** Chartered Accountants

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***Responsibilities of Management and Board of Directors for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### ***Report on Other Legal and Regulatory Requirements***

Further, we report that the Fund's financials statements have been prepared in accordance with the relevant provision of Non-Bank finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Farhan Ahmed Memon**.

*Reanda Haroon Zakaria Aamir Salman Rizwan & Company*  
**Reanda Haroon Zakaria Aamir Salman Rizwan & Company**  
**Chartered Accountants**

**Place:** Karachi  
**Dated:** September 29, 2025

UDIN: AR2025101471ENh7Rcv8



786 ISLAMIC MONEY MARKET FUND

**STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2025**

	<i>Note</i>	<i>2025 Rupees</i>
<b>ASSETS</b>		
Balances with banks	4	420,920,731
Investments	5	15,000,000
Accrued income/profit	6	2,462,619
Preliminary expenses and floatation costs		550,025
<b>TOTAL ASSETS</b>		<b>438,933,375</b>
<b>LIABILITIES</b>		
Payable to 786 Investments Limited - Management Company	7	98,237
Payable to Digital Custodian Company Limited - Trustee	8	56,717
Payable to Securities and Exchange Commission of Pakistan	9	16,650
Accrued expenses and other liabilities	10	1,484,875
<b>TOTAL LIABILITIES</b>		<b>1,656,479</b>
<b>Contingencies and Commitments</b>	11	-
<b>NET ASSETS</b>		<b>437,276,896</b>
<b>Unit Holders' Funds</b>		<b>437,276,896</b>
		<i>(Number)</i>
<b>NUMBER OF UNITS IN ISSUE</b>	12	<b>4,355,336</b>
		<i>(Rupees)</i>
<b>Net assets value per unit</b>		<b>100.40</b>

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

**For 786 Investments Limited.  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



786 ISLAMIC MONEY MARKET FUND

## INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	<i>Note</i>	<i>2025 Rupees</i>
<b>INCOME</b>		
Income from investments and balances with banks	13	8,631,456
<b>EXPENSES</b>		
Remuneration to the management company	7.1	-
Sindh sales tax on remuneration to the management company	7.2	43,247
Accounting and operational charges	7.3	98,237
Remuneration to the trustee	8.1	412,652
Sindh sales tax on trustee fee	8.2	61,880
Annual fee to Securities and Exchange Commission of Pakistan	9	73,679
Auditor's remuneration		361,600
Fees and subscription		250,000
Printing and related charges		27,000
Legal and professional charges		304,319
		<u>1,632,614</u>
<b>Net income for the year tax</b>		6,998,842
Taxation		-
<b>Net income for the year after tax</b>		<u><u>6,998,842</u></u>
<b>Allocation of net income for the year</b>		
Net income for the year		6,998,842
Income already paid on units redeemed		(5,413,939)
<b>Accounting income available for distribution:</b>		<u><u>1,584,903</u></u>
Relating to capital gain		-
Excluding capital gain		<u><u>1,584,903</u></u>
		<u><u>1,584,903</u></u>

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

**For 786 Investments Limited.  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director





786 ISLAMIC MONEY MARKET FUND

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2024**

	<i>Note</i>	<b>2025 Rupees</b>
Net income for the year after taxation		<b>6,998,842</b>
Unrealized Gain / (loss) on revaluation of investments classified as fair value through other comprehensive income - net	5.3	<div style="border: 1px solid black; padding: 2px; display: inline-block;">-</div>
		-
<b>Total comprehensive income for the year</b>		<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px; display: inline-block;"><b>6,998,842</b></div>

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

**For 786 Investments Limited.  
(Management Company)**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**



786 ISLAMIC MONEY MARKET FUND

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

<i>A. CASH FLOWS FROM OPERATING ACTIVITIES</i>	<i>Note</i>	<b>Rupees</b>
Net income for the year before Levy and tax		6,998,842
Adjustments For:		
Income from investments and balances with banks		(8,631,456)
<b>Operating Loss Before Working Capital Changes</b>		<b>(1,632,614)</b>
Changes in working capital		
Increase in Assets		
Preliminary expenses and floatation costs		(550,025)
Increase in Liabilities		
Payable to 786 Investments Limited - Management Company		98,237
Payable to Digital Custodian Company Limited - Trustee		56,717
Payable to Securities and Exchange Commission of Pakistan		16,650
Accrued expenses and other liabilities		1,484,875
		<u>1,656,479</u>
<b>Cash generated from operations</b>		<b>(526,160)</b>
Income taxes paid		-
Finance cost paid		-
<b>Net cash used in operating activities</b>		<b>(526,160)</b>
<i>B. CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Proceeds from Investments - net		(15,000,000)
Profit received on investments and balances with banks		6,168,837
<b>Net cash Used in from operating activities</b>		<b>(8,831,163)</b>
<i>C. CASH FLOWS FROM FINANCING ACTIVITIES</i>		
Amounts received against issue of units		569,893,598
Payment made against redemption of units		(129,666,452)
Refund of Capital		(8,261,307)
Dividend paid		(1,687,785)
<b>Net cash generated from financing Activities</b>		<b>430,278,054</b>
<b>Net decrease in cash and cash equivalents</b>		<b>420,920,731</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>-</b>
<b>Cash and cash equivalents at end of the year</b>	4	<b>420,920,731</b>

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

**For 786 Investments Limited.  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



786 ISLAMIC MONEY MARKET FUND

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2025			
	Capital Value	Undistributed Income	Unrealized Gain/ (Loss) on Investment	Total
	----- Rupees -----			
<b>Issue of 5,597,861 units</b>				
- Capital value (at net asset value per unit at the beginning of the period)	559,786,071	-	-	559,786,071
- Element of income	10,107,527	-	-	10,107,527
<b>Total proceeds on issuance of units</b>	<b>569,893,598</b>	<b>-</b>	<b>-</b>	<b>569,893,598</b>
<b>Redemption of 1,242,525 units</b>				
- Capital value (at net asset value per unit at the beginning of the period)	(124,252,513)	-	-	(124,252,513)
- Amount paid out of element of income	-	(5,413,939)	-	(5,413,939)
- Refund/adjustment on units as element of income	-	-	-	-
<b>Total payments on redemption of units</b>	<b>(124,252,513)</b>	<b>(5,413,939)</b>	<b>-</b>	<b>(129,666,452)</b>
Net income for the year before Levy and tax	-	6,998,842	-	6,998,842
Refund of Capital	(8,261,307)	-	-	(8,261,307)
Other comprehensive income/ (loss)	-	-	-	-
Distribution for the period @ 4.16138 per unit on June 24, 2025	-	(1,687,785)	-	(1,687,785)
	(8,261,307)	5,311,057	-	(2,950,250)
<b>Net assets at end of the period</b>	<b>437,379,778</b>	<b>(102,882)</b>	<b>-</b>	<b>437,276,896</b>
<b>Undistributed (loss)/income brought forward</b>				
- Realized Income		-		
- Unrealized income		-		
		-		
<b>Accounting income available for distribution</b>				
- Relating to capital gain		1,584,903		
- Excluding capital gain		-		
		1,584,903		
Distribution during the period		(1,687,785)		
Undistributed Income carried forward		(102,882)		
<b>Undistributed Income carried forward</b>				
- Realized Income		(102,882)		
		(102,882)		
Net assets value per unit at end of the period		100.40		

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

**For 786 Investments Limited.  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



786 ISLAMIC MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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/786MMF/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.
- 1.3 The Fund aims to provide a stable stream of income to its unit holders, with a focus on capital preservation by investing in banks and money market instruments rated AA or higher.
- 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" 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 February 29 2024, 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 Accounting Estimates and Judgements

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.



786 ISLAMIC MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 3.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Taxation (notes 3.4 and 16)
- Classification and measurement of financial liabilities (note 3.1.2.1)
- Contingencies and commitments (note 12)

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

### 2.3 Basis of measurement

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

### 2.4 Functional and presentation currency

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

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods in these financial statements.

### 3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

#### 3.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

##### 3.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

##### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

##### Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (OCI), profit income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.



786 ISLAMIC MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

#### 3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

##### Basis of valuation of government debt securities:

The government debt securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKISRV rates) which are based on the remaining tenor of the securities.

##### Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises the same as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned Circulars after the taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk.

The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/-50 bps. For unrated securities the allowable limits +50 bps.

#### 3.1.1.3 Impairment of financial assets

Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Management Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

#### 3.1.1.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when: - the rights to receive cash flows from the asset have expired; or the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset;

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset;



786 ISLAMIC MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 3.1.2 Financial liabilities

#### 3.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fair value through profit or loss.

#### 3.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

#### 3.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

### 3.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

### 3.4 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 ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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.

### 3.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end / reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

### 3.1.2 Financial liabilities

#### 3.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.



786 ISLAMIC MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fair value through profit or loss.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

### 3.8 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income / profit from investments in sukuks, government securities, certificate of musharka, bai mujjal and commercial paper is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.
- Dividend income is recognised when the right to receive the dividend is established.

### 3.9 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the income statement on an accrual basis.

### 3.10 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.

		<i>2025</i>
	<i>Note</i>	<i>Rupees</i>
<b>4 BALANCES WITH BANKS</b>		
- Saving accounts	4.1	<u><u>420,920,731</u></u>
4.1 These saving accounts carry profit at rates ranging from 9% to 11% per annum.		
<b>5 INVESTMENTS</b>		
Unlisted - Sukuk certificates		<u><u>15,000,000</u></u>
<b>5.1 At fair value through other comprehensive income</b>		
Cost / Carrying Value of Investment	5.2	15,000,000
Net unrealized gain in fair value of investments-closing		-
Fair value of investments		<u><u>15,000,000</u></u>





786 ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

		<i>As at July 01, 2024</i>	<i>Purchases during the period</i>	<i>Sold / Matured During the Year</i>	<i>As at June 30, 2025</i>	<i>Cost/ Carrying Value</i>	<i>Market Value</i>	<i>% of Total Investment</i>
	<i>Note</i>	<i>----- Number of certificates -----</i>				<i>----- Rupees -----</i>		
<i>At fair value through other comprehensive income</i>								
<i>Unlisted - Sukuk certificates</i>								
<i>Face Value of Rs. 1,000,000/- each</i>								
Lucky Electric Power Company Ltd Sukuk-21	5.2.1	-	5	-	5	5,000,000	5,000,000	33%
PTCL Sukuk STS-XI ( 19-3-2025 )	5.2.2	-	10	-	10	10,000,000	10,000,000	67%
<i>At fair value through other comprehensive income</i>						<b>15,000,000</b>	<b>15,000,000</b>	100%

5.2.1 The Fund had invested in Short Term Sukuk (Issue 21) issued by The Lucky Electric Power Company Limited amounting to PKR 6,000 million. These Sukuk are unsecured and carry a profit rate equivalent to the 6-month KIBOR, payable semi-annually in arrears. The Sukuk certificates are scheduled to mature on August 18, 2025.

5.2.2 The Fund has invested in Short Term Sukuk (STS XI) issued by PTCL, amounting to PKR 5 billion. These Sukuk are unsecured and carry a profit rate equivalent to the 6-month KIBOR plus 0.05%, payable semi-annually in arrears. The Sukuk certificates are scheduled to mature on September 19, 2025.

	<i>Note</i>	<i>2025 Rupees</i>
<i>Unrealized gain on revaluation of investments classified as fair value through other comprehensive income - net</i>		
Fair value of investments		<b>15,000,000</b>
Less: Cost/Carrying Value of Investment		<b>(15,000,000)</b>
Less: Net unrealized gain in fair value of investments - Opening		-
		-
<b>6 ACCRUED INCOME/PROFIT</b>		
- Income from profit and loss sharing (PLS) accounts		<b>563,959</b>
- Income from sukuk certificates		<b>1,898,660</b>
		<b>2,462,619</b>
<b>7 PAYABLE TO 786 INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>		
Management remuneration	7.1	-
Sindh sales tax payable	7.2	-
Accounting and operational charges	7.3	<b>98,237</b>
		<b>98,237</b>

7.1 In accordance with the provisions of the Trust Deed of the Fund, the Management Company is entitled to charge remuneration at the rate of 1.5% per annum on the average annual net assets of the Fund, calculated on a daily basis. However, the Management Company is currently not charging any management fee.

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



**786 ISLAMIC MONEY MARKET FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

- 7.3** Pursuant to the amendments introduced in the NBFC Regulations, 2008 vide S.R.O. 600(I)/2025 dated April 10, 2025, certain expenses are no longer eligible to be charged to the Collective Investment Schemes (CIS). These include registrar services, accounting, operation and valuation services, along with other specified costs.

Accordingly, effective from the date of notification, the Fund has not charged any accounting, registrar, operational, or valuation-related expenses to the Scheme.

		<i>2025</i>
	<i>Note</i>	<i>Rupees</i>
<b>8 PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE</b>		
Trustee Remuneration	8.1	49,319
Sindh sales tax payable on Trustee remuneration	8.2	7,398
		<u>56,717</u>

- 8.1** 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.

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

**9 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>2025</i>
	<i>Note</i>	<i>Rupees</i>
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Other liabilities	10.1	550,025
Accrued expenses	10.2	934,850
		<u>1,484,875</u>

- 10.1** This represents payable to 786 Investment Limited in respect of preliminary expenses.

**10.2 Accrued expenses**

Auditors' remuneration payable	361,600
Rating fee payable - PACRA	100,000
PSX fee payable	150,000
Printing and related expenditure payable	19,000
Shariah and tax advisors fee payable	304,250
	<u>934,850</u>

**11 CONTINGENCIES AND COMMITMENTS**

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



786 ISLAMIC MONEY MARKET FUND

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

	2025 <i>Number of Units</i>
<b>12 NUMBER OF UNITS IN ISSUE</b>	
Total outstanding as of July 01	-
Issued during the period	5,597,861
Redemption during the period	<u>(1,242,525)</u>
Closing units	<u>4,355,336</u>
	2025 <i>Rupees</i>
<b>13 INCOME FROM INVESTMENTS AND BALANCES WITH BANKS</b>	
- Sukuk certificates	563,959
- Profit and loss sharing (PLS) account	<u>8,067,497</u>
	<u>8,631,456</u>

**14 TOTAL EXPENSE RATIO**

As of June 30, 2025, the TER of the 786 Islamic Money Market Fund stood at 1.52% , exceeding the 2% regulatory cap due to the Fund's small size and fixed costs. The Management Company is currently not charging any management fee. Cost rationalization measures are underway to bring the TER within regulatory limits, with a continued focus on compliance and investor protection.

**15 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.

**16 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:

***Transactions during the Year Ended 786 Investments Limited - Management Company***

	<i>Note</i>	<i>Rupees</i>
Accounting and operational charges	7.3	98,237
Issue of 2,485,050 Units		<u>254,666,452</u>
Redeemed of 1,242,525 Units		<u>129,666,444</u>
Re-Invest of 215 Units		<u>21,595</u>
Refund of Capital of 51,306 Units		<u>5,141,826</u>
Dividend income		<u>28,793</u>



786 ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

<i>Digital Custodian Company Limited - Trustee</i>	<i>Note</i>	<i>Rupees</i>
Remuneration of the Trustee	8.1	412,652
Sales tax on Trustee fee	8.2	61,880
<b>Balance as at period ended</b>		
<b>786 Investments Limited - Management Company</b>		
Investment 1,294,047 Units		129,922,658
Accounting and operational charges	7	98,237
<b>Digital Custodian Company Limited - Trustee</b>		
Remuneration payable to the Trustee	8	49,319
Sales tax payable on Trustee fee	8	7,398

16.3 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.

	<i>As at June 30, 2025</i>		
	<i>At amortized cost</i>	<i>Financial asset at fair value through other comprehensive income</i>	<i>Total</i>
<b>17 FINANCIAL INSTRUMENTS BY CATEGORY</b>			
<b>Financial assets</b>			
Balances with banks	420,920,731	-	420,920,731
Investments	-	15,000,000	15,000,000
Accrued income/profit	2,462,619	-	2,462,619
Preliminary expenses and floatation costs	550,025	-	550,025
	<b>423,933,375</b>	<b>15,000,000</b>	<b>438,933,375</b>
<b>Financial liabilities</b>			
Payable to 786 Investments Limited - Management Company	98,237	-	98,237
Payable to Digital Custodian Company Limited - Trustee	49,319	-	49,319
Payable to Securities and Exchange Commission of Pakistan	16,650	-	16,650
Accrued expenses and other liabilities	1,484,875	-	1,484,875
	<b>1,649,081</b>	<b>-</b>	<b>1,649,081</b>

18 RISK MANAGEMENT FRAMEWORK

18.1 Risk management framework

The Fund's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk.



786 ISLAMIC MONEY MARKET FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The Fund's Board of Directors has an overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by the internal audit. The internal audit undertakes regular reviews of risk management controls and procedures and the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets within prescribed time limits.

### 18.2 Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by SECP.

#### 18.2.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

#### 18.2.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

As of June 30, 2025, the Fund is exposed to such risk in respect of bank balances and investment in debt securities. The bank balances are subject to interest rates as declared by the respective banks on periodic basis. Debt securities are subject to floating interest rates other than Government securities which are subject to fixed interest rates. The sensitivity of the income or loss for the year is the effect of the assumed changes in interest rates on:

- the net interest income for one year, based on the floating rate financial assets held at the year end; and
- changes in fair value of investments for the year, based on revaluing fixed rate financial assets at the year end.

The following table demonstrates the sensitivity of Fund's income/(loss) for the year to a reasonably possible change in interest rates, with all other variables held constant. In practice, the actual results may differ from the sensitivity analysis.

<i>Change in Basis Point</i>	<i>Effect on Income 2025 Rupees</i>
+ 100	43,592,073
- 100	(43,592,073)

Yield/interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.



786 ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2025				
	Exposed to Yield / interest rate risk				
Yield / Effective Interest Rate (%)	Up to Three months	More than three months and up to one year	More than one year	Not exposed to Yield / interest rate risk	Total
<b>On-Balance Sheet</b>	----- Rupees -----				
<b>Financial Assets</b>					
Balances with banks	420,920,731	-	-	-	420,920,731
Investments	15,000,000	-	-	-	15,000,000
Accrued income/profit	-	-	-	2,462,619	2,462,619
Preliminary expenses and floatation costs	-	-	-	550,025	550,025
	435,920,731	-	-	3,012,644	438,933,375
<b>Financial Liabilities</b>					
Payable to 786 Investments Limited - Management Company	-	-	-	98,237	98,237
Payable to Digital Custodian Company Limited - Trustee	-	-	-	56,717	56,717
Payable to Securities and Exchange Commission of Pakistan	-	-	-	16,650	16,650
Accrued expenses and other liabilities	-	-	-	1,484,875	1,484,875
<b>On-Balance Sheet Gap</b>	-	-	-	1,656,479	1,656,479

There is no off-balance sheet financial instrument that exist as at year end June 30, 2025.

18.2.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. At present, the Fund is not exposed to price risk.

18.3 Credit Risk

Credit risk represent the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investments and balances with banks. The Fund does not foresee any credit risk with respect to GOP Ijarah Sukuks since these are securities issued by State Bank of Pakistan on behalf of the Government of Pakistan. The credit risk on other financial assets is limited because the counter parties are mainly companies/ financial institution with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by investment committee) require the Fund to invest in debt securities that have been rate as investment grade by a well known rating agency.

18.3.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2025.

Name of Bank	Rating agency	Latest published rating		Percentage of bank balance
		Short term	Long term	
Al Baraka Bank Pakistan Limited	JCR-VIS	A1	AA-	53.65%
United Bank Limited	PACRA	A1+	AAA	46.35%
Name of issuer/issue date	Rating agency	Latest published rating of the instrument		Percentage of Sukuks
Lucky Electric Power Co. Ltd Sukuk-21	PACRA	AA		33.33%
Pakistan Telecomm. Co Ltd. Sukuk XI	JCR Vis	AA		66.67%

Concentration of credit risk

Concentration of risk exists arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly effect by changes in economic, political or other conditions. The Fund's portfolio of the financial instruments is mainly held with various banks, securities issued by State Bank of Pakistan on behalf of the Government of Pakistan and certain privately placed sukuk.



786 ISLAMIC MONEY MARKET FUND

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**18.3.2 Liquidity Risk**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, for equity securities at fair value through income statement, the period in which those assets are assumed to mature is taken as the expected date on which these assets will be realized.

2024	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 years	Total
	----- Rupees -----					
<b>Financial Liabilities</b>						
Payable to 786 Investments Limited - Management Company	-	98,237	-	-	-	98,237
Payable to Digital Custodian Company Limited - Trustee	49,319	-	-	-	-	49,319
Payable to Securities and Exchange Commission of Pakistan	16,650	-	-	-	-	16,650
Accrued expenses and other liabilities	1,484,875	-	-	-	-	1,484,875
	1,550,844	98,237	-	-	-	1,649,081

**19 UNIT HOLDERS' FUND RISK MANAGEMENT**

The Unit Holders' Fund is represented by redeemable units. The unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit as of the close of the business day less any back end load, provision for transaction cost and any provision for duty and charge, if applicable. The relevant movements are shown on the 'Statement of Movement in Unit holder's Fund.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units.

The Fund's objective when managing unit holders' fund is to safeguard the Fund's ability to continue as a going concern in order to seek maximum preservation of unit holders' fund and an optimum rate of return by investing in avenues having good credit rating and liquidity and to maintain a strong capital base to support the development of the investment activities of the Fund.

In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

The Fund meets the requirements of sub-regulation 54(3a) which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all times during the life of the scheme.

**20 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair Value Measurement defines fair value as the price that would be received to sale an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The fair value of financial assets and liabilities traded in active market are based on the quoted market price at the close of trading on the period end date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying values as the items are either short-term in nature or periodically repriced.

**Debt Securities**

These are valued at the rates notified by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the SECP's Circular 1 of 2009. The said circular prescribes a valuation methodology which in case of currently traded securities, is based on weighted average prices during the 15 days preceding the valuation date and in case of thinly or non-traded securities, on the basis of discount coupon method which takes into consideration credit risk and maturities of the instruments.



786 ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

Government Securities

These are valued by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

The fair value of other assets and liabilities of the Fund approximate their carrying amount largely due to short term maturities of these instruments.

20.1 Fair Value Hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		30-Jun-25					
		Carrying amount			Fair value		
		At amortised cost	FVTOCI	Total	Level 1	Level 2	Level 3
Note		----- Rupees -----					
<b>Financial assets measured at fair value</b>							
<b>Investments</b>							
Unlisted - Sukuk certificates 20.1.1		-	15,000,000	15,000,000	15,000,000	-	-
		-	15,000,000	15,000,000	15,000,000	-	-
<b>Financial assets not measured at fair value</b>							
20.1.2							
Balances with banks		420,920,731	-	420,920,731			
Accrued income/profit		2,462,619	-	2,462,619			
Preliminary expenses and floatation costs		550,025	-	550,025			
		423,933,375	-	423,933,375			

Financial liabilities not measured  
at fair value

		Carrying amount		
		At amortised cost	FVTOCI	Total
		----- Rupees -----		
Payable to 786 Investments Limited - Management Company		98,237	-	98,237
Payable to Digital Custodian Company Limited - Trustee		49,319	-	49,319
Payable to Securities and Exchange Commission of Pakistan		16,650	-	16,650
Accrued expenses and other liabilities		1,484,875	-	1,484,875
		-	-	-
		1,649,081		1,649,081

20.1.1 Investment in sukuks are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan (SECP).

20.1.2 The Fund has not disclosed the fair values for these financial assets, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of fair value.





786 ISLAMIC MONEY MARKET FUND

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**21 SUPPLEMENTARY NON FINANCIAL INFORMATION**

**21.1 Pattern of Unit Holding**

	<i>As at 30 June 2025</i>		
	<i>Number of Unit Holders</i>	<i>Investment Amount</i>	<i>Percentage Investment</i>
	<i>----- Rupees -----</i>		
Individuals	-	-	0.00%
Associated Companies & Directors	2	230,020,263	52.60%
Insurance Companies	1	75,096,413	17.17%
Retirement Funds	-	-	0.00%
Others	4	132,160,220	30.22%
	<b>7</b>	<b>437,276,896</b>	<b>100.00%</b>

**21.2 Details of Investment Committee**

<i>Name of Member</i>	<i>Designation</i>	<i>Qualification</i>	<i>Experience</i>
Ms. Tara Uzra Dawood	Chief Executive Officer	Doctorate of Juridical Science	21 years
Mr. Noman Shakir	Chief Financial Officer and Company Secretary	ACMA	15 years
Mr. Muhammad Abbas	Fund Manager	MBA Finance	20 years
Mr. Muhammad Ali	Head of Compliance	MA Economic	4 years

**21.3 Details of Fund Manager**

Mr. Muhammad Abbas is fund manager of 786 Islamic Money Market Fund and 786 Smart Fund.

**22 Details of Board of Director's meetings**

<i>Name of Director</i>	<i>September 18, 2024</i>	<i>October 24, 2024</i>	<i>February 27, 2025</i>	<i>April 25, 2025</i>
Mr. Ahmed Salman Munir	Present	Present	Present	Present
Miss Tara Uzra Dawood	Present	Present	Present	Present
Mr. Nadeem Akhtar	N/A	Present	Present	Present
Mr. Naveed Ahmed	Present	Present	Present	Present
Syed Musharaf Ali	Present	Present	Present	Present
Mr. Iqbal Shafiq	Present	Present	Present	Present
Mr. Ahmer Zia Sarwar	Present	Present	Present	Present
Syed Shabahat Hussain	Present	N/A	N/A	N/A

**23 NUMBER OF EMPLOYEES**

The total number of employees at year-end was 10 (2024: 10), and the average number of employees during the year was 10 (2024: 9)

**17 GENERAL**

Figures have been rounded off to the nearest rupee.

**18 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue by the board of directors of the Management Company on **September 29, 2025**.

**For 786 Investments Limited.  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



786 ISLAMIC MONEY MARKET FUND

PERFORMANCE TABLE / KEY FINANCIAL DATA

Year	
2025	
Net Assets (Rs in million)	437.28
Net Asset Value per Units (Rs.)	100.40
Offer Price per Unit	101.40
Redemption Price per Unit	100.40
Number of Units	4,355,336
Net Profit for the year (Rs in million)	1.58
Income Distribution (Rs in million)	
Final	1.69
Interim	-
Average Annual Return (%)	8.64%



**786 ISLAMIC MONEY MARKET FUND**

**PROXY ISSUED BY THE FUND**

The proxy voting policy of Fund, duly approved by Board of Directors of the Management Company, is available on the website of 786 Investments Limited i.e. <http://www.786investments.com> A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

Resolutions	For	Against	Abstain
Number (%ages)	NIL	NIL	NIL



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## BOOK POST

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



**Managed By:**  
**786 Investments Limited**

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