

# KSE - MEEZAN INDEX FUND

FOLLOW THE BENCHMARK | FOCUS ON PRECISION

## INVESTMENT OBJECTIVE

To provide investors with an opportunity to closely track the performance of the KSE-Meezan Index 30 (KMI-30) by investing in its constituent companies in proportion to their weightages.

# FUND INFORMATION



KSE-Meezan  
Index Fund

## MANAGEMENT COMPANY

### Al Meezan Investment Management Limited

Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal

Karachi 74400, Pakistan.

Phone (+9221) 35630722-6, 111-MEEZAN

Fax: (+9221) 35676143, 35630808

Website: [www.almeezangroup.com](http://www.almeezangroup.com)

E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

|                         |                                      |
|-------------------------|--------------------------------------|
| Mr. Irfan Siddiqui      | Chairman                             |
| Ms. Ayesha Umer         | Non-Executive Nominee Director- PKIC |
| Ms. Danish Zuberi       | Independent Director                 |
| Mr. Feroz Rizvi         | Independent Director                 |
| Mr. Furquan Kidwai      | Independent Director                 |
| Mr. Imtiaz Gadar        | Chief Executive Officer              |
| Mr. Saad Ur Rahman Khan | Non-Executive Nominee Director- PKIC |
| Ms. Shazia Khurram      | Non-Executive Nominee Director- MBL  |
| Dr. Syed Amir Ali       | Non-Executive Nominee Director- MBL  |
| Mr. Rizwan Qamar Lari*  | Non-Executive Nominee Director- MBL  |

\* Mr. Rizwan Qamar Lari was appointed as a Director on June 5, 2026 in place of Syed Imran Ali Shah who resigned on May 21, 2026.

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Syed Haseeb Ahmed Shah

## BOARD AUDIT COMMITTEE

|                        |          |
|------------------------|----------|
| Mr. Feroz Rizvi        | Chairman |
| Ms. Ayesha Umer        | Member   |
| Mr. Rizwan Qamar Lari* | Member   |

\* Mr. Rizwan Qamar Lari was appointed as a member on June 5, 2026 in place of Syed Imran Ali Shah who resigned on May 21, 2026.

## BOARD RISK MANAGEMENT COMMITTEE

|                         |          |
|-------------------------|----------|
| Mr. Saad Ur Rahman Khan | Chairman |
| Mr. Furquan R. Kidwai   | Member   |
| Ms. Shazia Khurram      | Member   |

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

|                         |          |
|-------------------------|----------|
| Mr. Irfan Siddiqui      | Chairman |
| Mr. Furquan R. Kidwai   | Member   |
| Mr. Imtiaz Gadar        | Member   |
| Mr. Saad Ur Rahman Khan | Member   |

## BOARD IT COMMITTEE

|                       |                       |
|-----------------------|-----------------------|
| Mr. Furquan R. Kidwai | Chairman              |
| Mr. Imtiaz Gadar      | Member                |
| Mr. Faiz Ur Rehman    | Subject Matter Expert |

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B,  
S.M.C.H.S., Main Sharah-e-Faisal  
Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C, I.I.  
Chundrigar Road,  
Karachi-74000

## SHARIAH AUDITORS

M/s. Yousuf Adil  
Chartered Accountants  
Cavish Court, A-35 Shahrah-e-Faisal,  
K.C.H.S.U Block 7 & 8 Bangalore  
Town, Karachi

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13,  
Bokhari Commercial Area, Phase  
VI, DHA, Karachi.

## SHARIAH ADVISER

Dr. Muhammad Imran Usmani  
Jamia Darul Uloom Karachi  
Korangi Industrial Area  
Karachi - 75180

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

## TRANSFER AGENT

Al Meezan Investment Management Limited

## BANKERS TO THE FUND

1. Habib Metropolitan Bank Limited - Islamic Banking
2. Meezan Bank Limited
3. National Bank of Pakistan - Islamic Banking





Pure. Profit.



## REPORT OF THE FUND MANAGER KSE MEEZAN INDEX FUND (KMIF)

### Type of Fund

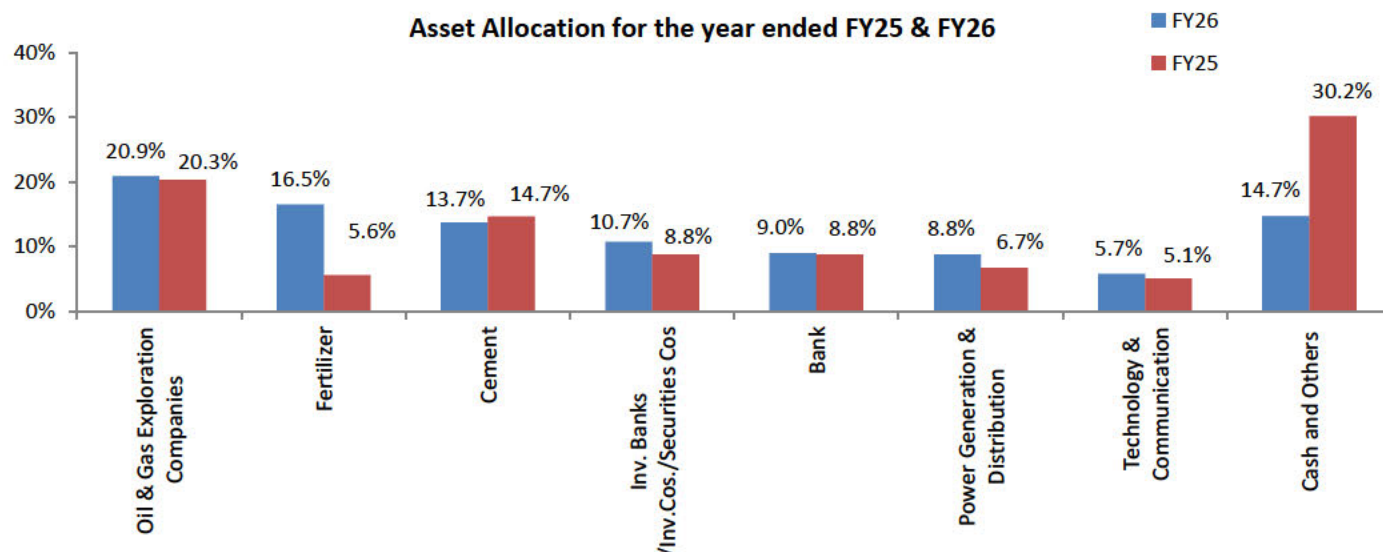
Open end index tracker fund

### Objective

The objective of KMIF is to provide investors an opportunity to track the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the Index in proportion to their weightages.

### Strategy, Investment Policy and Asset Allocation

The performance of KMIF is linked directly to the performance of KSE-Meezan Index 30 (KMI 30). The Fund Manager, Al Meezan Investment Management Limited, manages the fund with an aim to closely track the returns of the index. The Fund Manager strives to completely match the weightages of the constituent stocks of the index. Top three sectors of index are, Oil & Gas Exploration Companies (21%), Fertilizer (17) and Cement (14%). Details below:



### Performance Review

During FY26, KSE Meezan Index Fund (KMIF) provided a positive return of 38.09% to its investors while KSE Meezan Index (KMI 30) - Benchmark increased 39.18% to close at 184.7212 pts.

|                                           | KMIF     | KMI-30<br>(Benchmark) |
|-------------------------------------------|----------|-----------------------|
| Net Asset Value (NAV) as on June 30, 2025 | 139.6180 | 184,886               |
| Net Asset Value (NAV) as on June 30, 2026 | 184.7212 | 257,327               |
| Change (Points)                           | 45.1032  | 72,441                |
| * Return During the Period                | 38.09%   | 39.18%                |

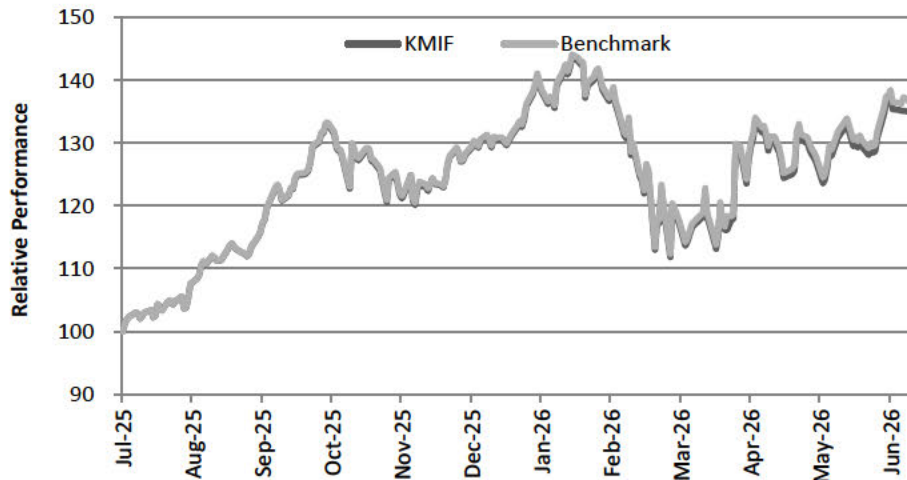
\* The performance data has been computed NAV to NAV with dividend reinvested



**Pure. Profit.**



KMIF posted a total income of Rs. 1,860 million in the fiscal year 2026 as compared to a total income of Rs. 1,709 million last year. Total income comprised of realized and unrealized gain on investments of Rs. 398 million and Rs. 1,165 million respectively. Dividend income contributed Rs. 261 million to income, while profit on saving accounts with banks amounted to Rs. 7 million. After accounting for expenses of Rs. 99 million, the Fund posted a net income of Rs. 1,761 million. The net assets of the Fund as at June 30, 2026 were Rs. 8,226 million as compared to Rs. 4,702 million at the end of last year depicting an increase of 75%. The net asset value per unit as at June 30, 2026 was Rs. 184.7212 as compared to Rs. 139.6180 per unit as on June 30, 2025.



### Charity Statement

The Fund purifies the income earned by setting aside an amount payable by the Management Company out of the income of the Trust to charitable/welfare organizations, in consultation with Shariah Advisor, representing income that is Haram. During the year ended June 30, 2026 an amount of Rs. 10 million was accrued as charity payable.

### Distributions

An interim distribution in the form of cash dividend by the Fund during the fiscal year ended June 30, 2026 was Rs. 8.00 per unit (16.00%). Total distribution made by the Fund was Rs. 343 million.

### SWWF Disclosure

Not Applicable

### Breakdown of unit holdings by size: (As on June 30, 2026)

| Range (Units)     | No. of investors |
|-------------------|------------------|
| 1 - 9,999         | 14,580           |
| 10,000 - 49,999   | 493              |
| 50,000 - 99,999   | 47               |
| 100,000 - 499,999 | 35               |
| 500,000 and above | 5                |
| <b>Total</b>      | <b>15,160</b>    |





**Pure. Profit.**



### Summary of Actual Proxy Voted by the Fund

|            | Resolutions | For  | Against | Abstain |
|------------|-------------|------|---------|---------|
| Number     | 6           | 6    | 0       | 0       |
| Percentage | 100%        | 100% | 0%      | 0%      |

The proxy voting policy of **Al Meezan Investment Management Limited**, duly approved by Board of Directors of the Management Company, is available on the website [www.almeezangroup.com](http://www.almeezangroup.com). A detailed information regarding actual proxies voted by the Management Company in respect of funds is also available without charge, upon request, to all unit holders.

**Head Office:**

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Karachi - 74400, Pakistan.  
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URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**KSE MEEZAN INDEX FUND**

**Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of KSE Meezan Index Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Securities and Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, September 15, 2026



# Dr. Muhammad Imran Usmani

**Jamia Darul Uloom Karachi**

Korangi Industrial Area Karachi, Pakistan

Postal Code 75180

Tel: +92 21 35123225

Fax: +92 21 5040234

Email: [miu786@gmail.com](mailto:miu786@gmail.com)

Ref no: IBSA/ESA/26/62

## **Report of the Shariah Advisor – KSE Meezan Index Fund (KMIF)**

August 10, 2026/Safar 26, 1448 AH

**Alhamdulillah**, the period from July 1, 2025 to June 30, 2026 was the **Fourteenth** year of operations of **KSE Meezan Index Fund** (the “**KMIF**” or the “**Fund**”) under management of Al Meezan Investment Management Limited (the “**Al Meezan**” or the “**Management Company**”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “**Report**”) in accordance with the Trust Deed of the Fund. The scope of the Report is to express an opinion on the Shariah compliance of the Fund’s activity.

In the capacity of Shariah Advisor, Guidelines and policies for Shariah compliant equity investments have been issued to the Fund. Management Company must adhere the guidelines and policies issued by Shariah Advisor. Criteria for Shariah compliance of equity investments includes (i) Nature of business should be *halal*; (ii) Ratio of interest-bearing debt to total assets should be less than 37%; (iii) Ratio of investment in Shariah non-compliant activities to total assets should be less than 33%; (iv) Ratio of Shariah non-compliant income to gross revenue should be less than 5%; (v) Illiquid assets to total assets should be at least 25% and (vi) Market price per share should be at least equal to or greater than net liquid assets per share. In addition to the above criteria, day trading, short sell and trading of right shares (LOR) before subscription are not allowed.

It is also the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the Shariah Advisor’s guidelines.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2026 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity.

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.

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**Dr. Muhammad Imran Ashraf Usmani**  
Shariah Advisor

## **INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023**

**To The Board of Directors of Al Meezan Investment Management Limited**

### **1. Introduction**

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of **KSE Meezan Index Fund (the Fund)**, for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

### **2. Applicable Criteria**

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- a) legal and regulatory framework administered by the SECP;
- b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;
- c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;
- d) guidance and recommendations of the Shariah Advisory Committee, as notified by the SECP; and
- e) approvals, rulings, or pronouncements of Shariah Supervisory Board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above.

Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended June 30, 2026, which are annexed.

### **3. Management's Responsibility for Shariah Compliance**

Management is responsible to ensure that the financial arrangements, contracts, and transactions having Shariah implications, entered into by the Fund with its unit holders, other financial institutions, and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for the design, implementation, and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.



**4. Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies International Standard on Quality Management (ISQM-1) *"Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements"*, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**5. Our Responsibility and Summary of the Work Performed**

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles in all material respects for the year ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'*, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. We have designed and performed the necessary verification procedures on various financial arrangements, contracts, and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

**6. Conclusion**

Based on our reasonable assurance engagement, we report that, in our opinion, the Fund's financial arrangements, contracts, and transactions for the year ended June 30, 2026 are in compliance with the Shariah principles (criteria specified in paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Nadeem Yousuf Adil**.



Chartered Accountants

Date: September 15, 2026

Place: Karachi

## INDEPENDENT AUDITOR'S REPORT

**To the Unit holders of KSE Meezan Index Fund**

**Report on the Audit of the Financial Statements**

### Opinion

We have audited the financial statements of KSE Meezan Index Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movements in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards 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 Fund 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S.No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1     | <p><b>Net Asset Value (NAV)</b><br/>(Refer notes 5 &amp; 6 to the financial statements)</p> <p>Balances with banks and investments constitute the most significant components of the net asset value. Balances with banks aggregated to Rs. 28.43 million and investments of the Fund amounted to Rs. 8,220.07 million as at June 30, 2026.</p> <p>The existence of balances with banks and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.</p> | <p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> <li>Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul> |

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

The Management Company (Al Meezan Investment Management Limited) is responsible for the other information. The other information comprises the information included in the annual report, but 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.

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

The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan 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, the Management Company is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund'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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.





A.F. FERGUSON & Co.

- Conclude on the appropriateness of Management Company'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 Fund'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 Fund 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 of the Management Company 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 Board of Directors of the Management Company 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 Board of Directors of the Management Company, 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**

Based on our audit, we further report that in our opinion:

- a) the financial statement have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008;
- b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of Collective Investment Scheme; and
- c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

The engagement partner on the audit resulting in this independent auditor's report is **Khattab Muhammad Akhi Baig**.

*Affegum & Co.*

A. F. Ferguson & Co.  
Chartered Accountants  
Karachi

Dated: September 18, 2026

UDIN: AR2026100811h7R1waH9

**KSE MEEZAN INDEX FUND  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2026**

|                                                                         |      | 2026                          | 2025              |
|-------------------------------------------------------------------------|------|-------------------------------|-------------------|
|                                                                         | Note | ----- (Rupees in '000) -----  |                   |
| <b>Assets</b>                                                           |      |                               |                   |
| Balances with banks                                                     | 5    | 28,433                        | 702,671           |
| Investments                                                             | 6    | 8,220,073                     | 4,713,464         |
| Receivable against conversion of units                                  |      | 57,471                        | 6,581             |
| Dividend receivable                                                     |      | 3,506                         | 1,228             |
| Receivable against sale of investments - net                            |      | -                             | 72,401            |
| Advance, deposits and other receivables                                 | 7    | 6,061                         | 7,515             |
| <b>Total assets</b>                                                     |      | <b>8,315,544</b>              | <b>5,503,860</b>  |
| <b>Liabilities</b>                                                      |      |                               |                   |
| Payable to Al Meezan Investment Management Limited - Management Company | 8    | 3,748                         | 1,197             |
| Payable to Central Depository Company of Pakistan Limited - Trustee     | 9    | 818                           | 563               |
| Payable to the Securities and Exchange Commission of Pakistan           | 10   | 606                           | 397               |
| Payable to Meezan Bank Limited - related party                          |      | 651                           | 486               |
| Payable against redemption and conversion of units                      |      | 13,278                        | 686,376           |
| Payable against purchase of investments - net                           |      | 14,003                        | -                 |
| Dividend payable                                                        |      | -                             | 58,613            |
| Accrued expenses and other liabilities                                  | 11   | 55,956                        | 54,262            |
| <b>Total liabilities</b>                                                |      | <b>89,060</b>                 | <b>801,894</b>    |
| <b>Net assets</b>                                                       |      | <b>8,226,484</b>              | <b>4,701,966</b>  |
| <b>Unit holders' fund (as per statement attached)</b>                   |      | <b>8,226,484</b>              | <b>4,701,966</b>  |
| <b>Contingencies and commitments</b>                                    | 12   |                               |                   |
|                                                                         |      | ----- (Number of units) ----- |                   |
| <b>Number of units in issue</b>                                         |      | <b>44,534,584</b>             | <b>33,677,347</b> |
|                                                                         |      | ----- (Rupees) -----          |                   |
| <b>Net asset value per unit</b>                                         |      | <b>184.7212</b>               | <b>139.6180</b>   |

The annexed notes 1 to 26 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
Director



**KSE MEEZAN INDEX FUND**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2026**

|                                                                                                                                       |      | 2026             | 2025             |
|---------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
|                                                                                                                                       | Note | (Rupees in '000) |                  |
| <b>Income</b>                                                                                                                         |      |                  |                  |
| Dividend income                                                                                                                       |      | 261,021          | 249,180          |
| Profit on savings accounts with banks                                                                                                 |      | 7,120            | 5,191            |
| Other income                                                                                                                          |      | 28,913           | 16,399           |
| Net realised gain on sale of investments                                                                                              |      | 398,248          | 858,024          |
| Net unrealised appreciation on re-measurement of investments<br>classified as 'financial assets at fair value through profit or loss' | 6.2  | 1,165,053        | 579,906          |
| <b>Total income</b>                                                                                                                   |      | <b>1,860,355</b> | <b>1,708,700</b> |
| <b>Expenses</b>                                                                                                                       |      |                  |                  |
| Remuneration of Al Meezan Investment Management Limited -<br>Management Company                                                       | 8.1  | 47,837           | 49,599           |
| Sindh sales tax on remuneration of the Management Company                                                                             | 8.2  | 7,175            | 7,440            |
| Allocated expenses                                                                                                                    | 8.3  | -                | 1,517            |
| Sindh sales tax on allocated expenses                                                                                                 | 8.2  | -                | 228              |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee                                                              | 9.1  | 7,378            | 5,960            |
| Sindh sales tax on remuneration of the Trustee                                                                                        | 9.2  | 1,107            | 894              |
| Fees to the Securities and Exchange Commission of Pakistan                                                                            | 10.1 | 6,059            | 4,712            |
| Auditor's remuneration                                                                                                                | 13   | 1,322            | 787              |
| Brokerage expenses                                                                                                                    |      | 14,981           | 22,310           |
| Charity expense                                                                                                                       | 11.2 | 10,093           | 9,848            |
| Bank and settlement charges                                                                                                           |      | 1,559            | 1,654            |
| Printing charges                                                                                                                      |      | -                | 40               |
| Fees and subscription                                                                                                                 |      | 1,330            | 585              |
| Legal and professional charges                                                                                                        |      | 160              | 73               |
| <b>Total expenses</b>                                                                                                                 |      | <b>99,001</b>    | <b>105,647</b>   |
| <b>Net income for the year before taxation</b>                                                                                        |      | <b>1,761,354</b> | <b>1,603,053</b> |
| <b>Taxation</b>                                                                                                                       | 15   | -                | -                |
| <b>Net income for the year after taxation</b>                                                                                         |      | <b>1,761,354</b> | <b>1,603,053</b> |
| <b>Allocation of net income for the year</b>                                                                                          |      |                  |                  |
| Net income for the period after taxation                                                                                              |      | 1,761,354        | 1,603,053        |
| Income already paid on units redeemed                                                                                                 |      | (700,347)        | (521,097)        |
|                                                                                                                                       |      | <b>1,061,007</b> | <b>1,081,956</b> |
| <b>Accounting income available for distribution</b>                                                                                   |      |                  |                  |
| - Relating to capital gains                                                                                                           |      | 1,061,007        | 1,081,956        |
| - Excluding capital gains                                                                                                             |      | -                | -                |
|                                                                                                                                       |      | <b>1,061,007</b> | <b>1,081,956</b> |

The annexed notes 1 to 26 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

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

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

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

**KSE MEEZAN INDEX FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2026**

|                                                | 2026             | 2025             |
|------------------------------------------------|------------------|------------------|
|                                                | (Rupees in '000) |                  |
| Net income for the year after taxation         | 1,761,354        | 1,603,053        |
| Other comprehensive income for the year        | -                | -                |
| <b>Total comprehensive Income for the year</b> | <b>1,761,354</b> | <b>1,603,053</b> |

The annexed notes 1 to 26 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
Director



**KSE MEEZAN INDEX FUND**  
**STATEMENT OF MOVEMENTS IN UNIT HOLDERS' FUND**  
**FOR THE YEAR ENDED JUNE 30, 2026**

|                                                                                                                           | 2026             |                      |             | 2025             |                      |             |
|---------------------------------------------------------------------------------------------------------------------------|------------------|----------------------|-------------|------------------|----------------------|-------------|
|                                                                                                                           | Capital value    | Undistributed income | Total       | Capital value    | Undistributed income | Total       |
|                                                                                                                           | (Rupees in '000) |                      |             | (Rupees in '000) |                      |             |
| Net assets at the beginning of the year                                                                                   | 3,375,960        | 1,326,006            | 4,701,966   | 3,574,628        | 398,135              | 3,972,763   |
| Issuance of 66,708,959 units (2025: 49,942,363 units)                                                                     |                  |                      |             |                  |                      |             |
| - Capital value (at net asset value per unit at the beginning of the year)                                                | 9,313,771        | -                    | 9,313,771   | 5,071,113        | -                    | 5,071,113   |
| - Element of income                                                                                                       | 2,503,543        | -                    | 2,503,543   | 1,585,029        | -                    | 1,585,029   |
| Total proceeds on issuance of units                                                                                       | 11,817,314       | -                    | 11,817,314  | 6,656,142        | -                    | 6,656,142   |
| Redemption of 55,851,722 units (2025: 55,390,388 units)                                                                   |                  |                      |             |                  |                      |             |
| - Capital value (at net asset value per unit at the beginning of the year)                                                | (7,797,906)      | -                    | (7,797,906) | (5,624,301)      | -                    | (5,624,301) |
| - Element of loss                                                                                                         | (1,212,841)      | (700,347)            | (1,913,188) | (1,187,545)      | (521,097)            | (1,708,642) |
| Total payments on redemption of units                                                                                     | (9,010,747)      | (700,347)            | (9,711,094) | (6,811,846)      | (521,097)            | (7,332,943) |
| Total comprehensive income for the year                                                                                   | -                | 1,761,354            | 1,761,354   | -                | 1,603,053            | 1,603,053   |
| Distribution during the year                                                                                              | -                | (181,238)            | (181,238)   | -                | (154,085)            | (154,085)   |
| Refund of capital during the year                                                                                         | (161,818)        | -                    | (161,818)   | (42,964)         | -                    | (42,964)    |
| Net income for the year less distribution                                                                                 | (161,818)        | 1,580,116            | 1,418,298   | (42,964)         | 1,448,968            | 1,406,004   |
| Net assets at the end of the year                                                                                         | 6,020,709        | 2,205,775            | 8,226,484   | 3,375,960        | 1,326,006            | 4,701,966   |
| Undistributed income brought forward                                                                                      |                  |                      |             |                  |                      |             |
| - Realised income / (loss)                                                                                                |                  | 746,100              |             |                  | (955,909)            |             |
| - Unrealised income                                                                                                       |                  | 579,906              |             |                  | 1,354,044            |             |
|                                                                                                                           |                  | 1,326,006            |             |                  | 398,135              |             |
| Accounting income available for distribution                                                                              |                  |                      |             |                  |                      |             |
| - Relating to capital gains                                                                                               |                  | 1,061,007            |             |                  | 1,081,956            |             |
| - Excluding capital gains                                                                                                 |                  | -                    |             |                  | -                    |             |
|                                                                                                                           |                  | 1,061,007            |             |                  | 1,081,956            |             |
| Distribution during the year at Rs. 8 per unit declared on June 24, 2026 (2025: Rs. 6 per unit declared on June 27, 2025) |                  | (181,238)            |             |                  | (154,085)            |             |
| Undistributed income carried forward                                                                                      |                  | 2,205,775            |             |                  | 1,326,006            |             |
| Undistributed income carried forward                                                                                      |                  |                      |             |                  |                      |             |
| - Realised income                                                                                                         |                  | 1,040,722            |             |                  | 746,100              |             |
| - Unrealised income                                                                                                       |                  | 1,165,053            |             |                  | 579,906              |             |
|                                                                                                                           |                  | 2,205,775            |             |                  | 1,326,006            |             |
|                                                                                                                           |                  | (Rupees)             |             |                  | (Rupees)             |             |
| Net asset value per unit at the beginning of the year                                                                     |                  | 139.6180             |             |                  | 101.5393             |             |
| Net asset value per unit at the end of the year                                                                           |                  | 184.7212             |             |                  | 139.6180             |             |

The annexed notes 1 to 26 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**KSE MEEZAN INDEX FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2026**

|                                                                                                                                       | Note | 2026<br>----- (Rupees in '000) ----- | 2025<br>----- (Rupees in '000) ----- |
|---------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------------------|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                                           |      |                                      |                                      |
| Net income for the year before taxation                                                                                               |      | 1,761,354                            | 1,603,053                            |
| <b>Adjustments for:</b>                                                                                                               |      |                                      |                                      |
| Net unrealised appreciation on re-measurement of investments<br>classified 'as financial assets at fair value through profit or loss' | 6.2  | (1,165,053)                          | (579,906)                            |
| Dividend income                                                                                                                       |      | (261,021)                            | (249,180)                            |
| Profit on savings accounts with banks                                                                                                 |      | (7,120)                              | (5,191)                              |
|                                                                                                                                       |      | <u>328,160</u>                       | <u>768,776</u>                       |
| <b>Increase in assets</b>                                                                                                             |      |                                      |                                      |
| Investments - net                                                                                                                     |      | (2,255,152)                          | (91,131)                             |
| Advance, deposits and other receivables                                                                                               |      | (144)                                | (3,158)                              |
|                                                                                                                                       |      | <u>(2,255,296)</u>                   | <u>(94,289)</u>                      |
| <b>Increase in liabilities</b>                                                                                                        |      |                                      |                                      |
| Payable to Al Meezan Investment Management Limited - Management Company                                                               |      | 2,551                                | 482                                  |
| Payable to Central Depository Company of Pakistan Limited - Trustee                                                                   |      | 255                                  | 115                                  |
| Payable to the Securities and Exchange Commission of Pakistan                                                                         |      | 209                                  | 86                                   |
| Payable to Meezan Bank Limited - related party                                                                                        |      | 165                                  | 421                                  |
| Accrued expenses and other liabilities                                                                                                |      | 1,694                                | 12,460                               |
|                                                                                                                                       |      | <u>4,874</u>                         | <u>13,564</u>                        |
| Dividend received                                                                                                                     |      | 258,743                              | 248,335                              |
| Profit received on balances with banks                                                                                                |      | 8,718                                | 3,623                                |
| <b>Net cash (used in) / generated from operating activities</b>                                                                       |      | <u>(1,654,801)</u>                   | <u>940,010</u>                       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                                           |      |                                      |                                      |
| Receipts against issuance and conversion of units - net                                                                               |      | 11,604,606                           | 6,649,564                            |
| Payments against redemption and conversion of units - net                                                                             |      | (10,384,192)                         | (6,646,586)                          |
| Dividend paid                                                                                                                         |      | (239,851)                            | (253,154)                            |
| <b>Net cash generated from / (used in) financing activities</b>                                                                       |      | <u>980,563</u>                       | <u>(250,176)</u>                     |
| <b>Net (decrease) / increase in cash and cash equivalents during the year</b>                                                         |      | <u>(674,238)</u>                     | <u>689,833</u>                       |
| Cash and cash equivalents at the beginning of the year                                                                                |      | 702,671                              | 12,838                               |
| <b>Cash and cash equivalents at the end of the year</b>                                                                               | 5    | <u><u>28,433</u></u>                 | <u><u>702,671</u></u>                |

The annexed notes 1 to 26 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
Director



## **1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** KSE Meezan Index Fund (the Fund) was established under a Trust Deed executed under Trust Act, 1882 between Al Meezan Investment Management Limited as Management Company ('the Management Company') and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on March 13, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2012 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations, 2008). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.

In the year 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 16, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2** KSE Meezan Index Fund (KMIF) is a Shariah Compliant Index Fund that aims to provide investors an opportunity to track closely the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the Index in proportion to their weightages.

The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

- 1.3** The Fund is an open-end fund listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as a Shariah Compliant Index Fund.

- 1.4** The Management Company has been assigned an 'AM1' quality rating by VIS Credit Rating Company Limited dated January 22, 2026 (2025: 'AM1' dated December 31, 2024) and by PACRA dated May 15, 2026 (2025: 'AM1' dated May 15, 2025). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.

- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

## **2 BASIS OF PRESENTATION**

The transactions undertaken by the Fund are accounted for on substance rather than the form in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

## **3 BASIS OF PREPARATION**

### **3.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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).

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



### **3.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, therefore, not been disclosed in these financial statements.

### **3.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective in the current year**

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) effective for annual periods beginning on or after January 1, 2027. IFRS 18 when applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets and financial liabilities.

The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Fund.

### **3.4 Critical accounting estimates and judgments**

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 4.1 and 6).

### **3.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 19.

### **3.6 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

## **4 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.



## 4.1 Financial assets

### 4.1.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

### 4.1.2 Classification and subsequent measurement

#### 4.1.2.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at Fair Value through Other Comprehensive Income (FVOCI). The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

#### 4.1.2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of assets and liabilities at amortised cost.

These comprise balances with banks in savings and current accounts.

### 4.1.3 Impairment

The fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

### 4.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

Up to February 8, 2026, regular way purchases / sales of assets required delivery of securities within two days from the transaction date (T+2) as per the stock exchange regulations. Effective from February 9, 2026, in accordance with the revised regulations of the Pakistan Stock Exchange (PSX), the settlement cycle has transitioned to a Trade plus one day (T+1) basis, requiring delivery of securities within one day from the transaction date.

#### 4.1.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

#### 4.2 Financial liabilities

##### 4.2.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

##### 4.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

#### 4.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

#### 4.4 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

#### 4.5 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 circulation at the year end.

#### 4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as at the close of the business day, plus the allowable sales load, provision of duties and charges and provision for transaction cost, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

#### 4.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval 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.

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



#### 4.8 Element of income / (loss) on issuance / (redemption) of units

Element of income / (loss) 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 / (loss) 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.

#### 4.9 Revenue recognition

- Gains / (losses) arising on sale of investments are recognised on the date at which the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise;
- Profit on saving accounts with banks is recognised on a time proportion basis using the effective yield method;
- Dividend income is recognised when the right to receive the dividend is established i.e. on the commencement of date of book closure of the investee company / institution declaring the dividend.

#### 4.10 Treatment of Shariah Non-Compliant Income

Dividend income earned by the Fund may contain shariah non-compliant income. The Fund is required to "purify" the dividend it receives by excluding the element of impermissible income and appropriating it to charity. The purification is carried out in accordance with the guidelines approved by the Shariah Advisor of the Fund. Any amount appropriated to charity has been recorded as an expense in the 'Income Statement' in the financial statements of the Fund.

#### 4.11 Expenses

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

#### 4.12 Taxation

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A (i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

|                              | Note                                                                                                                                                                                                                                                      | 2026<br>———— (Rupees in '000) ———— | 2025<br>———— (Rupees in '000) ———— |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| <b>5 BALANCES WITH BANKS</b> |                                                                                                                                                                                                                                                           |                                    |                                    |
| Balances with banks in:      |                                                                                                                                                                                                                                                           |                                    |                                    |
| Savings accounts             | 5.1                                                                                                                                                                                                                                                       | 28,428                             | 695,336                            |
| Current accounts             | 5.2                                                                                                                                                                                                                                                       | 5                                  | 7,335                              |
|                              |                                                                                                                                                                                                                                                           | <u>28,433</u>                      | <u>702,671</u>                     |
| <b>5.1</b>                   | This includes balance maintained with Meezan Bank Limited (a related party) that has a profit rate of 6.75% per annum (2025: 3.25% per annum). Other savings accounts of the Fund have profit rate of 11.50% per annum (2025: 4.82% to 10.30% per annum). |                                    |                                    |
| <b>5.2</b>                   | This includes a balance maintained with Meezan Bank Limited (a related party).                                                                                                                                                                            |                                    |                                    |

## 6 INVESTMENTS

Note 2026 2025  
----- (Rupees in '000) -----

At fair value through profit or loss  
Investment in equity securities - listed

6.1 8,220,073 4,713,464

## 6.1 Investment in equity securities - listed

| Name of the investee company                  | As at July 1, 2025 | Purchased during the year | Rights / Bonus Issue | Sold / transferred during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised appreciation/ (diminution) as at June 30, 2026 | Percentage in relation to |                                   |                                                                     |
|-----------------------------------------------|--------------------|---------------------------|----------------------|------------------------------------|---------------------|------------------------------------|----------------------------------|-----------------------------------------------------------|---------------------------|-----------------------------------|---------------------------------------------------------------------|
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | Net assets of the Fund    | Market value of total investments | Paid-up capital of investee company (with face value of investment) |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| (Number of shares)                            |                    |                           |                      | (Rupees in '000)                   |                     |                                    |                                  | %                                                         |                           |                                   |                                                                     |
| <b>AUTOMOBILE ASSEMBLER</b>                   |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Millat Tractors Limited                       | 246,413            | 127,509                   | -                    | 373,922                            | -                   | -                                  | -                                | -                                                         | -                         | -                                 | -                                                                   |
| Honda Atlas Cars (Pakistan) Limited           | 78,886             | 103,092                   | -                    | 90,053                             | 91,925              | 21,200                             | 22,096                           | 896                                                       | 0.27                      | 0.30                              | 0.01                                                                |
| Sazgar Engineering Works Limited              | 57,916             | 36,917                    | -                    | 26,970                             | 67,863              | 103,375                            | 140,035                          | 36,660                                                    | 1.70                      | 1.70                              | 0.17                                                                |
| Ghandhara Industries Limited                  | 41,209             | 26,029                    | -                    | 18,881                             | 48,357              | 35,852                             | 46,837                           | 10,985                                                    | 0.57                      | 0.60                              | 0.08                                                                |
| Ghandhara Automobiles Limited                 | 62,376             | 35,778                    | -                    | 25,546                             | 72,608              | 31,095                             | 40,807                           | 9,712                                                     | 0.50                      | 0.50                              | 0.05                                                                |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 3.04                      | 3.10                              | 0.31                                                                |
| <b>COMMERCIAL BANKS</b>                       |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Meezan Bank Limited                           | 1,232,377          | 836,079                   | -                    | 622,424                            | 1,446,032           | 576,316                            | 746,818                          | 170,502                                                   | 9.08                      | 9.10                              | 0.03                                                                |
| (a related party of the Fund)                 |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Faysal Bank Limited                           | 1,043,738          | 162,967                   | -                    | 1,206,705                          | -                   | -                                  | -                                | -                                                         | -                         | -                                 | -                                                                   |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 9.08                      | 9.10                              | 0.03                                                                |
| <b>CEMENT</b>                                 |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| D.G. Khan Cement Company Limited              | 602,777            | 366,069                   | -                    | 266,543                            | 702,303             | 129,953                            | 156,803                          | 26,851                                                    | 1.91                      | 1.90                              | 0.03                                                                |
| Fauji Cement Company Limited                  | 2,358,561          | 1,362,116                 | -                    | 957,610                            | 2,763,067           | 133,705                            | 159,014                          | 25,309                                                    | 1.93                      | 1.90                              | 0.01                                                                |
| Lucky Cement Limited (note 6.1.1)             | 1,206,834          | 802,144                   | -                    | 597,138                            | 1,411,840           | 560,531                            | 662,887                          | 102,356                                                   | 8.06                      | 8.10                              | 0.19                                                                |
| Pioneer Cement Limited                        | 280,493            | 37,444                    | -                    | 317,937                            | -                   | -                                  | -                                | -                                                         | -                         | -                                 | -                                                                   |
| Maple Leaf Cement Factory Limited             | 1,294,796          | 725,998                   | -                    | 508,883                            | 1,511,911           | 137,325                            | 161,638                          | 24,314                                                    | 1.96                      | 2.00                              | 0.01                                                                |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 13.86                     | 13.90                             | 0.24                                                                |
| <b>FERTILIZER</b>                             |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Engro Fertilizers Limited                     | 1,651,188          | 1,005,592                 | -                    | 726,819                            | 1,929,961           | 385,456                            | 383,966                          | (1,490)                                                   | 4.67                      | 4.70                              | 0.03                                                                |
| Fauji Fertilizer Company Limited              | -                  | 2,002,657                 | -                    | 283,619                            | 1,719,038           | 948,644                            | 985,834                          | 37,190                                                    | 11.98                     | 12.00                             | 0.07                                                                |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 16.65                     | 4.70                              | 0.10                                                                |
| <b>FOOD AND PERSONAL CARE</b>                 |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Fauji Foods Limited                           | 1,399,352          | 803,620                   | -                    | 592,817                            | 1,610,155           | 27,238                             | 28,790                           | 1,551                                                     | 0.35                      | 0.40                              | 0.10                                                                |
| The Organic Meat Company Limited              | 271,241            | 42,657                    | 27,143               | 341,041                            | -                   | -                                  | -                                | -                                                         | -                         | -                                 | -                                                                   |
| Treet Corporation Limited                     | -                  | 608,521                   | -                    | 25,303                             | 583,218             | 14,073                             | 14,645                           | 572                                                       | 0.18                      | 0.20                              | -                                                                   |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 0.53                      | 0.40                              | 0.10                                                                |
| <b>INV. BANKS/ INV. COS./ SECURITIES COS.</b> |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Engro Holdings Limited                        | 2,647,428          | 1,723,343                 | -                    | 1,275,245                          | 3,095,526           | 674,508                            | 890,645                          | 216,137                                                   | 10.83                     | 10.80                             | 0.07                                                                |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 10.83                     | 10.80                             | 0.07                                                                |
| <b>OIL AND GAS EXPLORATION COMPANIES</b>      |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Mari Energies Limited (note 6.1.2 & 6.1.3)    | 659,536            | 404,090                   | -                    | 292,481                            | 771,145             | 502,819                            | 519,975                          | 17,157                                                    | 6.32                      | 6.30                              | 0.38                                                                |
| Oil & Gas Development Company Limited         | 1,772,579          | 1,084,407                 | -                    | 783,084                            | 2,073,902           | 528,303                            | 694,488                          | 166,185                                                   | 8.44                      | 8.40                              | 0.01                                                                |
| Pakistan Petroleum Limited (note 6.1.2)       | 1,838,882          | 1,127,718                 | -                    | 814,176                            | 2,152,424           | 420,719                            | 522,221                          | 101,502                                                   | 6.35                      | 6.40                              | 0.02                                                                |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 21.11                     | 21.10                             | 0.41                                                                |
| <b>OIL AND GAS MARKETING COMPANIES</b>        |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Pakistan State Oil Company Limited            | 579,864            | 403,998                   | -                    | 238,978                            | 744,884             | 293,574                            | 255,011                          | (38,563)                                                  | 3.10                      | 3.10                              | 0.06                                                                |
| Sui Northern Gas Pipelines Limited            | 784,823            | 462,142                   | -                    | 439,681                            | 807,284             | 92,091                             | 97,625                           | 5,534                                                     | 1.19                      | 1.20                              | 0.01                                                                |
| Sui Southern Gas Company Limited              | -                  | 1,191,596                 | -                    | 121,444                            | 1,070,152           | 33,585                             | 34,330                           | 746                                                       | 0.42                      | 0.40                              | -                                                                   |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 4.71                      | 4.70                              | 0.07                                                                |
| <b>PHARMACEUTICALS</b>                        |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| The Searle Company Limited                    | 702,034            | 563,912                   | 106,173              | 426,136                            | 945,983             | 83,112                             | 89,432                           | 6,321                                                     | 1.09                      | 1.10                              | 0.03                                                                |
| Citi Pharma Limited                           | -                  | 459,426                   | -                    | 54,244                             | 405,182             | 33,288                             | 31,552                           | (1,737)                                                   | 0.38                      | 0.40                              | 0.01                                                                |
| GlaxoSmithKline Pakistan Limited              | -                  | 216,997                   | -                    | 216,997                            | -                   | -                                  | -                                | -                                                         | -                         | -                                 | -                                                                   |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 1.47                      | 1.50                              | 0.04                                                                |
| <b>POWER GENERATION &amp; DISTRIBUTION</b>    |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| The Hub Power Company Limited                 | 2,670,774          | 1,904,667                 | -                    | 1,449,676                          | 3,125,765           | 560,727                            | 729,710                          | 168,982                                                   | 8.87                      | 8.90                              | 0.04                                                                |
| Pak Elektron Limited                          | 1,398,951          | 804,897                   | -                    | 578,160                            | 1,625,688           | 72,197                             | 73,888                           | 1,690                                                     | 0.90                      | 0.90                              | 0.16                                                                |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 9.77                      | 9.80                              | 0.20                                                                |
| <b>REFINERY</b>                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Attock Refinery Limited                       | 117,076            | 71,573                    | -                    | 52,390                             | 136,259             | 100,303                            | 115,911                          | 15,607                                                    | 1.41                      | 1.40                              | 0.09                                                                |
| Cnergyco PK Limited                           | -                  | 4,779,508                 | -                    | 4,779,508                          | -                   | -                                  | -                                | -                                                         | -                         | -                                 | -                                                                   |
| National Refinery Limited                     | -                  | 94,982                    | -                    | 10,028                             | 84,954              | 34,104                             | 30,795                           | (3,310)                                                   | 0.37                      | 0.40                              | 0.04                                                                |
| Pakistan Refinery Limited                     | 621,984            | 368,601                   | -                    | 269,939                            | 720,646             | 24,735                             | 25,705                           | 971                                                       | 0.31                      | -                                 | -                                                                   |
|                                               |                    |                           |                      |                                    |                     |                                    |                                  |                                                           | 2.09                      | 1.80                              | 0.13                                                                |



| Name of the investee company          | As at July 1, 2025 | Purchases during the year | Rights / Bonus issue | Sales during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised appreciation/ (diminution) as at June 30, 2026 | Percentage in relation to |                                   |                                                                     |
|---------------------------------------|--------------------|---------------------------|----------------------|-----------------------|---------------------|------------------------------------|----------------------------------|-----------------------------------------------------------|---------------------------|-----------------------------------|---------------------------------------------------------------------|
|                                       |                    |                           |                      |                       |                     |                                    |                                  |                                                           | Net assets of the Fund    | Market value of total investments | Paid-up capital of investee company (with face value of investment) |
|                                       |                    |                           |                      |                       |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
|                                       |                    |                           |                      |                       |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Number of shares                      |                    |                           |                      |                       | (Rupees in '000)    |                                    |                                  | %                                                         |                           |                                   |                                                                     |
| <b>TECHNOLOGY &amp; COMMUNICATION</b> |                    |                           |                      |                       |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Systems Limited (note 6.1.1)          | 2,608,953          | 1,580,732                 | -                    | 1,347,787             | 2,841,898           | 359,099                            | 418,015                          | 58,916                                                    | 5.08                      | 5.10                              | 0.13                                                                |
| Avanceon Limited                      | 347,442            | 61,919                    | -                    | 409,361               | -                   | -                                  | -                                | -                                                         | -                         | -                                 | -                                                                   |
| NetSol Technologies Limited           | 74,599             | 11,608                    | -                    | 86,207                | -                   | -                                  | -                                | -                                                         | -                         | -                                 | -                                                                   |
| Air Link Communication Limited        | -                  | 438,525                   | -                    | 55,779                | 382,746             | 64,516                             | 60,068                           | (4,448)                                                   | 0.73                      | 0.70                              | 0.07                                                                |
| Octopus Digital Limited               | 128,352            | 27,602                    | -                    | 155,954               | -                   | -                                  | -                                | -                                                         | -                         | -                                 | -                                                                   |
|                                       |                    |                           |                      |                       |                     |                                    |                                  |                                                           | 5.81                      | 5.80                              | 0.20                                                                |
| <b>TEXTILE COMPOSITE</b>              |                    |                           |                      |                       |                     |                                    |                                  |                                                           |                           |                                   |                                                                     |
| Nishat Mills Limited                  | -                  | 522,330                   | -                    | 12,182                | 510,148             | 72,577                             | 80,532                           | 7,955                                                     | 0.98                      | 1.00                              | 0.02                                                                |
|                                       |                    |                           |                      |                       |                     |                                    |                                  |                                                           | 0.98                      | 1.00                              | 0.02                                                                |
| <b>Total as at June 30, 2026</b>      |                    |                           |                      |                       |                     | <b>7,055,020</b>                   | <b>8,220,073</b>                 | <b>1,165,053</b>                                          | <b>100</b>                | <b>100</b>                        |                                                                     |
| <b>Total as at June 30, 2025</b>      |                    |                           |                      |                       |                     | <b>4,133,558</b>                   | <b>4,713,464</b>                 | <b>579,906</b>                                            |                           |                                   |                                                                     |

- 6.1.1** All shares have a nominal value of Rs.10 each except Lucky Cement Limited and Systems Limited having nominal value of Rs. 2 each.
- 6.1.2** Investments include 682,000 shares (2025: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs.165.467 million as at June 30, 2026 (2025: Rs 116.056 million), 342,200 shares (2025: 342,200 shares) of Mari Energies Limited having market value of Rs. 230.742 million as at June 30, 2026 (2025: Rs 214.522 million), which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.3** The Finance Act, 2023 had introduced Section 236Z of the Income Tax Ordinance, 2001 (ITO) effective from July 1, 2023, which mandates listed companies to withhold ten percent shares out of bonus shares issued to the Fund. The share so withheld are to be released if the Fund deposits tax equivalent to ten percent of the value of bonus share issues to the Fund. Such tax is to be deposited within fifteen days of the book closure of the respective dividend. In case of failure of the Fund to pay, the issuer company is liable to pay the tax and dispose of the bonus shares to recover the amount paid.

In this regard, a petition was filed by the Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CIS. The petition is based on the grounds that since the CISs are exempt from levy of income tax in terms of 99 of Part-I of the Second Schedule to the ITO, no tax is payable by the Fund under Section 236Z of the ITO. In this regard, the Honourable High Court of Sindh has issued notices to the relevant parties and ordered to retain the bonus shares being withheld and no tax shall be paid under section 236Z of the ITO till further orders of the Court. The matter is still pending adjudication and the Fund has included these shares in the portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

As at June 30, 2026, Mari Energies Limited has withheld 76,042 shares from the bonus shares issued to the Fund. The market value of bonus shares withheld amounts to Rs. 51.274 million as at June 30, 2026.

| 6.2 Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | Note | 2026             | 2025           |
|----------------------------------------------------------------------------------------------------------------------------------------|------|------------------|----------------|
|                                                                                                                                        |      | (Rupees in '000) |                |
| Market value of investments                                                                                                            | 6.1  | 8,220,073        | 4,713,464      |
| Less: carrying value of investments                                                                                                    | 6.1  | (7,055,020)      | (4,133,558)    |
|                                                                                                                                        |      | <u>1,165,053</u> | <u>579,906</u> |

|                                                                            | Note | 2026<br>----- (Rupees in '000) ----- | 2025<br>----- (Rupees in '000) ----- |
|----------------------------------------------------------------------------|------|--------------------------------------|--------------------------------------|
| <b>7 ADVANCE, DEPOSITS AND OTHER RECEIVABLES</b>                           |      |                                      |                                      |
| Security deposit with Central Depository<br>Company of Pakistan Limited    |      | 103                                  | 103                                  |
| Security deposit with the National Clearing<br>Company of Pakistan Limited |      | 2,500                                | 2,500                                |
| Receivable against withholding tax on bonus shares                         | 7.1  | 3,158                                | 3,158                                |
| Profit receivable on bank balances                                         |      | 156                                  | 1,754                                |
| Other receivable                                                           |      | 144                                  | -                                    |
|                                                                            |      | <u>6,061</u>                         | <u>7,515</u>                         |

- 7.1** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by the CISs based on the fact that CISs are exempt from deduction of income tax under Clause 99 Part I of Second Schedule of the ITO. In the year 2018, the Supreme Court of Pakistan passed a judgement wherein the suits that are already pending or shall be filed in future must only be continued / entertained if the condition of depositing a minimum of 50 per cent of the tax calculated is met. Accordingly, CISs were required to pay the minimum 50 per cent of tax, but a failure to do so on their part resulted in vacation of the stay obtained.

During the year ended June 30, 2020, the CISs have filed a petition via CP 4653 dated July 11, 2019 in the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication.

As at June 30, 2026, the Fund has recorded the amounts of Rs. 3.158 million as receivables against withholding tax on bonus shares in respect of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares.

|                                                                                  | Note | 2026<br>----- (Rupees in '000) ----- | 2025<br>----- (Rupees in '000) ----- |
|----------------------------------------------------------------------------------|------|--------------------------------------|--------------------------------------|
| <b>8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b> |      |                                      |                                      |
| Remuneration payable                                                             | 8.1  | 1,333                                | 634                                  |
| Sindh sales tax payable on remuneration of the<br>Management Company             | 8.2  | 200                                  | 95                                   |
| IBFT charges payable                                                             |      | 204                                  | 45                                   |
| Sales load payable                                                               |      | 1,749                                | 368                                  |
| Sindh sales tax payable on sales load                                            |      | 262                                  | 55                                   |
|                                                                                  |      | <u>3,748</u>                         | <u>1,197</u>                         |

- 8.1** As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document and subject to the capping of 0.75% for a collective investment scheme categorised as an 'Index Tracker Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.75% (2025: 1%) per annum of the average daily net assets of the Fund during the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.
- 8.2** Sindh sales tax is levied at the rate of 15% (2025: 15%) under the Sindh Sales Tax on Services Act, 2011 on the Management Company's remuneration and any reimbursable expenditure to the Management Company.
- 8.3** The SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to registrar services, accounting, operation and valuation services was excluded.

The Management Company in compliance of the above requirement did not charge the above-mentioned expenses for the year ended June 30, 2026.

During the year ended June 30, 2025, the Management Company has charged expenses in relation to registrar services, accounting, operation and valuation services at the rate of 0.035% of the average annual net assets of the Fund.



|   | Note                                                                       | 2026<br>----- (Rupees in '000) ----- | 2025<br>----- (Rupees in '000) ----- |
|---|----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| 9 | <b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b> |                                      |                                      |
|   | Remuneration payable                                                       | 9.1 711                              | 489                                  |
|   | Sindh sales tax payable on remuneration of the Trustee                     | 9.2 107                              | 74                                   |
|   |                                                                            | <u>818</u>                           | <u>563</u>                           |

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

| Net assets (Rs.)   | Fee                                                                     |
|--------------------|-------------------------------------------------------------------------|
| Up to Rs.1 billion | 0.20% per annum of net assets, whichever is higher.                     |
| Over Rs.1 billion  | Rs. 2 million plus 0.1% per annum of net assets exceeding Rs.1 billion. |

- 9.2 Sindh sales tax is levied at the rate of 15% (2025: 15%) under the Sindh Sales Tax on Services Act, 2011 on the Trustee remuneration.

|    | Note                                                                        | 2026<br>----- (Rupees in '000) ----- | 2025<br>----- (Rupees in '000) ----- |
|----|-----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| 10 | <b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b> |                                      |                                      |
|    | Fee payable                                                                 | 10.1 606                             | 397                                  |

- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged SECP fee at the rate of 0.095% per annum (2025: 0.095%) of the daily net assets during the year. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

|    | Note                                                      | 2026<br>----- (Rupees in '000) ----- | 2025<br>----- (Rupees in '000) ----- |
|----|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
| 11 | <b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>             |                                      |                                      |
|    | Auditor's remuneration payable                            | 849                                  | 617                                  |
|    | Provision for Federal Excise Duty and related             |                                      |                                      |
|    | Sindh sales tax on remuneration of the Management Company | 11.1 5,741                           | 5,741                                |
|    | Provision for Federal Excise Duty and related             |                                      |                                      |
|    | Sindh sales tax on sales load                             | 11.1 494                             | 494                                  |
|    | Withholding tax and capital gain tax payable              | 26,580                               | 32,440                               |
|    | Charity payable                                           | 11.2 18,576                          | 9,622                                |
|    | Brokerage payable                                         | 3,060                                | 4,835                                |
|    | Shariah advisory fee payable                              | 432                                  | 508                                  |
|    | Shariah audit fee payable                                 | 175                                  | -                                    |
|    | Zakat payable                                             | 49                                   | 5                                    |
|    |                                                           | <u>55,956</u>                        | <u>54,262</u>                        |

- 11.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 6.235 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.14 (2025: Re. 0.19) per unit.

- 11.2** As instructed by the Shariah Advisor, any income earned by the Fund from investments in which a portion of the investee company's investment has been placed in shariah non-compliant avenues should be donated directly by the Fund for charitable purposes.

Accordingly, during the year ended Jun 30, 2026, non-shariah compliant income amounting to Rs. 10.093 million (2025: Rs. 9.848 million) was charged as an expense in the books of the Fund and Rs. 1.372 million was disbursed to following charitable / welfare organisations respectively:

| S. No | Charitable Organisations   | Amount<br>Rupees in '000 |
|-------|----------------------------|--------------------------|
| 1     | Child Life Foundation      | 170                      |
| 2     | Chiniot Anjuman Islamia    | 116                      |
| 3     | Aitmaad Trust              | 86                       |
| 4     | Baitus-salam Welfare Trust | 1,000                    |
|       |                            | <u>1,372</u>             |

The Fund also maintains a separate savings bank account for charitable disbursements. Profit received on this bank account during the year ended June 30, 2026 amounted to Rs. 0.233 million and has been recorded as charity payable.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

|                                                              | 2026<br>-----Rupees in '000'----- | 2025       |
|--------------------------------------------------------------|-----------------------------------|------------|
| <b>13 AUDITORS' REMUNERATION</b>                             |                                   |            |
| Annual audit fee                                             | 649                               | 438        |
| Half yearly review of condensed interim financial statements | 408                               | 227        |
| Fee for other certifications                                 | 96                                | 87         |
| Out of pocket expenses and Sindh sales tax                   | 169                               | 35         |
|                                                              | <u>1,322</u>                      | <u>787</u> |

## 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 1.55% (2025: 2.13%) which includes government levies which is 0.26% (2025: 0.33%) such as sales taxes, annual fee to the SECP etc.

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit for a collective investment scheme categorised as an 'Index Scheme', applicable previously, has been replaced with the management fee cap as disclosed in note 8.1 to these financial statements for a collective investment scheme categorised as an 'Index Scheme'.

## 15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A (i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons and related parties include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee / custodian of the Fund, Meezan Bank Limited being the holding company of the Management Company, Pakistan Kuwait Investment Company (Private) Limited, being an associated company of the Management Company, other collective investment schemes / notified entities managed by the Management Company, any person or trust beneficially owning, directly or indirectly, ten percent or more of the capital of the Management Company or ten percent or more of the net assets of the Fund, any person or trust controlled by the same persons as defined herein, any member of the group of which that person or trust forms part and directors or officers of the Management Company or any of their connected persons as specified herein.



Transactions with connected persons essentially comprise issuance and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of balances of the Fund with connected persons as at the year end and transactions occurred during the year with them are as follows:

| <b>Balances as at year end</b>                                                                      | <b>2026</b>                         | <b>2025</b> |
|-----------------------------------------------------------------------------------------------------|-------------------------------------|-------------|
|                                                                                                     | <b>----- (Rupees in '000) -----</b> |             |
| <b>Al Meezan Investment Management Limited - the Management Company</b>                             |                                     |             |
| Remuneration payable                                                                                | 1,333                               | 634         |
| Sindh sales tax payable on management fee                                                           | 200                                 | 95          |
| IBFT charges payable                                                                                | 204                                 | 45          |
| Sales load payable                                                                                  | 1,749                               | 368         |
| Sindh sales tax payable on sales load                                                               | 262                                 | 55          |
| Investment of 389,319 units (2025: 12,971,840 units)                                                | 71,916                              | 1,811,102   |
| <b>Meezan Bank Limited</b>                                                                          |                                     |             |
| Sales load payable                                                                                  | 566                                 | 423         |
| Sindh sales tax payable on sales load                                                               | 85                                  | 63          |
| Bank balance                                                                                        | 28,411                              | 77,457      |
| Profit receivable on savings account                                                                | 148                                 | 110         |
| Shariah advisory fee payable                                                                        | 432                                 | 508         |
| Investment of 2,113,224 units (2025: 2,113,224 units)                                               | 390,357                             | 295,044     |
| Investment in 1,446,032 shares (2025: 1,232,377 shares)                                             | 746,818                             | 409,211     |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>                                     |                                     |             |
| Remuneration payable                                                                                | 711                                 | 489         |
| Sindh sales tax on trustee fee payable                                                              | 107                                 | 74          |
| Security deposit                                                                                    | 103                                 | 103         |
| <b>National Clearing Company of Pakistan Limited</b>                                                |                                     |             |
| Security deposit                                                                                    | 2,500                               | 2,500       |
| <b>Directors, their close family members and key management personnel of the management company</b> |                                     |             |
| Investment of 824,407 units (2025: 217,802 units)                                                   | 152,285                             | 30,409      |
| <b>Unit holders holding 10% or more units of the Fund</b>                                           |                                     |             |
| Investment of 8,950,648 units (2025: 21,922,488 units)                                              | 1,653,374                           | 3,060,774   |
| <b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>                           |                                     |             |
| Investment of 129,851 units (2025: 157,454 units)                                                   | 23,986                              | 21,983      |
| <b>Transactions during the year</b>                                                                 | <b>2026</b>                         | <b>2025</b> |
|                                                                                                     | <b>----- (Rupees in '000) -----</b> |             |
| <b>Al Meezan Investment Management Limited - the Management Company</b>                             |                                     |             |
| Remuneration for the year                                                                           | 47,837                              | 49,599      |
| Sindh sales tax on remuneration of the Management Company                                           | 7,175                               | 7,440       |
| Allocated expenses                                                                                  | -                                   | 1,517       |
| Sindh sales tax allocated expense                                                                   | -                                   | 228         |
| Units issued: 755,267 units (2025: 4,222,751 units)                                                 | 138,984                             | 591,946     |
| Units redeemed: 13,337,788 units (2025: 12,221,865 units)                                           | 2,233,840                           | 1,481,000   |
| Dividend paid                                                                                       | 22                                  | 55,848      |
| Refund of capital                                                                                   | 2,962                               | 19,068      |

|                                                                           | 2026<br>----- (Rupees in '000) ----- | 2025<br>----- (Rupees in '000) ----- |
|---------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Meezan Bank Limited</b>                                                |                                      |                                      |
| Profit on savings account                                                 | 2,284                                | 1,135                                |
| Dividend income                                                           | 36,495                               | 41,417                               |
| Shares purchased: 836,079 shares (2025: 1,534,894 shares)                 | 387,604                              | 374,928                              |
| Shares sold: 622,424 shares (2025: 1,973,629 shares)                      | 270,234                              | 484,553                              |
| Shariah advisory fee                                                      | 917                                  | 554                                  |
| Dividend paid                                                             | 16,906                               | 12,679                               |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>           |                                      |                                      |
| Trustee fee                                                               | 7,378                                | 5,960                                |
| Sindh sales tax on trustee fee for the year                               | 1,107                                | 894                                  |
| CDS charges                                                               | 545                                  | 587                                  |
| <b>National Clearing Company of Pakistan Limited</b>                      |                                      |                                      |
| NCCPL charges                                                             | 931                                  | 1,066                                |
| <b>Directors and their close family members and key management</b>        |                                      |                                      |
| Units issued: 664,465 units (2025: 39,191 units)                          | 121,646                              | 5,489                                |
| Units redeemed: 57,860 units (2025: 18,148 units)                         | 9,235                                | 2,451                                |
| Dividend paid                                                             | 2,308                                | 1,117                                |
| Refund of capital                                                         | 4,015                                | 142                                  |
| <b>Meezan Strategic Allocation Fund MSAP-II</b>                           |                                      |                                      |
| Units redeemed: nil units (2025: 391,485 units)                           | -                                    | 45,850                               |
| <b>Meezan Strategic Allocation Fund MSAP-III</b>                          |                                      |                                      |
| Units redeemed: nil units (2025: 46,933 units)                            | -                                    | 6,263                                |
| <b>AI Meezan Investment Management Limited - Employees' Gratuity Fund</b> |                                      |                                      |
| Units issued: 5,444 units (2025: 6,608 units)                             | 995                                  | 905                                  |
| Units redeemed: 33,047 units (2025: nil units)                            | 6,000                                | -                                    |
| Dividend paid                                                             | 995                                  | 905                                  |
| <b>Engro Fertilizers Limited*</b>                                         |                                      |                                      |
| Shares purchased: nil shares (2025: 1,607,313 shares)                     | -                                    | 332,465                              |
| Shares sold: nil shares (2025: 1,888,987 shares)                          | -                                    | 388,399                              |
| Dividend income                                                           | -                                    | 26,619                               |
| <b>AI Meezan Mutual Fund</b>                                              |                                      |                                      |
| Shares purchased                                                          | -                                    | 6,863                                |

\*Current year balance and transactions have not been presented as the person was not classified as a related party / connected person of the Fund with effect from March 24, 2025.

## 17 FINANCIAL INSTRUMENTS BY CATEGORY

|                                                                         | 2026<br>----- Rupees in '000' ----- |                                      |           |
|-------------------------------------------------------------------------|-------------------------------------|--------------------------------------|-----------|
|                                                                         | At amortised cost                   | At fair value through profit or loss | Total     |
| <b>Financial assets</b>                                                 |                                     |                                      |           |
| Balances with banks                                                     | 28,433                              | -                                    | 28,433    |
| Investments                                                             | -                                   | 8,220,073                            | 8,220,073 |
| Receivable against conversion of units                                  | 57,471                              | -                                    | 57,471    |
| Dividend receivable                                                     | 3,506                               | -                                    | 3,506     |
| Deposits and other receivables                                          | 2,759                               | -                                    | 2,759     |
|                                                                         | 92,169                              | 8,220,073                            | 8,312,242 |
| <b>Financial liabilities</b>                                            |                                     |                                      |           |
| Payable to AI Meezan Investment Management Limited - Management Company | 3,748                               | -                                    | 3,748     |
| Payable to Central Depository Company of Pakistan Limited - Trustee     | 818                                 | -                                    | 818       |
| Payable to Meezan Bank Limited                                          | 651                                 | -                                    | 651       |
| Payable against conversion and redemption of units                      | 13,278                              | -                                    | 13,278    |
| Payable against purchase of investments - net                           | 14,003                              | -                                    | 14,003    |
| Accrued expenses and other liabilities                                  | 4,516                               | -                                    | 4,516     |
|                                                                         | 37,014                              | -                                    | 37,014    |



|                                                                         | 2025              |                                      |                  |
|-------------------------------------------------------------------------|-------------------|--------------------------------------|------------------|
|                                                                         | At amortised cost | At fair value through profit or loss | Total            |
|                                                                         | Rupees in '000'   |                                      |                  |
| <b>Financial assets</b>                                                 |                   |                                      |                  |
| Balances with banks                                                     | 702,671           | -                                    | 702,671          |
| Investments                                                             | -                 | 4,713,464                            | 4,713,464        |
| Receivable against sale of investments                                  | 72,401            | -                                    | 72,401           |
| Receivable against conversion of units                                  | 6,581             | -                                    | 6,581            |
| Dividend receivable                                                     | 1,228             | -                                    | 1,228            |
| Deposits and other receivables                                          | 4,357             | -                                    | 4,357            |
|                                                                         | <u>787,238</u>    | <u>4,713,464</u>                     | <u>5,500,702</u> |
| <b>Financial liabilities</b>                                            |                   |                                      |                  |
| Payable to Al Meezan Investment Management Limited - Management Company | 1,152             | -                                    | 1,152            |
| Payable to Central Depository Company of Pakistan Limited - Trustee     | 563               | -                                    | 563              |
| Payable to Meezan Bank Limited                                          | 486               | -                                    | 486              |
| Payable against conversion and redemption of units                      | 686,376           | -                                    | 686,376          |
| Accrued expenses and other liabilities                                  | 5,960             | -                                    | 5,960            |
| Dividend payable                                                        | 58,613            | -                                    | 58,613           |
|                                                                         | <u>753,150</u>    | <u>-</u>                             | <u>753,150</u>   |

## 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. 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 constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

### 18.1 Market risk

Market 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.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk, and price risk.

#### (i) Yield / profit rate risk

Profit 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 profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to variable rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the impact would have been immaterial.

#### (ii) 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. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

#### (iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit 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.



Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks.

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 1% increase / decrease in KMI 30 Index on June 30, 2026, with all other variables held constant, the net income of the Fund for the year would increase / decrease by Rs. 0.28 million (2025: Rs. 47.135 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI 30 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

## 18.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during

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 dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

|                                                                         | 2026           |                                           |                                          |                                        |                   |                                              |
|-------------------------------------------------------------------------|----------------|-------------------------------------------|------------------------------------------|----------------------------------------|-------------------|----------------------------------------------|
|                                                                         | Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial instruments with no fixed maturity |
| Rupees in '000'                                                         |                |                                           |                                          |                                        |                   |                                              |
| <b>Financial assets</b>                                                 |                |                                           |                                          |                                        |                   |                                              |
| Balances with banks                                                     | 28,433         | -                                         | -                                        | -                                      | -                 | -                                            |
| Investments                                                             | -              | -                                         | -                                        | -                                      | -                 | 8,220,073                                    |
| Receivable against conversion of units                                  | 57,471         | -                                         | -                                        | -                                      | -                 | -                                            |
| Dividend receivable                                                     | 3,506          | -                                         | -                                        | -                                      | -                 | -                                            |
| Deposits and other receivables                                          | 156            | -                                         | -                                        | -                                      | -                 | 2,603                                        |
|                                                                         | 89,566         | -                                         | -                                        | -                                      | -                 | 8,222,676                                    |
| <b>Financial liabilities</b>                                            |                |                                           |                                          |                                        |                   |                                              |
| Payable to Al Meezan Investment Management Limited - Management Company | 3,748          | -                                         | -                                        | -                                      | -                 | -                                            |
| Payable to Central Depository Company of Pakistan Limited - Trustee     | 818            | -                                         | -                                        | -                                      | -                 | -                                            |
| Payable to Meezan Bank Limited                                          | 651            | -                                         | -                                        | -                                      | -                 | -                                            |
| Payable against purchase of investments - net                           | 14,003         | -                                         | -                                        | -                                      | -                 | -                                            |
| Payable against conversion and redemption of units                      | 13,278         | -                                         | -                                        | -                                      | -                 | -                                            |
| Accrued expenses and other liabilities                                  | 3,060          | 1,024                                     | 432                                      | -                                      | -                 | -                                            |
|                                                                         | 35,558         | 1,024                                     | 432                                      | -                                      | -                 | -                                            |
| <b>Net assets / (liabilities)</b>                                       | <b>54,008</b>  | <b>(1,024)</b>                            | <b>(432)</b>                             | <b>-</b>                               | <b>-</b>          | <b>8,222,676</b>                             |
|                                                                         |                |                                           |                                          |                                        |                   | <b>8,275,228</b>                             |



| 2025                                                                    |                                           |                                          |                                        |                   |                                              |           |
|-------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|----------------------------------------|-------------------|----------------------------------------------|-----------|
| Within 1 month                                                          | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial instruments with no fixed maturity | Total     |
| Rupees in '000'                                                         |                                           |                                          |                                        |                   |                                              |           |
| <b>Financial assets</b>                                                 |                                           |                                          |                                        |                   |                                              |           |
| Balances with banks                                                     | 702,671                                   | -                                        | -                                      | -                 | -                                            | 702,671   |
| Investments                                                             | -                                         | -                                        | -                                      | -                 | 4,713,464                                    | 4,713,464 |
| Receivable against sale of investments                                  | 72,401                                    | -                                        | -                                      | -                 | -                                            | 72,401    |
| Receivable against conversion of units                                  | 6,581                                     | -                                        | -                                      | -                 | -                                            | 6,581     |
| Dividend receivable                                                     | 1,228                                     | -                                        | -                                      | -                 | -                                            | 1,228     |
| Deposits and other receivables                                          | 1,754                                     | -                                        | -                                      | -                 | 2,603                                        | 4,357     |
|                                                                         | 784,635                                   | -                                        | -                                      | -                 | 4,716,067                                    | 5,500,702 |
| <b>Financial liabilities</b>                                            |                                           |                                          |                                        |                   |                                              |           |
| Payable to Al Meezan Investment Management Limited - Management Company | 1,152                                     | -                                        | -                                      | -                 | -                                            | 1,152     |
| Payable to Central Depository Company of Pakistan Limited - Trustee     | 563                                       | -                                        | -                                      | -                 | -                                            | 563       |
| Payable to Meezan Bank Limited                                          | 486                                       | -                                        | -                                      | -                 | -                                            | 486       |
| Payable against conversion and redemption of units                      | 686,376                                   | -                                        | -                                      | -                 | -                                            | 686,376   |
| Dividend payable                                                        | 58,613                                    | -                                        | -                                      | -                 | -                                            | 58,613    |
| Accrued expenses and other liabilities                                  | 4,835                                     | 617                                      | 508                                    | -                 | -                                            | 5,960     |
|                                                                         | 752,025                                   | 617                                      | 508                                    | -                 | -                                            | 753,150   |
| <b>Net assets / (liabilities)</b>                                       | 32,610                                    | (617)                                    | (508)                                  | -                 | 4,716,067                                    | 4,747,552 |

### 18.3 Credit risk

18.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

|                                        | 2026                                               |                                 | 2025                                               |                                 |
|----------------------------------------|----------------------------------------------------|---------------------------------|----------------------------------------------------|---------------------------------|
|                                        | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| Rupees in '000'                        |                                                    |                                 |                                                    |                                 |
| Balances with banks                    | 28,433                                             | 28,433                          | 702,671                                            | 702,671                         |
| Investments                            | 8,220,073                                          | -                               | 4,713,464                                          | -                               |
| Receivable against sale of investments | -                                                  | -                               | 72,401                                             | 72,401                          |
| Receivable against conversion of units | 57,471                                             | 57,471                          | 6,581                                              | 6,581                           |
| Dividend receivable                    | 3,506                                              | 3,506                           | 1,228                                              | 1,228                           |
| Deposits and other receivables         | 2,759                                              | 2,759                           | 4,357                                              | 4,357                           |
|                                        | 8,312,242                                          | 92,169                          | 5,500,702                                          | 787,238                         |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. Investment in equity securities, however, are not exposed to credit risk and have been excluded from the above analysis.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

### 18.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and mark-up accrued thereon and receivable against sale of investments. The credit rating profile of balances with banks is as follows:

| Rating | % of financial assets exposed to credit risk |      |
|--------|----------------------------------------------|------|
|        | 2026                                         | 2025 |
| AAA    | 100%                                         | 11%  |
| AA+    | -                                            | 89%  |
|        | 100%                                         | 100% |

### 18.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2026 and June 30, 2025 are unsecured and are not impaired.

## 19 FAIR VALUE MEASUREMENT

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair value:

#### ASSETS

##### Financial assets 'at fair value through profit or loss'

Investment in equity securities - listed

| As at June 30, 2026 |         |         |           |
|---------------------|---------|---------|-----------|
| Level 1             | Level 2 | Level 3 | Total     |
| (Rupees in '000)    |         |         |           |
| 8,220,073           | -       | -       | 8,220,073 |

#### ASSETS

##### Financial assets 'at fair value through profit or loss'

Investment in equity securities - listed

| As at June 30, 2025 |         |         |           |
|---------------------|---------|---------|-----------|
| Level 1             | Level 2 | Level 3 | Total     |
| (Rupees in '000)    |         |         |           |
| 4,713,464           | -       | -       | 4,713,464 |

Valuation techniques used in determination of fair values is as follows:

| Item                     | Valuation technique                                                                                                                                        |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ordinary shares - listed | The fair value of investment in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange. |

There were no transfers between levels during the year.

## 20 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movements in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.



The Fund shall strive to remain fully invested in accordance with the stated index; however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index during the year based on monthly average investment calculated on daily basis. The un-invested amount shall be kept in Cash and/ or near cash instruments where near cash instruments include cash in Islamic bank accounts or Islamic Banking windows (excluding TDRs);

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

## 21 UNIT HOLDING PATTERN OF THE FUND

| Category                         | 2026                   |                                       |                     | 2025                   |                                       |                     |
|----------------------------------|------------------------|---------------------------------------|---------------------|------------------------|---------------------------------------|---------------------|
|                                  | Number of unit holders | Investment amount<br>(Rupees in '000) | Percentage of total | Number of unit holders | Investment amount<br>(Rupees in '000) | Percentage of total |
| Individuals                      | 15,140                 | 5,580,073                             | 67.8%               | 4,620                  | 1,167,151                             | 24.8%               |
| Associated Companies / Directors | 2                      | 95,902                                | 1.2%                | 2                      | 1,833,085                             | 39.0%               |
| Retirement Funds                 | 3                      | 122,882                               | 1.5%                | 1                      | 134                                   | 0.0%                |
| Others                           | 15                     | 2,427,627                             | 29.5%               | 6                      | 1,701,596                             | 36.2%               |
|                                  | 15,160                 | 8,226,484                             | 100.00%             | 4,629                  | 4,701,966                             | 100%                |

## 22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| 2026                                          |                               | 2025                                       |                               |
|-----------------------------------------------|-------------------------------|--------------------------------------------|-------------------------------|
| Name of broker                                | Percentage of commission paid | Name of broker                             | Percentage of commission paid |
| Topline Securities Limited                    | 7.53%                         | Alfa Adhi Securities (Private) Limited     | 8.40%                         |
| Taurus Securities Limited                     | 6.33%                         | KASB KTrade Securities                     | 6.40%                         |
| JS Global Capital Limited                     | 5.84%                         | Ismail Iqbal Securities                    | 6.39%                         |
| Rafi Securities Private Limited               | 5.67%                         | Topline Securities Ltd.                    | 6.18%                         |
| Intermarket Securities Limited                | 5.54%                         | Intermarket Securities Limited             | 5.46%                         |
| Arif Habib Limited                            | 5.19%                         | Taurus Securities Limited                  | 5.36%                         |
| Habib Metropolitan Financial Services Limited | 4.96%                         | BMA Capital Management Limited             | 5.33%                         |
| Alfa Adhi Securities (Private) Limited        | 4.92%                         | Aba Ali Habib Securities (Private) Limited | 5.27%                         |
| Spectrum Securities Limited                   | 4.91%                         | Alfalah Securities (Private) Limited       | 5.21%                         |
| Ismail Iqbal Securities (Private) Limited     | 4.91%                         | Spectrum Securities Limited                | 4.87%                         |

## 23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

| Name                  | Designation                   | Qualification               | Overall experience |
|-----------------------|-------------------------------|-----------------------------|--------------------|
| Mr. Imtiaz Gadar, CFA | Chief Executive Officer       | CFA / MBA                   | Twenty Three years |
| Mr. Muhammad Asad     | Chief Investment Officer      | CFA level II / MBA          | Thirty years       |
| Mr. Ahmed Hassan      | Head of Equity                | CFA / MBA                   | Nineteen years     |
| Ms. Amreen Soorani    | Head of Research              | FCCA                        | Sixteen years      |
| Mr. Faizan Saleem     | Head of Fixed Income          | CFA level II / MBA          | Nineteen years     |
| Mr. Asif Imtiaz       | VP Investments / Fund Manager | CFA / MBA                   | Eighteen years     |
| Mr. Akhtar Munir      | Head of Risk Management       | CFA / FRM, ACCA, FCMA & MBA | Thirteen years     |
| Mr. Ali Hassan Khan   | Head of Product Development   | CFA / FRM / MBA             | Seventeen years    |
| Mr. Wahaj Ahmed       | VP Investments                | MBA                         | Fourteen years     |
| Mr. Saad Idrees       | Senior Manager                | MS Economics                | Six years          |
| Mr. Zohaib Jawaid     | Senior Manager                | CFA / BBA                   | Five years         |

**23.1** The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund manager are as follows :

- Meezan Balanced Fund;
- Meezan Asset Allocation Fund;
- Meezan Financial Planning Fund of Funds;
- Meezan Strategic Allocation Fund;
- Meezan Dividend Yield Plan;
- Meezan Capital Secure Plan - I (MSCP-I) ;and
- Meezan Dedicated Equity Fund.

**24 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

| Name of Directors       | Designation             | Meeting held on |                  |                  |                | Total Meetings Attendance |
|-------------------------|-------------------------|-----------------|------------------|------------------|----------------|---------------------------|
|                         |                         | August 18, 2025 | October 28, 2025 | January 30, 2026 | April 13, 2026 |                           |
| Mr. Irfan Siddiqui      | Chairman                | Yes             | Yes              | Yes              | Yes            | 4                         |
| Ms. Ayesha Umer         | Non-Executive           | Yes             | Yes              | Yes              | Yes            | 4                         |
| Ms. Danish Zuberi       | Independent Director    | Yes             | Yes              | Yes              | Yes            | 4                         |
| Mr. Feroz Rizvi         | Independent Director    | Yes             | Yes              | Yes              | Yes            | 4                         |
| Mr. Furquan Kidwai      | Independent Director    | Yes             | Yes              | Yes              | Yes            | 4                         |
| Mr. Imtiaz Gadar        | Chief Executive Officer | Yes             | Yes              | Yes              | Yes            | 4                         |
| Mr. Saad Ur Rahman Khan | Non-Executive           | Yes             | Yes              | Yes              | Yes            | 4                         |
| Ms. Shazia Khurram      | Non-Executive           | Yes             | Yes              | Yes              | Yes            | 4                         |
| Dr. Syed Amir Ali       | Non-Executive           | Yes             | Yes              | No               | Yes            | 3                         |
| Syed Imran Ali Shah*    | Non-Executive           | Yes             | Yes              | Yes              | Yes            | 4                         |

\* Syed Imran Ali Shah resigned from the Board on May 21, 2026.

**25 GENERAL**

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

**26 DATE OF AUTHORISATION**

These financial statements were authorised for issue on August 18, 2026 by the Board of Directors of the Management Company.

**For Al Meezan Investment Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
Director



**PERFORMANCE TABLE**  
**KSE Meezan Index Fund**

|                                                                                       | 2026      | 2025      | 2024      |
|---------------------------------------------------------------------------------------|-----------|-----------|-----------|
| Net assets (Rs. '000) (ex-distribution)                                               | 8,226,484 | 4,701,966 | 3,972,763 |
| Net assets value / redemption price per unit<br>as at June 30 (Rs.) (ex-distribution) | -         | -         | -         |
| Offer price per unit as at June 30, (Rs.)<br>(ex-distribution)                        | 184.7212  | 139.6180  | 101.5393  |
| Highest offer price per unit (Rs.)                                                    | -         | -         | -         |
| Lowest offer price per unit (Rs.)                                                     | 189.4315  | 143.1782  | 104.0879  |
| Highest redemption price per unit (Rs.)                                               | 207.9888  | 150.9081  | 117.0801  |
| Lowest redemption price per unit (Rs.)                                                | 144.7526  | 100.3284  | 66.5563   |
| Highest redemption price per unit (Rs.)                                               | 202.8170  | 147.1557  | 114.2134  |
| Lowest redemption price per unit (Rs.)                                                | 141.1532  | 97.8337   | 64.9267   |
| <b>Distribution (%)</b>                                                               | -         | -         | -         |
| Interim                                                                               | 16.00     | 12.00     | 18.60     |
| Final                                                                                 | -         | -         | -         |
| <b>Date of distribution</b>                                                           | -         | -         | -         |
| Interim                                                                               | 24-Jun-26 | 27-Jun-25 | 28-Jun-24 |
| Final                                                                                 | -         | -         | -         |
| Income distribution (Rupees in '000)                                                  | 181,238   | 154,085   | 187,032   |
| Growth distribution (Rupees in '000)                                                  | 161,818   | 42,964    | 249,897   |
| Total return (%)                                                                      | 38.09     | 43.52     | 75.02     |

|                                               | One Year | Two Years | Three Years |
|-----------------------------------------------|----------|-----------|-------------|
| Average annual return as at June 30, 2026 (%) | 38.09    | 40.78     | 51.37       |

*Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.*

# MEEZAN BALANCED FUND

CAPITAL GROWTH | CURRENT INCOME

## INVESTMENT OBJECTIVE

To generate long-term capital appreciation and current income through a carefully balanced portfolio of Shariah-compliant investments.



# FUND INFORMATION



**Meezan**  
Balanced Fund

## MANAGEMENT COMPANY

### Al Meezan Investment Management Limited

Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal

Karachi 74400, Pakistan.

Phone (+9221) 35630722-6, 111-MEEZAN

Fax: (+9221) 35676143, 35630808

Website: [www.almeezangroup.com](http://www.almeezangroup.com)

E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

|                         |                                      |
|-------------------------|--------------------------------------|
| Mr. Irfan Siddiqui      | Chairman                             |
| Ms. Ayesha Umer         | Non-Executive Nominee Director- PKIC |
| Ms. Danish Zuberi       | Independent Director                 |
| Mr. Feroz Rizvi         | Independent Director                 |
| Mr. Furquan Kidwai      | Independent Director                 |
| Mr. Imtiaz Gadar        | Chief Executive Officer              |
| Mr. Saad Ur Rahman Khan | Non-Executive Nominee Director- PKIC |
| Ms. Shazia Khurram      | Non-Executive Nominee Director- MBL  |
| Dr. Syed Amir Ali       | Non-Executive Nominee Director- MBL  |
| Mr. Rizwan Qamar Lari*  | Non-Executive Nominee Director- MBL  |

\* Mr. Rizwan Qamar Lari was appointed as a Director on June 5, 2026 in place of Syed Imran Ali Shah who resigned on May 21, 2026.

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Syed Haseeb Ahmed Shah

## BOARD AUDIT COMMITTEE

|                        |          |
|------------------------|----------|
| Mr. Feroz Rizvi        | Chairman |
| Ms. Ayesha Umer        | Member   |
| Mr. Rizwan Qamar Lari* | Member   |

\* Mr. Rizwan Qamar Lari was appointed as a member on June 5, 2026 in place of Syed Imran Ali Shah who resigned on May 21, 2026.

## BOARD RISK MANAGEMENT COMMITTEE

|                         |          |
|-------------------------|----------|
| Mr. Saad Ur Rahman Khan | Chairman |
| Mr. Furquan R. Kidwai   | Member   |
| Ms. Shazia Khurram      | Member   |

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

|                         |          |
|-------------------------|----------|
| Mr. Irfan Siddiqui      | Chairman |
| Mr. Furquan R. Kidwai   | Member   |
| Mr. Imtiaz Gadar        | Member   |
| Mr. Saad Ur Rahman Khan | Member   |

## BOARD IT COMMITTEE

|                       |                       |
|-----------------------|-----------------------|
| Mr. Furquan R. Kidwai | Chairman              |
| Mr. Imtiaz Gadar      | Member                |
| Mr. Faiz Ur Rehman    | Subject Matter Expert |

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B,  
S.M.C.H.S., Main Sharah-e-Faisal  
Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C, I.I.  
Chundrigar Road,  
Karachi- 74000

## SHARIAH AUDITORS

M/s. Yousuf Adil  
Chartered Accountants  
Cavish Court, A-35 Shahrah-e-Faisal,  
K.C.H.S.U Block 7 & 8 Bangalore  
Town, Karachi

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13,  
Bokhari Commercial Area, Phase  
VI, DHA, Karachi.

## SHARIAH ADVISER

Dr. Muhammad Imran Usmani  
Jamia Darul Uloom Karachi  
Korangi Industrial Area  
Karachi - 7518

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

## TRANSFER AGENT

Al Meezan Investment Management Limited

## BANKERS TO THE FUND

1. Allied Bank Limited
2. Al Baraka Bank Pakistan Limited
3. Askari Bank Limited - Islamic Banking
4. Bank Al Habib Limited - Islamic Banking
5. Bank Alfalah Limited
6. Bank Islami Pakistan Limited
7. Dubai Islamic Bank Pakistan Limited
8. Faysal Bank Limited - Islamic Banking
9. Habib Metropolitan Bank Limited - Islamic Banking
10. MCB- Islamic Bank Limited
11. Meezan Bank Limited
12. National Bank of Pakistan - Islamic Banking
13. Samba Bank Limited
14. Sindh Bank Limited
15. The Bank Of Khyber - Islamic Banking
16. UBL Ameen - Islamic Banking



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## REPORT OF THE FUND MANAGER MEEZAN BALANCED FUND (MBF)

### Type of Fund

Balanced category fund that invests in Shariah compliant listed equity securities and listed or unlisted Islamic fixed income products.

### Objective

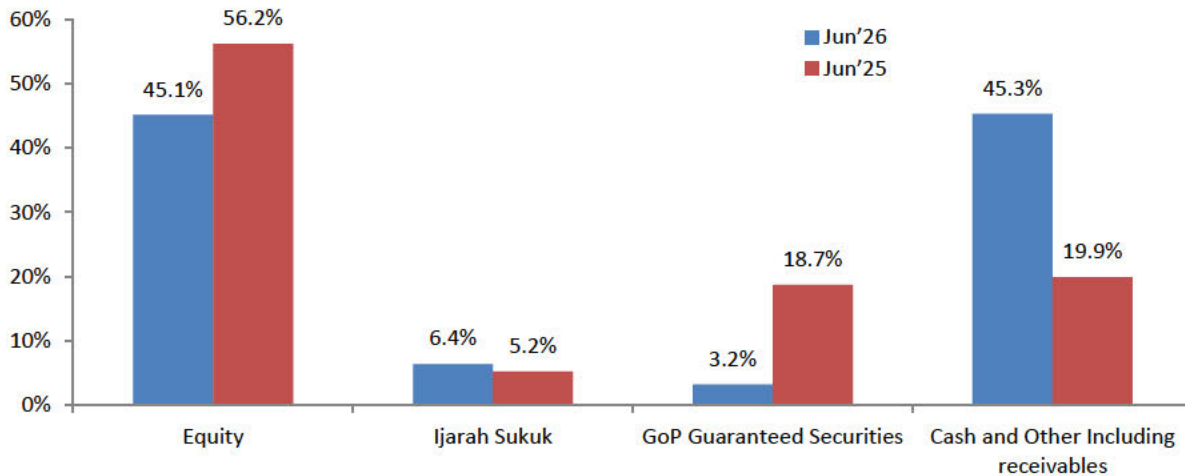
Meezan Balanced Fund (MBF) aims to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah Compliant equity securities and Islamic Income Instruments such as TFCs, Islamic Sukuks COIs, Certificates of Musharika, government securities, cash in bank accounts, money market placements, deposits, Certificate of Deposits, TDRs, commercial papers, reverse repos, spread transactions as long as they fulfill the requirements of Shariah, and any other such Shariah compliant asset classes and instruments as indicated by the Commission for this category.

### Strategy and Investment Policy

Being a balanced fund, performance of MBF is linked proportionately to the performance of stock market and Islamic fixed income instruments. The fund manager, Al Meezan Investments, actively manages the fund with an aim to provide maximum risk adjusted total return to the investors. The fund primarily aims at controlling risk by balancing growth and income earning objectives of certificate holders. To achieve this purpose, the fund manager strives to reduce equity exposure in times when the market is trading above valuations and increase exposure to high quality liquid Islamic fixed income instruments. As per revised policy, the fund can invest up to 60% in listed equities.

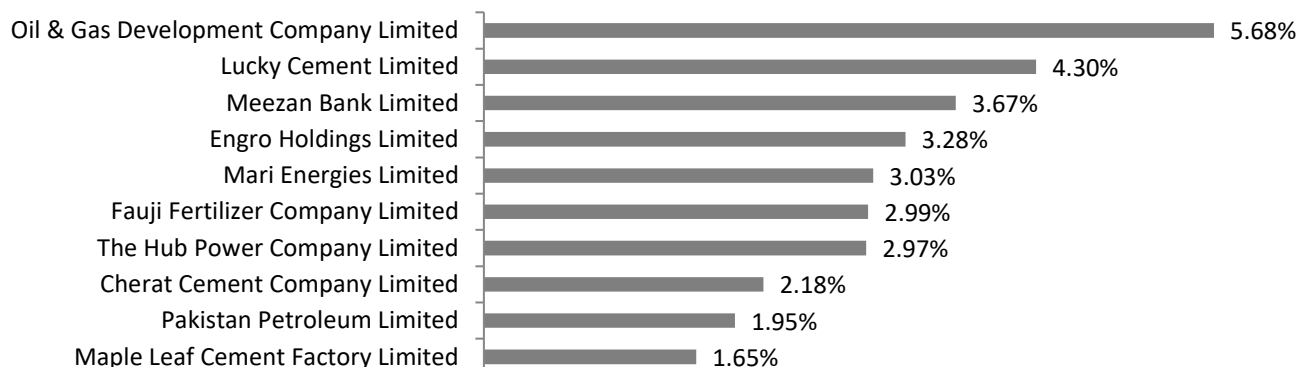
During the year, the focus was on proactive and continuous re-allocation between high yield instruments so as to optimize fund return while simultaneously minimizing risk. To keep interest rate risk at a minimum, the fund manager over the period kept the duration of the fixed income portfolio below six months.

Asset Allocation for the year ended FY25 and FY26





## Top Holdings



## Performance Review

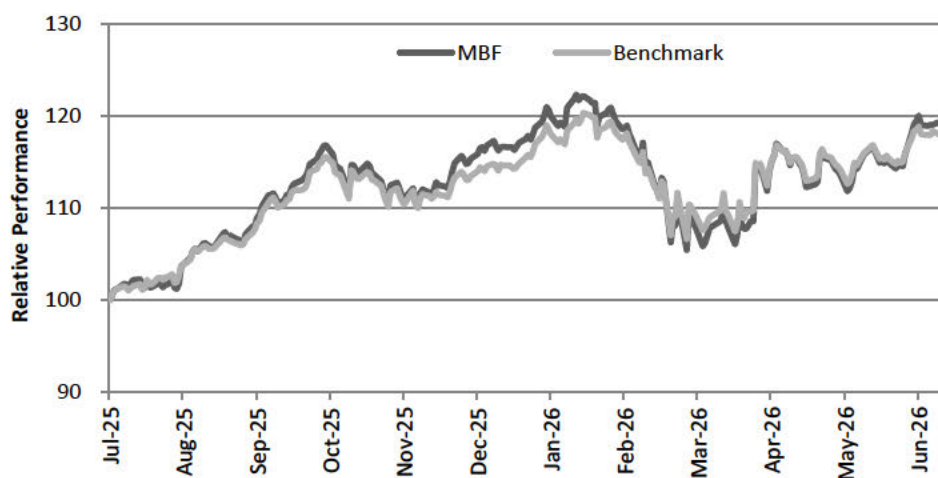
During FY26, Meezan Balanced Fund (MBF) provided a positive return of 20.77% to its investors compared to benchmark return of 26.51%. The Fund has five non-performing Sukuk issued by Eden Housing Limited, Security Leasing Corporation Limited, Arzoo Textile Mills Limited, Hascol Petroleum Limited, and Agha Steel Industries. All five exposures have been fully provided for by the Fund. The Arzoo Textile Mills Limited Sukuk has been restructured, and the Fund is currently receiving principal repayments in accordance with the revised terms. Based on the agreed repayment schedule, the outstanding principal is expected to be fully repaid by 30 December 2026. Agha Steel Industries is at an advanced stage of discussions with its banking creditors regarding the restructuring of its financial obligations, while restructuring of the Sukuk is also under consideration. Discussions with Security Leasing Corporation Limited are ongoing, with the company negotiating revised terms with Sukuk holders to facilitate further progress towards a potential restructuring arrangement. There have been no material developments in the recovery status of the Eden Housing Limited and Hascol Petroleum Limited exposures. The Fund continues to monitor all five exposures, with recovery efforts focused on maximizing the potential recovery of outstanding principal while maintaining appropriate oversight of the restructuring and legal processes.

|                                  | 30-Jun-26 | 30-Jun-25 | Change |
|----------------------------------|-----------|-----------|--------|
| <b>NAV</b>                       |           |           |        |
| Meezan Balanced Fund             | 27.7417   | 23.8078   | 20.77% |
| <b>Combination of Benchmarks</b> |           |           |        |
| KMI 30 Index                     | 257,327   | 184,886   | 39.18% |
| <b>Benchmark Return</b>          |           |           | 26.51% |
| <b>Outperformance</b>            |           |           | 5.74%  |

MBF posted a total income of Rs. 921 million in the fiscal year 2026 as compared to a total income of Rs. 1,009 million last year. Total income comprised of realized and unrealized gain on investments of Rs. 261 million and Rs. 340 million respectively. Dividend income contributed Rs. 117 million to income, while profit on saving accounts with banks amounted to Rs. 118 million. Profit on Sukuk certificates was Rs. 85 million. After accounting for expenses of Rs. 179 million, the Fund posted a net income of Rs. 742 million. The net assets of the Fund as at June 30, 2026 were Rs. 5,892 million as compared to Rs. 3,394 million at the end of last year depicting an increase of 74%. The net asset value per unit as at June 30, 2026 was Rs. 27.7417 as compared to Rs. 23.8078 per unit as on June 30, 2025.



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### Charity Statement

The Fund purifies the income earned by setting aside an amount payable by the Management Company out of the income of the Trust to charitable/welfare organizations, in consultation with Shariah Advisor, representing income that is Haram. During the year ended June 30, 2026 an amount of Rs. 5 million was accrued as charity payable.

### Distributions

An interim distribution in the form of cash dividend by the Fund during the fiscal year ended June 30, 2026 was Re. 1.00 per unit (10%). Total distribution made by the Fund was Rs. 149 million.

### SWWF Disclosure

Not Applicable

### Breakdown of unit holdings by size

(As on June 30, 2026)

| Range (Units)     | No. of investors |
|-------------------|------------------|
| 1-9,999           | 18,317           |
| 10,000-49,999     | 1,238            |
| 50,000-99,999     | 192              |
| 100,000-499,999   | 140              |
| 500,000 and above | 40               |
| <b>Total</b>      | <b>19,927</b>    |





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**Summary of Actual Proxy Voted by the Fund**

|            | Resolutions | For  | Against | Abstain |
|------------|-------------|------|---------|---------|
| Number     | 7           | 7    | 0       | 0       |
| Percentage | 100%        | 100% | 0%      | 0%      |

The proxy voting policy of **Al Meezan Investment Management Limited**, duly approved by Board of Directors of the Management Company, is available on the website [www.almeezangroup.com](http://www.almeezangroup.com). A detailed information regarding actual proxies voted by the Management Company in respect of funds is also available without charge, upon request, to all unit holders.

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

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URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)

Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN BALANCED FUND**

**Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Balanced Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Securities and Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 15, 2026



# Dr. Muhammad Imran Usmani

**Jamia Darul Uloom Karachi**

Korangi Industrial Area Karachi, Pakistan

Postal Code 75180

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Email: [miu786@gmail.com](mailto:miu786@gmail.com)

Ref no: IBSA/ESA/26/64

## **Report of the Shariah Advisor –Meezan Balanced Fund (MBF)**

August 10, 2026/Safar 26, 1448 AH

**Alhamdulillah**, the period from July 1, 2025 to June 30, 2026 was the **Twenty-second** year of operations of **Meezan Balanced Fund** (the “**MBF**” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with the Trust Deed of the Fund. The scope of the Report is to express an opinion on the Shariah compliance of the Fund’s activity.

In the capacity of Shariah Advisor, Guidelines and policies for Shariah compliant equity investments have been issued to the Fund. Management Company must adhere the guidelines and policies issued by Shariah Advisor. Criteria for Shariah compliance of equity investments includes (i) Nature of business should be *halal*; (ii) Ratio of interest-bearing debt to total assets should be less than 37%; (iii) Ratio of investment in Shariah non-compliant activities to total assets should be less than 33%; (iv) Ratio of Shariah non-compliant income to gross revenue should be less than 5%; (v) Illiquid assets to total assets should be at least 25% and (vi) Market price per share should be at least equal to or greater than net liquid assets per share. In addition to the above criteria, day trading, short sell and trading of right shares (LOR) before subscription are not allowed.

It is also the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the Shariah Advisor’s guidelines.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2026 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity.

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.

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**Dr. Muhammad Imran Ashraf Usmani**  
Shariah Advisor

## **INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023**

**To The Board of Directors of Al Meezan Investment Management Limited**

### **1. Introduction**

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of **Meezan Balanced Fund (the Fund)**, for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

### **2. Applicable Criteria**

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under:

- a) legal and regulatory framework administered by the SECP;
- b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the SECP;
- c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan (ICAP), as notified by the SECP;
- d) guidance and recommendations of the Shariah Advisory Committee, as notified by the SECP; and
- e) approvals, rulings, or pronouncements of Shariah Supervisory Board or the Shariah Advisor of the Islamic financial institution, in line with (a) to (d) above.

Our engagement was carried out as required under Regulation 29 of Chapter VII of the Regulations.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended June 30, 2026, which are annexed.

### **3. Management's Responsibility for Shariah Compliance**

Management is responsible to ensure that the financial arrangements, contracts, and transactions having Shariah implications, entered into by the Fund with its unit holders, other financial institutions, and stakeholders and related policies and procedures are, in substance and legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for the design, implementation, and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.





**4. Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies International Standard on Quality Management (ISQM-1) *"Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements"*, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**5. Our Responsibility and Summary of the Work Performed**

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles in all material respects for the year ended June 30, 2026, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'*, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. We have designed and performed the necessary verification procedures on various financial arrangements, contracts, and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

**6. Conclusion**

Based on our reasonable assurance engagement, we report that, in our opinion, the Fund's financial arrangements, contracts, and transactions for the year ended June 30, 2026 are in compliance with the Shariah principles (criteria specified in paragraph 2 above), in all material respects.

The engagement partner on the assurance resulting in this independent assurance report is **Nadeem Yousuf Adil**.

  
Chartered Accountants

**Date:** September 15, 2026  
**Place:** Karachi

## INDEPENDENT AUDITOR'S REPORT

**To the Unit holders of Meezan Balanced Fund**

**Report on the Audit of the Financial Statements**

### Opinion

We have audited the financial statements of Meezan Balanced Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movements in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards 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 Fund 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S.No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1     | <p><b>Net Asset Value (NAV)</b><br/>(Refer notes 5 &amp; 6 to the financial statements)</p> <p>Balances with banks and investments constitute the most significant components of the net asset value. Balances with banks aggregated to Rs. 1,582.34 million and investments of the Fund amounted to Rs. 3,332.24 million as at June 30, 2026.</p> <p>The existence of balances with banks and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.</p> | <p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> <li>Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul> |

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

The Management Company (Al Meezan Investment Management Limited) is responsible for the other information. The other information comprises the information included in the annual report, but 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.

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

The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan 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, the Management Company is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund'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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.



A.F. FERGUSON & Co.

- Conclude on the appropriateness of Management Company'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 Fund'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 Fund 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 of the Management Company 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 Board of Directors of the Management Company 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 Board of Directors of the Management Company, 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**

Based on our audit, we further report that in our opinion:

- a) the financial statement have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008;
- b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of Collective Investment Scheme; and
- c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

The engagement partner on the audit resulting in this independent auditor's report is **Khattab Muhammad Akhi Baig**.

A. F. Ferguson & Co.  
Chartered Accountants  
Karachi

Dated: September 18, 2026

UDIN: AR202610081sjqnYygdQ



**MEEZAN BALANCED FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2026**

|                                                                         |      | 2026               | 2025               |
|-------------------------------------------------------------------------|------|--------------------|--------------------|
|                                                                         | Note | (Rupees in '000)   | (Rupees in '000)   |
| <b>Assets</b>                                                           |      |                    |                    |
| Balances with banks                                                     | 5    | 1,582,335          | 649,861            |
| Investments                                                             | 6    | 3,332,237          | 2,833,689          |
| Receivables against conversion of units                                 |      | 1,194,699          | 20,636             |
| Dividend receivable                                                     |      | 1,798              | 833                |
| Advances, deposits, profit and other receivables                        | 7    | 34,438             | 41,898             |
| <b>Total assets</b>                                                     |      | <b>6,145,507</b>   | <b>3,546,917</b>   |
| <b>Liabilities</b>                                                      |      |                    |                    |
| Payable to Al Meezan Investment Management Limited - Management Company | 8    | 4,884              | 2,971              |
| Payable to Central Depository Company of Pakistan Limited - Trustee     | 9    | 528                | 394                |
| Payable to the Securities and Exchange Commission of Pakistan           | 10   | 320                | 222                |
| Payable to Meezan Bank Limited                                          |      | 269                | 275                |
| Payable against purchase of investments                                 |      | 162,501            | 16,222             |
| Payable against redemption and conversion of units                      |      | 4,102              | 30,645             |
| Dividend payable                                                        |      | 7,535              | 39,974             |
| Accrued expenses and other liabilities                                  | 11   | 73,849             | 61,974             |
| <b>Total liabilities</b>                                                |      | <b>253,988</b>     | <b>152,677</b>     |
| <b>Net assets</b>                                                       |      | <b>5,891,519</b>   | <b>3,394,240</b>   |
| <b>Unit holders' fund (as per statement attached)</b>                   |      | <b>5,891,519</b>   | <b>3,394,240</b>   |
| <b>Contingencies and commitments</b>                                    | 12   |                    |                    |
|                                                                         |      | (Number of units)  | (Number of units)  |
| <b>Number of units in issue</b>                                         |      | <b>212,370,448</b> | <b>142,568,672</b> |
|                                                                         |      | (Rupees)           | (Rupees)           |
| <b>Net asset value per unit</b>                                         |      | <b>27.7417</b>     | <b>23.8078</b>     |

The annexed notes 1 to 26 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

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

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

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

**MEEZAN BALANCED FUND**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2026**

|                                                                                                                                       | Note    | 2026<br>(Rupees in '000) | 2025             |
|---------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------|------------------|
| <b>Income</b>                                                                                                                         |         |                          |                  |
| Profit on saving accounts with banks                                                                                                  |         | 117,702                  | 56,540           |
| Dividend income                                                                                                                       |         | 116,630                  | 74,023           |
| Profit on sukuk certificates                                                                                                          |         | 85,249                   | 132,245          |
| Net realised gain on sale of investments                                                                                              |         | 260,936                  | 372,640          |
| Net unrealised appreciation on re-measurement of investments<br>classified as 'financial assets at fair value through profit or loss' | 6.3     | 340,362                  | 373,547          |
| Other Income                                                                                                                          |         | 69                       | 66               |
| <b>Total income</b>                                                                                                                   |         | <u>920,948</u>           | <u>1,009,061</u> |
| <b>Expenses</b>                                                                                                                       |         |                          |                  |
| Remuneration of Al Meezan Investment Management Limited -<br>Management Company                                                       | 8.1     | 108,321                  | 65,628           |
| Sindh sales tax on remuneration of the Management Company                                                                             | 8.2     | 16,248                   | 9,844            |
| Allocated expenses                                                                                                                    | 8.3     | -                        | 1,911            |
| Sindh sales tax on allocated expenses                                                                                                 | 8.2     | -                        | 287              |
| Selling and marketing expenses                                                                                                        | 8.3     | -                        | 15,940           |
| Sindh sales tax on selling and marketing expenses                                                                                     | 8.2     | -                        | 2,391            |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee                                                              | 9.1     | 5,551                    | 3,824            |
| Sindh sales tax on remuneration of the Trustee                                                                                        | 9.2     | 833                      | 574              |
| Fee to the Securities and Exchange Commission of Pakistan                                                                             | 10.1    | 3,869                    | 2,400            |
| Auditor's remuneration                                                                                                                | 13      | 943                      | 840              |
| Charity expense                                                                                                                       | 11.2    | 5,058                    | 3,896            |
| Printing expense                                                                                                                      |         | -                        | 40               |
| Fees and subscription                                                                                                                 |         | 725                      | 563              |
| Legal and professional charges                                                                                                        |         | 160                      | 73               |
| Brokerage expenses                                                                                                                    |         | 17,110                   | 8,032            |
| Bank and settlement charges                                                                                                           |         | 1,429                    | 889              |
| Capital gain tax on securities                                                                                                        |         | 238                      | -                |
| Shariah audit fee                                                                                                                     |         | 350                      | -                |
| Provision against sukuk certificates - net                                                                                            | 6.2.2.6 | 18,372                   | 15,214           |
| <b>Total expenses</b>                                                                                                                 |         | <u>179,207</u>           | <u>132,346</u>   |
| <b>Net income for the year before taxation</b>                                                                                        |         | <u>741,741</u>           | <u>876,715</u>   |
| Taxation                                                                                                                              | 15      | -                        | -                |
| <b>Net income for the year after taxation</b>                                                                                         |         | <u>741,741</u>           | <u>876,715</u>   |
| <b>Allocation of net income for the year</b>                                                                                          |         |                          |                  |
| Net income for the year after taxation                                                                                                |         | 741,741                  | 876,715          |
| Income already paid on units redeemed                                                                                                 |         | (248,188)                | (251,017)        |
|                                                                                                                                       |         | <u>493,553</u>           | <u>625,698</u>   |
| <b>Accounting income available for distribution</b>                                                                                   |         |                          |                  |
| - Relating to capital gains                                                                                                           |         | 493,553                  | 625,698          |
| - Excluding capital gains                                                                                                             |         | -                        | -                |
|                                                                                                                                       |         | <u>493,553</u>           | <u>625,698</u>   |

The annexed notes 1 to 26 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

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

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

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



**MEEZAN BALANCED FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2026**

|                                                | 2026                         | 2025                  |
|------------------------------------------------|------------------------------|-----------------------|
|                                                | ----- (Rupees in '000) ----- |                       |
| Net income for the year after taxation         | 741,741                      | 876,715               |
| Other comprehensive income for the year        | -                            | -                     |
| <b>Total comprehensive income for the year</b> | <u><u>741,741</u></u>        | <u><u>876,715</u></u> |

The annexed notes 1 to 26 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
Director

**MEEZAN BALANCED FUND**  
**STATEMENT OF MOVEMENTS IN UNIT HOLDERS' FUND**  
**FOR THE YEAR ENDED JUNE 30, 2026**

|                                                                                                                                 | 2026             |                      |             | 2025             |                      |             |
|---------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------|-------------|------------------|----------------------|-------------|
|                                                                                                                                 | Capital value    | Undistributed income | Total       | Capital value    | Undistributed income | Total       |
|                                                                                                                                 | (Rupees in '000) |                      |             | (Rupees in '000) |                      |             |
| Net assets at the beginning of the year                                                                                         | 2,128,533        | 1,265,707            | 3,394,240   | 1,155,869        | 757,559              | 1,913,428   |
| Issue of 265,184,728 units (2025: 198,691,326 units)                                                                            |                  |                      |             |                  |                      |             |
| - Capital value (at net asset value per unit at the beginning of the year)                                                      | 6,313,465        | -                    | 6,313,465   | 3,647,019        | -                    | 3,647,019   |
| - Element of income                                                                                                             | 887,342          | -                    | 887,342     | 823,087          | -                    | 823,087     |
| Total proceeds on issuance of units                                                                                             | 7,200,807        | -                    | 7,200,807   | 4,470,106        | -                    | 4,470,106   |
| Redemption of 195,382,952 units (2025: 160,367,290 units)                                                                       |                  |                      |             |                  |                      |             |
| - Capital value (at net asset value per unit at the beginning of the year)                                                      | (4,651,638)      | -                    | (4,651,638) | (2,943,574)      | -                    | (2,943,574) |
| - Element of loss                                                                                                               | (396,614)        | (248,188)            | (644,802)   | (500,273)        | (251,017)            | (751,290)   |
| Total payments on redemption of units                                                                                           | (5,048,252)      | (248,188)            | (5,296,440) | (3,443,847)      | (251,017)            | (3,694,864) |
| Total comprehensive income for the year                                                                                         | -                | 741,741              | 741,741     | -                | 876,715              | 876,715     |
| Distribution during the year                                                                                                    | -                | (105,777)            | (105,777)   | -                | (117,550)            | (117,550)   |
| Refund of capital for the year                                                                                                  | (43,052)         | -                    | (43,052)    | (53,595)         | -                    | (53,595)    |
| Net income for the period less distribution                                                                                     | (43,052)         | 635,964              | 592,912     | (53,595)         | 759,165              | 705,570     |
| Net assets at the end of the year                                                                                               | 4,238,036        | 1,653,483            | 5,891,519   | 2,128,533        | 1,265,707            | 3,394,240   |
| Undistributed Income brought forward                                                                                            |                  |                      |             |                  |                      |             |
| - Realised income                                                                                                               |                  | 892,160              |             |                  | 478,621              |             |
| - Unrealised income                                                                                                             |                  | 373,547              |             |                  | 278,938              |             |
|                                                                                                                                 |                  | 1,265,707            |             |                  | 757,559              |             |
| Accounting income available for distribution                                                                                    |                  |                      |             |                  |                      |             |
| - Relating to capital gains                                                                                                     | 493,553          |                      |             | 625,698          |                      |             |
| - Excluding capital gains                                                                                                       | -                |                      |             | -                |                      |             |
|                                                                                                                                 | 493,553          |                      |             | 625,698          |                      |             |
| Distribution during the year at Rs. 1.00 per unit declared on June 24, 2026 (2025: Rs. 1.25 per unit declared on June 27, 2025) |                  | (105,777)            |             |                  | (117,550)            |             |
| Undistributed income carried forward                                                                                            |                  | 1,653,483            |             |                  | 1,265,707            |             |
| Undistributed income carried forward                                                                                            |                  |                      |             |                  |                      |             |
| - Realised income                                                                                                               |                  | 1,313,121            |             |                  | 892,160              |             |
| - Unrealised income                                                                                                             |                  | 340,362              |             |                  | 373,547              |             |
|                                                                                                                                 |                  | 1,653,483            |             |                  | 1,265,707            |             |
|                                                                                                                                 |                  | (Rupees)             |             |                  | (Rupees)             |             |
| Net asset value per unit at the beginning of the year                                                                           |                  | 23.8078              |             |                  | 18.3552              |             |
| Net asset value per unit at the end of the year                                                                                 |                  | 27.7417              |             |                  | 23.8078              |             |

The annexed notes 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN BALANCED FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2026**

|                                                                                                                                       | Note | 2026<br>------(Rupees in '000)----- | 2025<br>------(Rupees in '000)----- |
|---------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------------------|-------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                                           |      |                                     |                                     |
| Net income for the year before taxation                                                                                               |      | 741,741                             | 876,715                             |
| <b>Adjustments for:</b>                                                                                                               |      |                                     |                                     |
| Net unrealised appreciation on re-measurement of investments<br>classified as 'financial assets at fair value through profit or loss' | 6.3  | (340,362)                           | (373,547)                           |
| Profit on saving accounts with banks                                                                                                  |      | (117,702)                           | (56,540)                            |
| Dividend income                                                                                                                       |      | (116,630)                           | (74,023)                            |
| Profit on sukuk certificates                                                                                                          |      | (85,249)                            | (132,245)                           |
| Provision against sukuk certificates - net                                                                                            |      | 18,372                              | 15,214                              |
|                                                                                                                                       |      | <u>100,170</u>                      | <u>255,574</u>                      |
| <b>Increase in assets</b>                                                                                                             |      |                                     |                                     |
| Investments - net                                                                                                                     |      | (30,279)                            | (493,295)                           |
| Advances, deposits and other receivables                                                                                              |      | -                                   | (9,481)                             |
|                                                                                                                                       |      | <u>(30,279)</u>                     | <u>(502,776)</u>                    |
| <b>Decrease / (Increase) in liabilities</b>                                                                                           |      |                                     |                                     |
| Payable to Al Meezan Investment Management Limited - Management Company                                                               |      | 1,913                               | (1,372)                             |
| Payable to Central Depository Company of Pakistan Limited - Trustee                                                                   |      | 134                                 | 87                                  |
| Payable to the Securities and Exchange Commission of Pakistan                                                                         |      | 98                                  | 57                                  |
| Payable to Meezan Bank Limited                                                                                                        |      | (6)                                 | 218                                 |
| Accrued expenses and other liabilities                                                                                                |      | 11,875                              | (23,225)                            |
|                                                                                                                                       |      | <u>14,014</u>                       | <u>(24,235)</u>                     |
| Profit received                                                                                                                       |      | 210,410                             | 208,605                             |
| Dividend received                                                                                                                     |      | 115,666                             | 73,867                              |
|                                                                                                                                       |      | <u>409,981</u>                      | <u>11,035</u>                       |
| <b>Net cash generated from operating activities</b>                                                                                   |      |                                     |                                     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                                           |      |                                     |                                     |
| Receipts against issuance and conversion of units - net of refund of capital                                                          |      | 5,983,692                           | 4,395,875                           |
| Payment against redemption and conversion of units                                                                                    |      | (5,322,983)                         | (4,075,927)                         |
| Dividend paid                                                                                                                         |      | (138,216)                           | (85,273)                            |
| <b>Net cash generated from financing activities</b>                                                                                   |      | <u>522,493</u>                      | <u>234,675</u>                      |
| <b>Net increase in cash and cash equivalents during the year</b>                                                                      |      | <u>932,474</u>                      | <u>245,710</u>                      |
| Cash and cash equivalents at the beginning of the year                                                                                |      | 649,861                             | 404,151                             |
| <b>Cash and cash equivalents at the end of the year</b>                                                                               | 5.3  | <u><u>1,582,335</u></u>             | <u><u>649,861</u></u>               |

The annexed notes 1 to 26 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
Director

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Balanced Fund was initially established as a closed-end scheme under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 15, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 8, 2004 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

Subsequently, on May 3, 2013, SECP vide its letter No. SCD/AMCW/MBF/512/2013 had approved the conversion of the closed end structure into an open end scheme through the establishment of the Unit Trust Scheme under the name of Meezan Balanced Fund (the Fund). On June 27, 2013, SECP vide its letter No SCD/AMCW/MBF/613/2013 registered the Fund as a notified entity and had withdrawn the registration of the Fund as a closed end scheme with effect from July 1, 2013 and therefore from July 1, 2013, the Fund had been converted into an open end scheme and, accordingly, the certificate holders of the closed end scheme at June 30, 2013 were converted to unitholders of the Fund.

In the year 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2** The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP.
- 1.3** The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah compliant equity securities and Islamic income instruments such as Islamic Sukuks (Government of Pakistan Ijarah sukuks) and corporate sukuks as indicated by the SECP. Under the Trust Deed all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.4** The Fund is an open-end fund listed on the Pakistan Stock Exchange. The Fund is categorised as a Shariah Compliant Balanced Fund in accordance with Circular 7 of 2009 issued by the SECP.
- 1.5** The Management Company has been assigned an 'AM1' quality rating by VIS Credit Rating Company Limited dated January 22, 2026 (2025: 'AM1' dated December 31, 2024) and by PACRA dated May 15, 2026 (2025: 'AM1' dated May 15, 2025). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2 BASIS OF PRESENTATION**

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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).



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

### **3.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, therefore, not been disclosed in these financial statements.

### **3.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective in the current year**

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (published in April 2024) effective for annual periods beginning on or after January 1, 2027. IFRS 18 when applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements;
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets and financial liabilities.

The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Fund.

### **3.4 Critical accounting estimates and judgments**

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 4.1 and 6).

### **3.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 19.

### **3.6 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

## **4 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.



#### 4.1 Financial assets

##### 4.1.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

##### 4.1.2 Classification and subsequent measurement

###### 4.1.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

###### 4.1.2.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

###### 4.1.2.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of assets and liabilities at amortised cost

These comprise balances with banks in savings and current accounts.

##### 4.1.3 Impairment (other than debt securities)

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

##### 4.1.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.



As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's circular.

#### **4.1.5 Regular way contracts**

##### **Debt securities**

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within the time frame established by regulation or market convention.

##### **Other than debt securities**

Up to February 8, 2026, regular way purchases / sales of assets required delivery of equity securities within two days from the transaction date (T+2) as per the stock exchange regulations. Effective from February 9, 2026, in accordance with the revised regulations of the Pakistan Stock Exchange (PSX), the settlement cycle has transitioned to a Trade plus one day (T+1) basis, requiring delivery of securities within one day from the transaction date.

#### **4.1.6 Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

#### **4.2 Financial liabilities**

##### **4.2.1 Classification and subsequent measurement**

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

##### **4.2.2 Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

#### **4.3 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards applicable in Pakistan.

#### **4.4 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

#### **4.5 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 circulation at the year end.

#### **4.6 Issuance and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as at the close of the business day, plus the allowable sales load, provision of any duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

#### 4.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval 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.

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

#### 4.8 Element of income / (loss) and capital gains / (losses)

Element of income / (loss) represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income / (loss) 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 NAV 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.

#### 4.9 Revenue recognition

- Gains / (losses) arising on sale of investments are recognised when the transaction takes place;
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which they arise;
- Dividend income is recognised when the right to receive the dividend is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend;
- Income on sukuk certificates and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Profit on saving accounts with banks is recognised on a time proportionate basis using the effective yield method.

#### 4.10 Treatment of Shariah non-compliant income

Income earned by the Fund may contain shariah non-compliant income. The Fund is required to "purify" the income it receives by excluding the element of impermissible income and appropriating it to charity. The purification is carried out in accordance with the guidelines approved by the Shariah Advisor of the Fund. Any amount appropriated to charity has been recorded as an expense in the 'Income Statement' in the financial statements of the Fund.

#### 4.11 Expenses

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

#### 4.12 Taxation

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A (i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.



| 5 | BALANCES WITH BANKS     | Note | 2026                         | 2025           |
|---|-------------------------|------|------------------------------|----------------|
|   |                         |      | ----- (Rupees in '000) ----- |                |
|   | Balances with banks in: |      |                              |                |
|   | Saving accounts         | 5.1  | 1,574,699                    | 640,805        |
|   | Current accounts        | 5.2  | 7,636                        | 9,056          |
|   |                         |      | <u>1,582,335</u>             | <u>649,861</u> |

5.1 This includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 6.75% (2025: 3.25%) per annum. Other savings accounts of the Fund have expected profit rates ranging from 6.00% to 11.50% per annum (2025: 3.00% to 10.60% per annum).

5.2 This includes balances maintained with Meezan Bank Limited (a related party).

| 5.3 | CASH AND CASH EQUIVALENTS | Note | 2026                         | 2025           |
|-----|---------------------------|------|------------------------------|----------------|
|     |                           |      | ----- (Rupees in '000) ----- |                |
|     | Balances with banks       |      | <u>1,582,335</u>             | <u>649,861</u> |

## 6 INVESTMENTS

### At fair value through profit or loss

|                                                |     |                  |                  |
|------------------------------------------------|-----|------------------|------------------|
| Shares of listed companies - 'ordinary shares' | 6.1 | 2,802,054        | 2,017,481        |
| Sukuk certificates                             | 6.2 | 530,183          | 816,208          |
|                                                |     | <u>3,332,237</u> | <u>2,833,689</u> |

### 6.1 Shares of listed companies 'ordinary shares'

| Name of the investee company | As at July 1, 2025 | Purchases during the year | Sold during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised (diminution) / appreciation as at June 30, 2026 | Percentage in relation to |                                   |                                                                            |
|------------------------------|--------------------|---------------------------|----------------------|---------------------|------------------------------------|----------------------------------|------------------------------------------------------------|---------------------------|-----------------------------------|----------------------------------------------------------------------------|
|                              |                    |                           |                      |                     |                                    |                                  |                                                            | Net assets of the Fund    | Market value of total investments | Paid-up Capital of the investee company (with face value of investments) * |
|                              |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                            |
|                              | Number of shares   |                           |                      |                     | (Rupees in '000)                   |                                  |                                                            | %                         |                                   |                                                                            |

#### Sectors / companies

##### Automobile Assembler

|                                  |   |         |         |        |        |        |       |      |      |      |
|----------------------------------|---|---------|---------|--------|--------|--------|-------|------|------|------|
| Sazgar Engineering Works Limited | - | 119,150 | 113,150 | 6,000  | 12,805 | 12,381 | (424) | 0.21 | 0.37 | 0.01 |
| Ghandhara Industries Limited     | - | 58,000  | 31,709  | 26,291 | 25,080 | 25,464 | 384   | 0.43 | 0.91 | 0.06 |
| Ghandhara Automobiles Limited    | - | 100,000 | 100,000 | -      | -      | -      | -     | -    | -    | -    |
|                                  |   |         |         |        |        |        |       | 0.64 | 1.28 | 0.07 |

##### AUTOMOBILE PARTS & ACCESSORIES

|                                  |   |           |           |         |        |        |       |      |      |      |
|----------------------------------|---|-----------|-----------|---------|--------|--------|-------|------|------|------|
| Agriauto Industries Limited      | - | 111,823   | 4,813     | 107,010 | 18,711 | 18,298 | (413) | 0.31 | 0.55 | 0.30 |
| Service Long March Tyres Limited | - | 1,647,642 | 1,520,000 | 127,642 | 2,546  | 3,240  | 694   | 0.05 | 0.10 | -    |
|                                  |   |           |           |         |        |        |       | 0.36 | 0.65 | 0.30 |

##### Cable & Electrical Goods

|                      |   |           |           |   |   |   |   |   |   |   |
|----------------------|---|-----------|-----------|---|---|---|---|---|---|---|
| Pak Elektron Limited | - | 1,930,000 | 1,930,000 | - | - | - | - | - | - | - |
|----------------------|---|-----------|-----------|---|---|---|---|---|---|---|

##### Cement

|                                             |         |           |           |         |         |         |        |       |       |      |
|---------------------------------------------|---------|-----------|-----------|---------|---------|---------|--------|-------|-------|------|
| Cherat Cement Company Limited               | 274,615 | 346,223   | 230,000   | 390,838 | 115,314 | 135,203 | 19,889 | 2.29  | 4.06  | 0.20 |
| D.G. Khan Cement Company Limited            | 350,000 | 834,467   | 970,000   | 214,467 | 39,657  | 47,883  | 8,226  | 0.81  | 1.44  | 0.05 |
| Fauji Cement Company Limited                | -       | 2,975,000 | 2,553,000 | 422,000 | 22,480  | 24,286  | 1,806  | 0.41  | 0.73  | 0.02 |
| Kohat Cement Company Limited (note 6.1.1)   | 181,836 | 794,929   | 677,137   | 299,628 | 23,976  | 32,995  | 9,019  | 0.56  | 0.99  | 0.03 |
| Lucky Cement Limited (note 6.1.1 and 6.1.2) | 693,272 | 296,500   | 421,083   | 568,689 | 224,140 | 267,011 | 42,871 | 4.53  | 8.01  | 0.04 |
| Pioneer Cement Limited                      | -       | 400,000   | 400,000   | -       | -       | -       | -      | -     | -     | -    |
| Attock Cement Pakistan Limited              | 34,214  | 53,270    | 87,484    | -       | -       | -       | -      | -     | -     | -    |
| Maple Leaf Cement Factory Limited           | 230,000 | 2,220,000 | 1,490,000 | 960,000 | 89,294  | 102,634 | 13,340 | 1.74  | 3.08  | 0.09 |
|                                             |         |           |           |         |         |         |        | 10.34 | 18.31 | 0.43 |

##### Chemicals

|                                            |        |         |         |         |        |        |   |      |      |      |
|--------------------------------------------|--------|---------|---------|---------|--------|--------|---|------|------|------|
| Descon Oxychem Limited                     | -      | 100,000 | 100,000 | -       | -      | -      | - | -    | -    | -    |
| Engo Polymer and Chemicals Limited         | -      | 930,000 | 930,000 | -       | -      | -      | - | -    | -    | -    |
| Ghani Chemical Industries Limited          | -      | 650,000 | 650,000 | -       | -      | -      | - | -    | -    | -    |
| Ghani Global Holdings Limited              | -      | 480,769 | 480,769 | -       | -      | -      | - | -    | -    | -    |
| Lucky Core Industries Limited (note 6.1.1) | 23,211 | 92,844  | 116,055 | -       | -      | -      | - | -    | -    | -    |
| Lotte Chemical Pakistan Limited            | -      | 500,000 | 100,000 | 400,000 | 11,220 | 11,228 | 8 | 0.19 | 0.34 | 0.03 |
|                                            |        |         |         |         |        |        |   | 0.19 | 0.34 | 0.03 |

##### Commercial Banks

|                                                   |         |         |         |         |         |         |        |      |      |      |
|---------------------------------------------------|---------|---------|---------|---------|---------|---------|--------|------|------|------|
| Faysal Bank Limited                               | 410,000 | -       | 410,000 | -       | -       | -       | -      | -    | -    | -    |
| Meezan Bank Limited (a related party of the Fund) | 640,002 | 350,000 | 548,331 | 441,671 | 184,247 | 228,105 | 43,858 | 3.87 | 6.85 | 0.02 |
|                                                   |         |         |         |         |         |         |        | 3.87 | 6.85 | 0.02 |

| Name of the investee company                  | As at July 1, 2025 | Purchases during the year | Sold during the year | As at June 30, 2025 | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised (diminution) / appreciation as at June 30, 2026 | Percentage in relation to |                                   |                                                                          |
|-----------------------------------------------|--------------------|---------------------------|----------------------|---------------------|------------------------------------|----------------------------------|------------------------------------------------------------|---------------------------|-----------------------------------|--------------------------------------------------------------------------|
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | Net assets of the Fund    | Market value of total investments | Paid-up Capital of the investee company (with face value of investments) |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Number of shares                              |                    |                           |                      |                     | (Rupees in '000)                   |                                  | %                                                          |                           |                                   |                                                                          |
| Fertilizers                                   |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Engro Fertilizers Limited                     | -                  | 800,000                   | 695,000              | 105,000             | 21,556                             | 20,890                           | (666)                                                      | 0.35                      | 0.63                              | 0.01                                                                     |
| Fatima Fertilizer Company Limited             | -                  | 511,050                   | 140,000              | 371,050             | 48,288                             | 61,335                           | 13,047                                                     | 1.04                      | 1.84                              | 0.02                                                                     |
| Fauji Fertilizer Company Limited              | -                  | 911,000                   | 586,997              | 324,003             | 188,093                            | 185,809                          | (2,284)                                                    | 3.15                      | 5.58                              | 0.02                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 4.54                      | 8.05                              | 0.05                                                                     |
| INV. BANKS /INV.COS./SECURITIES COS           |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Engro Holding Limited                         | 175,000            | 998,663                   | 465,000              | 708,663             | 173,480                            | 203,897                          | 30,417                                                     | 3.46                      | 6.12                              | 0.06                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 3.46                      | 6.12                              | 0.06                                                                     |
| Engineering                                   |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Aisha Steel Mills Limited                     | -                  | 1,500,000                 | 1,500,000            | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
| Crescent Steel and Allied Products Limited    | 90,000             | -                         | 90,000               | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
| International Steels Limited                  | -                  | 665,283                   | 312,090              | 353,193             | 27,941                             | 32,049                           | 4,108                                                      | 0.54                      | 0.96                              | 0.08                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 0.54                      | 0.96                              | 0.08                                                                     |
| Food & Personal Care Products                 |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Barkat Frisian Agro Limited (note 6.1.1)      | 40,261             | -                         | 40,261               | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
| National Foods Limited (note 6.1.1 and 6.1.4) | 155,000            | 157,154                   | 167,037              | 145,117             | 51,010                             | 56,223                           | 5,213                                                      | 0.95                      | 1.69                              | 0.06                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 0.95                      | 1.69                              | 0.06                                                                     |
| Glass and Ceramics                            |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Ghani Glass Limited                           | 50,000             | 468,342                   | 120,000              | 398,342             | 1,138                              | 15,922                           | 784                                                        | 0.27                      | 0.48                              | 0.04                                                                     |
| Tariq Glass Industries Limited                | 137,000            | 249,591                   | 221,591              | 165,000             | 25,754                             | 31,875                           | 6,121                                                      | 0.54                      | 0.96                              | 0.10                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 0.81                      | 1.44                              | 0.14                                                                     |
| Leather & Tanneries                           |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Service Industries Limited                    | -                  | 28,594                    | 2,000                | 26,594              | 58,948                             | 62,250                           | 3,302                                                      | 1.06                      | 1.87                              | 0.06                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 1.06                      | 1.87                              | 0.06                                                                     |
| Oil & Gas Exploration Companies               |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Mari Energies Limited (note 6.1.2 and 6.1.3)  | 297,405            | 230,000                   | 248,161              | 279,244             | 184,221                            | 188,291                          | 4,070                                                      | 3.20                      | 5.65                              | 0.02                                                                     |
| Oil and Gas Development Company Limited       | 1,144,831          | 950,158                   | 1,041,000            | 1,054,089           | 279,138                            | 352,983                          | 73,845                                                     | 5.99                      | 10.59                             | 0.02                                                                     |
| Pakistan Petroleum Limited (note 6.1.2)       | 240,320            | 1,137,167                 | 877,000              | 500,487             | 109,118                            | 121,428                          | 12,310                                                     | 2.06                      | 3.64                              | 0.02                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 11.25                     | 19.88                             | 0.06                                                                     |
| Oil and Gas Marketing Companies               |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Attock Petroleum Limited                      | -                  | 55,000                    | 55,000               | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
| Sui Southern Gas Company Limited              | -                  | 600,000                   | 600,000              | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
| Pakistan State Oil Company Limited            | 461,698            | 206,242                   | 564,625              | 103,315             | 42,205                             | 35,370                           | (6,835)                                                    | 0.60                      | 1.06                              | 0.02                                                                     |
| Sui Northern Gas Pipelines Limited            | 1,000,675          | 275,000                   | 922,000              | 353,675             | 38,556                             | 42,770                           | 4,214                                                      | 0.73                      | 1.28                              | 0.06                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 1.33                      | 2.34                              | 0.08                                                                     |
| Paper & Board                                 |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Packages Limited                              | 48,045             | 11,500                    | 59,545               | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | -                         | -                                 | -                                                                        |
| Pharmaceuticals                               |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| AGP Limited                                   | 92,804             | 285,000                   | 263,733              | 114,071             | 22,708                             | 23,536                           | 828                                                        | 0.40                      | 0.71                              | 0.04                                                                     |
| Highnoon Laboratories Limited                 | 24,950             | 32,000                    | 18,414               | 38,536              | 37,345                             | 38,640                           | 1,295                                                      | 0.66                      | 1.16                              | 0.07                                                                     |
| Citi Pharma Limited                           | 150,000            | -                         | 150,000              | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
| Haleon Pakistan Limited                       | 26,170             | 46,000                    | 42,170               | 30,000              | 24,140                             | 24,156                           | 16                                                         | 0.41                      | 0.72                              | 0.03                                                                     |
| Glaxosmithkline Pakistan Limited              | -                  | 210,000                   | 128,531              | 81,469              | 30,091                             | 30,164                           | 73                                                         | 0.51                      | 0.91                              | 0.03                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 1.98                      | 3.50                              | 0.17                                                                     |
| Power Generation & Distribution               |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| K-Electric Limited (note 6.1.1)               | 10,422,538         | 7,500,000                 | 15,672,538           | 2,250,000           | 16,184                             | 19,215                           | 3,031                                                      | 0.33                      | 0.58                              | 0.01                                                                     |
| The Hub Power Company Limited                 | 1,172,981          | 638,631                   | 1,020,000            | 791,612             | 13,008                             | 184,802                          | 50,794                                                     | 3.14                      | 5.55                              | 0.06                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 3.47                      | 6.13                              | 0.07                                                                     |
| Refinery                                      |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Attock Refinery Limited                       | -                  | 211,245                   | 175,000              | 36,245              | 31,057                             | 30,833                           | (224)                                                      | 0.52                      | 0.93                              | 0.03                                                                     |
| Cnergyco PK Limited                           | -                  | 3,012,520                 | 1,500,000            | 1,512,520           | 13,112                             | 12,357                           | (755)                                                      | 0.21                      | 0.37                              | 0.03                                                                     |
| Pakistan Refinery Limited                     | -                  | 2,307,500                 | 1,427,014            | 880,486             | 30,376                             | 31,407                           | 1,031                                                      | 0.53                      | 0.94                              | 0.14                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 1.26                      | 2.24                              | 0.20                                                                     |
| Technology & Communication                    |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Supernet Technologies Limited                 | 327,100            | 45,000                    | 372,100              | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
| Systems Limited (note 6.1.1)                  | 146,910            | 1,355,000                 | 1,128,926            | 372,984             | 56,949                             | 54,862                           | (2,087)                                                    | 0.93                      | 1.65                              | 0.03                                                                     |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 0.93                      | 1.65                              | 0.03                                                                     |
| Transport                                     |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Pakistan International Bulk Terminal Limited  | -                  | 4,701,359                 | 4,701,359            | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | -                         | -                                 | -                                                                        |
| Textile composite                             |                    |                           |                      |                     |                                    |                                  |                                                            |                           |                                   |                                                                          |
| Gul Ahmed Textile Mills Limited               | -                  | 300,000                   | 300,000              | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
| Interloop Limited                             | -                  | 370,000                   | 70,000               | 300,000             | 29,720                             | 32,262                           | 2,542                                                      | 0.55                      | 0.97                              | 0.02                                                                     |
| Nishat Mills Limited                          | 70,000             | 158,755                   | 228,755              | -                   | -                                  | -                                | -                                                          | -                         | -                                 | -                                                                        |
|                                               |                    |                           |                      |                     |                                    |                                  |                                                            | 0.55                      | 0.97                              | 0.02                                                                     |
| Total as at June 30, 2026                     |                    |                           |                      |                     | 2,458,606                          | 2,802,054                        | 343,448                                                    | 49.93                     | 88.52                             |                                                                          |
| Total as at June 30, 2025                     |                    |                           |                      |                     | 1,646,513                          | 2,017,481                        | 370,967                                                    | 59.45                     | 17.87                             |                                                                          |

\* Nil figure due to rounding off



6.1.1 All shares have a nominal value of Rs. 10 each except for the shares of following:

| Name of the investee company     | Nominal value per share as on June 30, 2026 | Subdivision of share during the period            | Additional Shares Received on account of Subdivision of Shares during the period |
|----------------------------------|---------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------|
| National Foods Limited           | 5.00                                        | -                                                 | -                                                                                |
| K-Electric Limited               | 3.50                                        | -                                                 | -                                                                                |
| Lucky Core Industries Limited    | 2.00                                        | On July 18, 2025 from Rs. 10 to Rs. 2 per share   | 92,844                                                                           |
| Kohat Cement Limited             | 2.00                                        | On August 22, 2025 from Rs. 10 to Rs. 2 per share | 727,344                                                                          |
| Lucky Cement Limited             | 2.00                                        | -                                                 | -                                                                                |
| Systems Limited                  | 2.00                                        | -                                                 | -                                                                                |
| Agriauto Industries Limited      | 5.00                                        | -                                                 | -                                                                                |
| Service Long March Tyres Limited | 2.00                                        | -                                                 | -                                                                                |
| Barkat Frisian Agro Limited      | 1.00                                        | -                                                 | -                                                                                |

6.1.2 Investments include 136,000 shares of Lucky Cement Limited, 53,000 shares of Mari Energies Limited and 101,500 shares of Pakistan Petroleum Limited, having market value of Rs. 63.85 million, Rs. 35.73 million and Rs. 24.62 million respectively as at June 30, 2026 (2025: 1,000 shares of Lucky Cement Limited, 1,000 shares of Mari Energies Limited, 201,500 shares of Pakistan Petroleum Limited, having market value of Rs. 0.355 million, Rs. 0.627 million, Rs. 34.829 million respectively) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

6.1.3 The Finance Act, 2023 has introduced Section 236Z of the Income Tax Ordinance, 2001 (ITO) effective from July 1, 2023, which mandates listed companies to withhold ten percent shares out of bonus shares issued to the Fund. The share so withheld are to be released if the Fund deposits tax equivalent to ten percent of the value of bonus share issues to the Fund. Such tax is to be deposited within fifteen days of the book closure of the respective dividend. In case of failure of the Fund to pay, the issuer company is liable to pay the tax and dispose of the bonus shares to recover the amount paid.

In this regard, a petition was filed by the Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by the CISs. The petition is based on the grounds that since the CISs are exempt from levy of income tax in terms of 99 of Part-I of the Second Schedule to the ITO, no tax is payable by the Fund under Section 236Z of the ITO. In this regards, the Honorable High Court of Sindh has issued notices to the relevant parties and ordered to retain the bonus shares being withheld and no tax shall be paid under section 236Z of the ITO till further orders by the Court. The matter is still pending adjudication and the Fund has included the shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

As at June 30, 2026, Mari Energies Limited has withheld 32,155 shares from the bonus shares issued to the Fund. The market value of bonus shares withheld amounts to Rs. 21.682 million as at June 30, 2026.

6.1.4 On May 29, 2026, Pakistan Stock Exchange (PSX) issued a notice no PSX/N-659 regarding the recomposition exercise carried out by PSX on KMI All Share Islamic Index. In the stated notice National Foods Limited was declared as shariah non-compliant of the Index and hence is considered to be a shariah non-compliant investment as at June 30, 2026. However, these shares were shariah compliant according to the KMI All Share Islamic Index at the time of investment. The Fund may retain these previously purchased shares until the next two quarters after Shariah status is updated.

6.2 Sukuk certificates

|                              | Note  | 2026<br>(Rupees in '000) | 2025           |
|------------------------------|-------|--------------------------|----------------|
| Government securities        | 6.2.1 | 200,000                  | 670,546        |
| Corporate sukuk certificates | 6.2.2 | 330,183                  | 145,662        |
|                              |       | <u>530,183</u>           | <u>816,208</u> |

### 6.2.1 Government securities

| Name of the Security                           | Profit payments / principal redemptions | Issue date         | Maturity date      | Profit rate                       | As at July 1, 2025       | Purchased during the year | Sold / matured during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised appreciation / (diminution) as at June 30, 2026 | Percentage in relation to |                                   |
|------------------------------------------------|-----------------------------------------|--------------------|--------------------|-----------------------------------|--------------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|------------------------------------------------------------|---------------------------|-----------------------------------|
|                                                |                                         |                    |                    |                                   | (Number of certificates) |                           |                                | (Rupees in '000)    |                                    |                                  |                                                            | Net assets of the Fund    | Total market value of investments |
| GoP Ijarah Sukuk Certificates - XXI - VRR      | Semi-annually / At maturity             | July 29, 2020      | July 29, 2025      | Weighted Average 6 months T-Bills | 2,647                    | -                         | 2,647                          | -                   | -                                  | -                                | -                                                          | -                         | -                                 |
| GoP Ijarah Sukuk Certificates - XLII - VRR     | Semi-annually / At maturity             | December 4, 2023   | December 4, 2028   | Weighted Average 6 months T-Bills | -                        | -                         | -                              | -                   | -                                  | -                                | -                                                          | -                         | -                                 |
| GoP Ijarah Sukuk Certificates - XXV - VRR      | Semi-annually / At maturity             | October 6, 2021    | October 6, 2026    | Weighted Average 6 months T-Bills | 2,000                    | -                         | 2,000                          | -                   | -                                  | -                                | -                                                          | -                         | -                                 |
| GoP Ijarah Sukuk Certificates - VRR PSX Listed | Semi-annually / At maturity             | September 18, 2024 | September 18, 2029 | Weighted Average 6 months T-Bills | 40,000                   | -                         | -                              | 40,000              | 203,660                            | 200,000                          | (3,660)                                                    | 3.39                      | 6.00                              |
| Total as at June 30, 2025                      |                                         |                    |                    |                                   |                          |                           |                                |                     | 203,660                            | 200,000                          | (3,660)                                                    | 3.39                      | 6.00                              |
| Total as at June 30, 2026                      |                                         |                    |                    |                                   |                          |                           |                                |                     | 667,794                            | 670,546                          | 2,752                                                      | 19.76                     | 23.66                             |

6.2.1.1 The nominal value of these sukuk certificates is Rs. 5,000 each.

### 6.2.2 Corporate sukuk certificates

| Name of the investee company                                              | Profit payments / principal redemptions | Maturity           | Profit rate                            | As at July 1, 2025     | Purchases during the year | Sold / matured during the year | As at June 30, 2026 | Carrying value as at June 30, 2026 | Market value as at June 30, 2026 | Unrealised appreciation / (diminution) as at June 30, 2026 | Percentage in relation to         |      |
|---------------------------------------------------------------------------|-----------------------------------------|--------------------|----------------------------------------|------------------------|---------------------------|--------------------------------|---------------------|------------------------------------|----------------------------------|------------------------------------------------------------|-----------------------------------|------|
|                                                                           |                                         |                    |                                        | Number of certificates |                           |                                | (Rupees in '000)    |                                    |                                  | Net Assets of the Fund                                     | Total market value of investments |      |
|                                                                           |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Commercial banks                                                          |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Dubai Islamic Bank Pakistan Limited - Sukuk (AA-, VIS, non-traded)        | Semi-annually / At maturity             | December 2, 2032   | 6 months KIBOR plus base rate of 0.70% | 100                    | -                         | -                              | 100                 | 100,631                            | 101,000                          | 369                                                        | 1.71                              | 3.03 |
|                                                                           |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Food Products                                                             |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Shakarganj Food Products Limited (BBB-, VIS, non-traded)                  | Quarterly                               | July 10, 2026      | 3 months KIBOR plus base rate of 2.5%  | 82                     | -                         | -                              | 82                  | 3,978                              | 4,096                            | 118                                                        | 0.07                              | 0.12 |
|                                                                           |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Power generation & distribution                                           |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) | Semi-annually                           | June 29, 2026      | 6 months KIBOR plus base rate of 1.13% | 230                    | -                         | 230                            | -                   | -                                  | -                                | -                                                          | -                                 | -    |
|                                                                           |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Oil and Gas                                                               |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Gas & Oil Pakistan Limited (AA-, PACRA, non-traded)                       | Quarterly                               | December 06, 2030  | 3 months KIBOR plus base rate of 1.00% | -                      | 225                       | -                              | 225                 | 225,000                            | 225,087                          | 87                                                         | 3.82                              | 6.75 |
|                                                                           |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Technology and Communication                                              |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Select Technologies Private Limited PPSTS-III (A, PACRA, non-traded)      | At Maturity                             | April 28, 2026     | 6 months KIBOR plus base rate of 1.25% | -                      | 200                       | 200                            | -                   | -                                  | -                                | -                                                          | -                                 | -    |
|                                                                           |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Non-performing assets                                                     |                                         |                    |                                        |                        |                           |                                |                     |                                    |                                  |                                                            |                                   |      |
| Agha Steel Industries Limited * (A, VIS, non-traded) (note 6.2.1.1)       | Quarterly                               | October 9, 2026    | 3 months KIBOR plus base rate of 0.80% | 6,800                  | -                         | -                              | 6,800               | -                                  | -                                | -                                                          | -                                 | -    |
| Security Leasing Corporation Limited II * (note 6.2.1.1)                  | Not applicable                          | January 19, 2022   | Not applicable                         | 5,000                  | -                         | -                              | 5,000               | -                                  | -                                | -                                                          | -                                 | -    |
| Eden Housing Limited * (note 6.2.1.1)                                     | Not applicable                          | September 29, 2014 | Not applicable                         | 5,000                  | -                         | -                              | 5,000               | -                                  | -                                | -                                                          | -                                 | -    |
| Arzoo Textile Mills Limited * (note 6.2.1.1)                              | Not applicable                          | April 15, 2014     | Not applicable                         | 5,000                  | -                         | -                              | 5,000               | -                                  | -                                | -                                                          | -                                 | -    |
| Hascol Petroleum Limited - Sukuk * (note 6.2.1.1)                         | Not applicable                          | January 7, 2022    | Not applicable                         | 50,000                 | -                         | -                              | 50,000              | -                                  | -                                | -                                                          | -                                 | -    |
| Total as at June 30, 2026                                                 |                                         |                    |                                        |                        |                           |                                |                     | 329,609                            | 330,183                          | 574                                                        | 5.60                              | 9.91 |
| Total as at June 30, 2025                                                 |                                         |                    |                                        |                        |                           |                                |                     | 145,835                            | 145,662                          | (172)                                                      | 4.00                              | 5.00 |

\* In case of debt securities against which provision has been made, these are carried at carrying value less provision.



### 6.2.2.1 Details of non-compliant investments

The Securities and Exchange Commission of Pakistan (SECP), vide Circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to classify funds under their management on the basis of the categorisation criteria laid down in the Circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Balanced Fund (the Fund) as a 'Balanced Scheme' in accordance with the said Circular. As at June 30, 2026, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

The following investments of the Fund are in sukuk certificates which are non-compliant securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

| Name of the non-compliant investment    | Type of Investments           | Value of Investments before provision | Provision held as at June 30, 2026 | Value of Investments after provision | Percentage in relation to |                                  |
|-----------------------------------------|-------------------------------|---------------------------------------|------------------------------------|--------------------------------------|---------------------------|----------------------------------|
|                                         |                               |                                       |                                    |                                      | Net Assets of the Fund    | Total market value of investment |
|                                         |                               | (Rupees in '000)                      |                                    |                                      | %                         |                                  |
| Arzoo Textile Mills Limited             | Non-traded sukuk certificates | 20,660                                | 20,660                             | -                                    | -                         | -                                |
| Eden Housing Limited                    | Non-traded sukuk certificates | 4,922                                 | 4,922                              | -                                    | -                         | -                                |
| Security Leasing Corporation Limited II | Non-traded sukuk certificates | 7,701                                 | 7,701                              | -                                    | -                         | -                                |
| Hascol Petroleum Limited                | Non-traded sukuk certificates | 62,037                                | 62,037                             | -                                    | -                         | -                                |
| Agha Steel Industries Limited           | Non-traded sukuk certificates | 68,000                                | 68,000                             | -                                    | -                         | -                                |
| Total as at June 30, 2026               |                               | 163,320                               | 163,320                            | -                                    | -                         | -                                |
| Total as at June 30, 2025               |                               | 167,660                               | 144,948                            | 22,712                               | 0.01                      | 0.01                             |

6.2.2.2 The sukuk certificates of Arzoo Textile Mills Limited, Eden Housing Limited, Security Leasing Corporation Limited II, Hascol Petroleum Limited and Agha Steel Industries Limited have been fully provided in accordance with Circular No. 33 of 2012 issued by the SECP.

6.2.2.3 On March 7, 2024, sukuk certificates of Agha Steel Industries Limited were classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No. 33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said circular, the sukuk certificates have been fully provided for during the year against the outstanding principal as at June 30, 2026. Accordingly, an amount of Rs. 22.712 million (2025: Rs. 29.595 million) has been charged as an expense in the financial statements.

6.2.2.4 During the year, the Fund received an amount of Rs. 4.340 million (2025: Rs. Nil) from Arzoo Textile Mills Limited on account of principal. After receipt of this amount, the remaining principal outstanding stood at Rs. 20.660 million (2025: Rs. 25 million) as at June 30, 2026.

| 6.2.2.6 Movement of provision | Note    | 2026             | 2025           |
|-------------------------------|---------|------------------|----------------|
|                               |         | (Rupees in '000) |                |
| Balance as at July 1          |         | 144,948          | 129,734        |
| Charge for the year           | 6.2.2.3 | 22,712           | 29,595         |
| Reversals for the year        | 6.2.2.4 | (4,340)          | (14,381)       |
|                               |         | 18,372           | 15,214         |
| <b>Balance as at June 30</b>  |         | <b>163,320</b>   | <b>144,948</b> |

### 6.3 Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

|                                     |                    |                |                |
|-------------------------------------|--------------------|----------------|----------------|
| Market value of investments         | 6.1, 6.2.1 & 6.2.2 | 3,332,237      | 2,833,689      |
| Less: carrying value of investments | 6.1, 6.2.1 & 6.2.2 | 2,991,875      | 2,460,142      |
|                                     |                    | <u>340,362</u> | <u>373,547</u> |



|                                                                         |      | 2026                         | 2025                         |
|-------------------------------------------------------------------------|------|------------------------------|------------------------------|
|                                                                         | Note | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| <b>7 ADVANCES, DEPOSITS, PROFIT AND OTHER RECEIVABLES</b>               |      |                              |                              |
| Advance tax                                                             | 7.1  | 1,573                        | 1,573                        |
| Advance against Inter Bank Funds Transfer (IBFT) redemptions            |      | 32                           | 32                           |
| Security deposit with Central Depository Company of Pakistan Limited    |      | 300                          | 300                          |
| Security Margin Deposit - National Clearing Company of Pakistan Limited |      | 2,500                        | 2,500                        |
| Profit receivable on balances with banks                                |      | 11,831                       | 3,782                        |
| Profit receivable on sukuk certificates                                 |      | 8,753                        | 24,262                       |
| Receivable against withholding tax on bonus shares                      | 7.2  | 9,449                        | 9,449                        |
|                                                                         |      | <u>34,438</u>                | <u>41,898</u>                |

- 7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during prior years, withholding tax on profit on debt securities and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends and profit on debt securities and bank deposits amounts to Rs. 1.573 million (2025: 1.573 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on debt securities and profit on bank deposits has been shown as advance tax as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

- 7.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 (ITO) as a result of which issuing companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by the CISs based on the fact that CISs are exempt from deduction of income tax under Clause 99 Part I of Second Schedule of the ITO. In the year 2018, the Supreme Court of Pakistan passed a judgement wherein the suits that are already pending or shall be filed in future must only be continued / entertained if the condition of depositing a minimum of 50 per cent of the tax calculated is met. Accordingly, CISs were required to pay the minimum 50 per cent of tax, but a failure to do so on their part resulted in vacation of the stay obtained.

During the year ended June 30, 2020, the CISs have filed a petition via CP 4653 dated July 11, 2019 in the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication.

As at June 30, 2026, the Fund has recorded an amount of Rs. 9.449 million (2025: Rs. 9.449 million) as receivables against withholding tax on bonus shares in respect of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares.

|                                                                                      |      |                              |                              |
|--------------------------------------------------------------------------------------|------|------------------------------|------------------------------|
| <b>8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY</b> |      | 2026                         | 2025                         |
|                                                                                      | Note | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| Remuneration payable                                                                 | 8.1  | 2,331                        | 1,380                        |
| Sindh sales tax payable on remuneration of the Management Company                    |      | 350                          | 207                          |
| Inter Bank Funds Transfer (IBFT) charges payable                                     |      | 182                          | -                            |
| Sales load payable                                                                   |      | 1,758                        | 1,203                        |
| Sindh sales tax on sales load payable                                                |      | 263                          | 181                          |
|                                                                                      |      | <u>4,884</u>                 | <u>2,971</u>                 |



- 8.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document and subject to the capping ranging from 1% - 3% to be calculated on a weighted average basis, based on allocation of average daily net assets applicable to a 'Hybrid Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2.38% - 2.60% (2025: 2.00% - 3.00%) per annum of the average daily net assets of the Fund during the year ended June 30, 2026.

The remuneration is payable to the Management Company monthly in arrears.

- 8.2** Sindh sales tax is levied at the rate of 15% under the Sindh Sales Tax on Services Act, 2011 (2025: 15%) on the Management Company's remuneration and any reimbursable expenditure to the Management Company.
- 8.3** The SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to selling and marketing and registrar services, accounting, operation and valuation services was excluded.

The Management Company in compliance of the above requirement did not charge the above-mentioned expenses for the year ended June 30, 2026.

During the year ended June 30, 2025, the Management Company charged expenses related to selling and marketing at the rates ranging from 0.50% - 0.80% of the average annual net assets of the Fund and in relation to registrar services, accounting, operation and valuation services at the rates ranging from 0.07% - 0.0875% of the average annual net assets of the Fund.

| 9 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2026             | 2025       |
|---|---------------------------------------------------------------------|------|------------------|------------|
|   |                                                                     |      | (Rupees in '000) |            |
|   | Remuneration payable                                                | 9.1  | 459              | 343        |
|   | Sindh sales tax payable on remuneration of the Trustee              | 9.2  | 69               | 51         |
|   |                                                                     |      | <u>528</u>       | <u>394</u> |

- 9.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

| Net Assets (Rs.)        |                                                                                |
|-------------------------|--------------------------------------------------------------------------------|
| up to Rs. 1,000 million | Rs. 0.7 million or 0.2% per annum of net assets, whichever is higher.          |
| over Rs. 1,000 million  | Rs. 2.0 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million |

- 9.2** Sindh sales tax is levied at the rate of 15% under the Sindh Sales Tax on Services Act, 2011 (2025: 15%) on the Trustee fee.

| 10 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2026             | 2025       |
|----|---------------------------------------------------------------|------|------------------|------------|
|    |                                                               |      | (Rupees in '000) |            |
|    | Fee payable                                                   | 10.1 | <u>320</u>       | <u>222</u> |

- 10.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged SECP fee at the rate of 0.085% (2025: 0.085%) per annum of the daily net assets during the year.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

| 11 | ACCRUED EXPENSES AND OTHER LIABILITIES                                          | Note | 2026             | 2025          |
|----|---------------------------------------------------------------------------------|------|------------------|---------------|
|    |                                                                                 |      | (Rupees in '000) |               |
|    | Withholding tax payable                                                         |      | 20,720           | 14,690        |
|    | Provision for Federal Excise Duty and related Sindh Sales Tax on Management Fee | 11.1 | 31,961           | 31,961        |
|    | Provision for Federal Excise Duty and related Sindh Sales Tax on Sales load     | 11.1 | 6,838            | 6,838         |
|    | Brokerage expenses payable                                                      |      | 3,685            | 1,333         |
|    | Charity payable                                                                 | 11.2 | 8,413            | 3,631         |
|    | Shariah advisory fee                                                            |      | 273              | 441           |
|    | Auditor's remuneration payable                                                  |      | 856              | 742           |
|    | Capital gain tax payable                                                        |      | 1,060            | 2,073         |
|    | Inter Bank Funds Transfer (IBFT) charges payable                                |      | 27               | 96            |
|    | Zakat payable                                                                   |      | 16               | 169           |
|    |                                                                                 |      | <u>73,849</u>    | <u>61,974</u> |



- 11.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED and related sales tax has been made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 38.8 million (2025: Rs. 38.8 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED and related Sindh Sales Tax not been made, the Net Asset Value per unit of the Fund as at June 30, 2026 would have been higher by Rs. 0.18 (2025: Re 0.27) per unit.

- 11.2 As instructed by the Shariah Advisor, any income earned by the Fund from investments in which a portion of the investee company's investment has been placed in shariah non-compliant avenues should be donated directly by the Fund for charitable purposes.

Accordingly, during the year ended June 30, 2026, non-shariah compliant income amounting to Rs. 5.058 million (2025: Rs. 3.895 million) was charged as an expense in the books of the Fund and Rs. 0.338 million was disbursed to following charitable / welfare organisations respectively:

| S no. | Charitable Organisations          | 2026<br>(Rupees in '000) | Charitable Organisations               | 2025<br>(Rupees in '000) |
|-------|-----------------------------------|--------------------------|----------------------------------------|--------------------------|
| 1     | Childlife Foundation              | 100                      | Idara Al Khair                         | 2,000                    |
| 2     | Professional Education Foundation | 51                       | Afzal Memorial Thallessemia Foundation | 495                      |
| 3     | Chiniot Anjuman Islamia           | 187                      | The Hunar Foundation                   | 330                      |
|       | <b>Total</b>                      | <b>338</b>               | <b>Total</b>                           | <b>2,825</b>             |

The Fund also maintains a separate savings bank account for charitable disbursements. Profit received on this bank account during the year ended June 30, 2026 amounted to Rs. 0.062 million and has been recorded as charity payable.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

## 13 AUDITORS' REMUNERATION

|                                            | 2026<br>(Rupees in '000') | 2025<br>(Rupees in '000') |
|--------------------------------------------|---------------------------|---------------------------|
| Annual audit fee                           | 499                       | 442                       |
| Half yearly review fee                     | 274                       | 226                       |
| Other certification fee                    | 100                       | 60                        |
| Out of pocket expenses and Sindh Sales Tax | 70                        | 112                       |
|                                            | <b>943</b>                | <b>840</b>                |

## 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2026 is 3.53% (2025: 4.21%) which includes government levies which is 0.51% (2025: 0.59%) such as sales taxes, annual fee to the SECP etc.

The SECP, vide S.R.O. 600(1)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit for a collective investment scheme categorised as a 'Balanced Scheme', applicable previously, has been replaced with the management fee cap as disclosed in note 8.1 to these financial statements for a collective investment scheme categorised as a 'Balanced Scheme'.



## 15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A (i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 16.1** Connected persons and related parties include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee / custodian of the Fund, Meezan Bank Limited being the holding company of the Management Company, Pakistan Kuwait Investment Company (Private) Limited, being an associated company of the Management Company, other collective investment schemes / notified entities managed by the Management Company, any person or trust beneficially owning, directly or indirectly, ten percent or more of the capital of the Management Company or ten percent or more of the net assets of the Fund, any person or trust controlled by the same persons as defined herein, any member of the group of which that person or trust forms part and directors or officers of the Management Company or any of their connected persons as specified herein.
- 16.2** Transactions with connected persons essentially comprise issuance and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 16.3** Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.
- 16.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 16.5** The details of balances of the Fund with connected persons / related parties as at the year end and transactions occurred during the year with them are as follows:

### Balances as at year end

|                                                                     | 2026             | 2025    |
|---------------------------------------------------------------------|------------------|---------|
|                                                                     | (Rupees in '000) |         |
| <b>Al Meezan Investment Management Limited - Management Company</b> |                  |         |
| Remuneration payable                                                | 2,331            | 1,380   |
| Sindh sales tax on management fee payable                           | 350              | 207     |
| Inter Bank Funds Transfer (IBFT) charges payable                    | 182              | -       |
| Sales load payable                                                  | 1,758            | 1,203   |
| Sindh sales tax on sales load payable                               | 263              | 181     |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>     |                  |         |
| Remuneration payable                                                | 459              | 343     |
| Sindh sales tax payable on remuneration of the Trustee              | 69               | 51      |
| Security deposits                                                   | 300              | 300     |
| <b>National Clearing Company of Pakistan Limited</b>                |                  |         |
| Security deposit                                                    | 2,500            | 2,500   |
| <b>Meezan Bank Limited</b>                                          |                  |         |
| Balances with banks                                                 | 331,532          | 24,329  |
| Sales load payable                                                  | 234              | 239     |
| Sindh sales tax on sales load payable                               | 35               | 36      |
| Shariah advisory fee payable                                        | 273              | 441     |
| Outstanding units: 18,934,113 units (2025: 18,934,113 units)        | 525,264          | 450,780 |
| Investment in 441,671 shares (2025: 640,002 shares)                 | 228,105          | 212,512 |
| Profit receivable on balances with banks                            | 581              | 496     |

|                                                                          | 2026                        | 2025           |
|--------------------------------------------------------------------------|-----------------------------|----------------|
|                                                                          | ------(Rupees in '000)----- |                |
| <b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b> |                             |                |
| Outstanding units: 643,882 units (2025: 621,251 units)                   | <u>17,862</u>               | <u>14,791</u>  |
| <b>Directors and Executives of the Management Company</b>                |                             |                |
| Outstanding units: 835,122 units (2025: 948,792 units)                   | <u>23,168</u>               | <u>22,589</u>  |
| <b>Meezan Bank Limited - Staff Provident Fund</b>                        |                             |                |
| Units outstanding: 1,606 units (2025: 1,549 units)                       | <u>45</u>                   | <u>37</u>      |
| <b>Transactions during the year</b>                                      |                             |                |
|                                                                          | 2026                        | 2025           |
|                                                                          | ------(Rupees in '000)----- |                |
| <b>Al Meezan Investment Management Limited - Management Company</b>      |                             |                |
| Remuneration of the Management Company                                   | <u>108,321</u>              | <u>65,628</u>  |
| Sindh sales tax on remuneration of the Management Company                | <u>16,248</u>               | <u>9,844</u>   |
| Allocated expenses                                                       | <u>-</u>                    | <u>1,911</u>   |
| Sindh Sales Tax on allocated expenses                                    | <u>-</u>                    | <u>287</u>     |
| Selling and Marketing expenses                                           | <u>-</u>                    | <u>15,940</u>  |
| Sindh sales tax on selling and marketing expenses                        | <u>-</u>                    | <u>2,391</u>   |
| Units issued: Nil units (2025: 1,303,526 units)                          | <u>-</u>                    | <u>30,033</u>  |
| Units redeemed: Nil units (2025: 1,303,526 units)                        | <u>-</u>                    | <u>30,282</u>  |
| Units issued to unitholder on behalf of the Management Company           | <u>-</u>                    | <u>7,079</u>   |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>          |                             |                |
| Remuneration of the Trustee                                              | <u>5,551</u>                | <u>3,824</u>   |
| Sindh sales tax on remuneration of the Trustee                           | <u>833</u>                  | <u>574</u>     |
| CDS charges                                                              | <u>392</u>                  | <u>217</u>     |
| <b>Meezan Bank Limited</b>                                               |                             |                |
| Profit on savings accounts with banks                                    | <u>4,033</u>                | <u>1,102</u>   |
| Dividend income                                                          | <u>11,255</u>               | <u>12,038</u>  |
| Shariah advisory fee                                                     | <u>662</u>                  | <u>532</u>     |
| Shares purchased: 350,000 shares (2025: 946,883 shares)                  | <u>165,772</u>              | <u>223,138</u> |
| Shares sold: 548,331 shares (2025: 637,786 shares)                       | <u>235,858</u>              | <u>149,747</u> |
| Units issued: Nil units (2025: 47,367 units)                             | <u>-</u>                    | <u>869</u>     |
| Dividend paid                                                            | <u>18,934</u>               | <u>23,668</u>  |
| <b>National Clearing Company of Pakistan Limited</b>                     |                             |                |
| NCCPL charges                                                            | <u>903</u>                  | <u>633</u>     |
| <b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b> |                             |                |
| Units issued: 22,631 units (2025: 32,236 units)                          | <u>621</u>                  | <u>754</u>     |
| Dividend paid                                                            | <u>621</u>                  | <u>737</u>     |
| <b>Meezan Bank Limited - Staff Provident Fund</b>                        |                             |                |
| Units issued: 57 units (2025: Nil)                                       | <u>2</u>                    | <u>-</u>       |
| Dividend paid                                                            | <u>2</u>                    | <u>-</u>       |
| <b>Ghandhara Tyre and Rubber Limited</b>                                 |                             |                |
| Shares purchased: Nil shares (2025: 300,000 shares)                      | <u>-</u>                    | <u>13,615</u>  |
| Shares sold: Nil shares (2025: 300,000 shares)                           | <u>-</u>                    | <u>14,415</u>  |
| <b>Directors and Executives of the Management Company</b>                |                             |                |
| Units issued: 70,121 units (2025: 157,617 units)                         | <u>2,104</u>                | <u>3,802</u>   |
| Units redeemed: 183,791 units (2025: 112,567 units)                      | <u>5,028</u>                | <u>2,626</u>   |
| Dividend paid                                                            | <u>811</u>                  | <u>1,137</u>   |
| Refund of capital                                                        | <u>1</u>                    | <u>3</u>       |
| <b>Meezan Dedicated Equity Fund</b>                                      |                             |                |
| Shares sold                                                              | <u>-</u>                    | <u>844</u>     |
| <b>Engro Fertilizers Limited*</b>                                        |                             |                |
| Shares purchased: Nil shares (2025: 580,764 shares)                      | <u>-</u>                    | <u>107,399</u> |
| Shares sold: Nil shares (2025: 408,019 shares)                           | <u>-</u>                    | <u>91,827</u>  |
| Dividend income                                                          | <u>-</u>                    | <u>3,118</u>   |

\*Current year balance and transactions have not been presented as the person was not classified as a related party / connected person of the Fund with effect from March 24, 2025.



## 17 FINANCIAL INSTRUMENTS BY CATEGORY

**Financial assets**

|                                                  |                  |                  |                  |
|--------------------------------------------------|------------------|------------------|------------------|
| Balances with banks                              | 1,582,335        | -                | 1,582,335        |
| Investments                                      | -                | 3,332,237        | 3,332,237        |
| Dividend receivable                              | 1,798            | -                | 1,798            |
| Receivables against conversion of units          | 1,194,699        | -                | 1,194,699        |
| Advances, deposits, profit and other receivables | 23,416           | -                | 23,416           |
|                                                  | <u>2,802,248</u> | <u>3,332,237</u> | <u>6,134,485</u> |

**Financial liabilities**

Payable to Al Meezan investment Management Limited -

|                                                                     |                |          |                |
|---------------------------------------------------------------------|----------------|----------|----------------|
| Management Company                                                  | 4,884          | -        | 4,884          |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 528            | -        | 528            |
| Payable to Meezan Bank Limited                                      | 269            | -        | 269            |
| Payable against purchase of investment                              | 162,501        | -        | 162,501        |
| Payable against redemption and conversion of units                  | 4,102          | -        | 4,102          |
| Dividend payable                                                    | 7,535          | -        | 7,535          |
| Accrued expenses and other liabilities                              | 4,841          | -        | 4,841          |
|                                                                     | <u>184,660</u> | <u>-</u> | <u>184,660</u> |

| 2026              |                                      |       |
|-------------------|--------------------------------------|-------|
| At amortised cost | At fair value through profit or loss | Total |
| (Rupees in '000') |                                      |       |

| 2025              |                                      |       |
|-------------------|--------------------------------------|-------|
| At amortised cost | At fair value through profit or loss | Total |
| (Rupees in '000') |                                      |       |

**Financial assets**

|                                                  |                |                  |                  |
|--------------------------------------------------|----------------|------------------|------------------|
| Balances with banks                              | 649,861        | -                | 649,861          |
| Investments                                      | -              | 2,833,689        | 2,833,689        |
| Dividend receivable                              | 833            | -                | 833              |
| Receivables against conversion of units          | 20,636         | -                | 20,636           |
| Advances, deposits, profit and other receivables | 30,876         | -                | 30,876           |
|                                                  | <u>702,206</u> | <u>2,833,689</u> | <u>3,535,895</u> |

**Financial liabilities**

Payable to Al Meezan investment Management Limited -

|                                                                     |               |          |               |
|---------------------------------------------------------------------|---------------|----------|---------------|
| Management Company                                                  | 2,971         | -        | 2,971         |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 394           | -        | 394           |
| Payable to Meezan Bank Limited                                      | 275           | -        | 275           |
| Payable against purchase of investment                              | 16,222        | -        | 16,222        |
| Payable against redemption and conversion of units                  | 30,645        | -        | 30,645        |
| Dividend payable                                                    | 39,974        | -        | 39,974        |
| Accrued expenses and other liabilities                              | 2,612         | -        | 2,612         |
|                                                                     | <u>93,093</u> | <u>-</u> | <u>93,093</u> |

## 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. 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 constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

## 18.1 Market risk

Market 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.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: profit rate risk, currency risk, and price risk.

**(i) Profit rate risk**

Profit 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 profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks, corporate sukuk certificates and government securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

**(a) Sensitivity analysis for variable rate instruments**

Presently, the Fund holds KIBOR based sukuk certificates and balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 21.049 million (2025: Rs. 14.57 million).

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit 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.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

| 2026                                                                    |                             |                                      |                    |                                 |           |
|-------------------------------------------------------------------------|-----------------------------|--------------------------------------|--------------------|---------------------------------|-----------|
| Effective profit rate (%)                                               | Exposed to profit rate risk |                                      |                    | Not exposed to profit rate risk | Total     |
|                                                                         | Up to three months          | More than three months and up to one | More than one year |                                 |           |
| (Rupees in '000)                                                        |                             |                                      |                    |                                 |           |
| <b>Financial assets</b>                                                 |                             |                                      |                    |                                 |           |
| Balances with banks                                                     | 6.00% - 11.50%              | 1,574,699                            | -                  | 7,636                           | 1,582,335 |
| Investments                                                             | 11.06% - 13.89%             | 429,183                              | 101,000            | 2,802,054                       | 3,332,237 |
| Dividend receivable                                                     |                             | -                                    | -                  | 1,798                           | 1,798     |
| Receivables against conversion of units                                 |                             | -                                    | -                  | 1,194,699                       | 1,194,699 |
| Advances, deposits and profit receivable                                |                             | -                                    | -                  | 23,416                          | 23,416    |
|                                                                         |                             | 2,003,882                            | 101,000            | 4,029,603                       | 6,134,485 |
| <b>Financial liabilities</b>                                            |                             |                                      |                    |                                 |           |
| Payable to Al Meezan Investment Management Limited - Management Company |                             | -                                    | -                  | 4,884                           | 4,884     |
| Payable to Central Depository Company of Pakistan Limited - Trustee     |                             | -                                    | -                  | 528                             | 528       |
| Payable to Meezan Bank Limited                                          |                             | -                                    | -                  | 269                             | 269       |
| Payable against purchase of investment                                  |                             | -                                    | -                  | 162,501                         | 162,501   |
| Payable against redemption and conversion of units                      |                             | -                                    | -                  | 4,102                           | 4,102     |
| Dividend payable                                                        |                             | -                                    | -                  | 7,535                           | 7,535     |
| Accrued expenses and other liabilities                                  |                             | -                                    | -                  | 4,841                           | 4,841     |
|                                                                         |                             | -                                    | -                  | 184,660                         | 184,660   |
| <b>On-balance sheet gap (a)</b>                                         |                             | 2,003,882                            | 101,000            | 3,844,943                       | 5,949,825 |
| <b>Off-balance sheet financial instruments</b>                          |                             | -                                    | -                  | -                               | -         |
| <b>Off-balance sheet gap (b)</b>                                        |                             | -                                    | -                  | -                               | -         |
| <b>Total profit rate sensitivity gap (a+b)</b>                          |                             | 2,003,882                            | 101,000            | -                               | -         |
| <b>Cumulative interest rate sensitivity gap</b>                         |                             | 2,003,882                            | 2,104,882          | 2,104,882                       | -         |



| 2025                                                                    |                             |                                      |                    |                                 |           |
|-------------------------------------------------------------------------|-----------------------------|--------------------------------------|--------------------|---------------------------------|-----------|
| Effective profit rate (%)                                               | Exposed to profit rate risk |                                      |                    | Not exposed to profit rate risk | Total     |
|                                                                         | Up to three months          | More than three months and up to one | More than one year |                                 |           |
| (Rupees in '000)                                                        |                             |                                      |                    |                                 |           |
| <b>Financial assets</b>                                                 |                             |                                      |                    |                                 |           |
| Balances with banks                                                     | 3.25% - 10.60%              | 640,805                              | -                  | 9,056                           | 649,861   |
| Investments                                                             | 11.18% - 14.38%             | -                                    | 816,208            | 2,017,481                       | 2,833,689 |
| Dividend receivable                                                     |                             | -                                    | -                  | 833                             | 833       |
| Receivables against conversion of units                                 |                             | -                                    | -                  | 20,636                          | 20,636    |
| Advances, deposits and profit receivable                                |                             | -                                    | -                  | 30,876                          | 30,876    |
|                                                                         |                             | 640,805                              | 816,208            | 2,078,882                       | 3,535,895 |
| <b>Financial liabilities</b>                                            |                             |                                      |                    |                                 |           |
| Payable to Al Meezan Investment Management Limited - Management Company |                             | -                                    | -                  | 2,971                           | 2,971     |
| Payable to Central Depository Company of Pakistan Limited - Trustee     |                             | -                                    | -                  | 394                             | 394       |
| Payable to Meezan Bank Limited                                          |                             | -                                    | -                  | 275                             | 275       |
| Payable against purchase of investment                                  |                             | -                                    | -                  | 16,222                          | 16,222    |
| Payable against redemption and conversion of units                      |                             | -                                    | -                  | 30,645                          | 30,645    |
| Dividend payable                                                        |                             | -                                    | -                  | 39,974                          | 39,974    |
| Accrued expenses and other liabilities                                  |                             | -                                    | -                  | 2,612                           | 2,612     |
|                                                                         |                             | -                                    | -                  | 93,093                          | 93,093    |
| <b>On-balance sheet gap (a)</b>                                         |                             | 640,805                              | 816,208            | -                               | 1,985,789 |
| <b>Off-balance sheet financial instruments</b>                          |                             | -                                    | -                  | -                               | -         |
| <b>Off-balance sheet gap (b)</b>                                        |                             | -                                    | -                  | -                               | -         |
| <b>Total profit rate sensitivity gap (a+b)</b>                          |                             | 640,805                              | 816,208            | -                               | -         |
| <b>Cumulative interest rate sensitivity gap</b>                         |                             | 640,805                              | 1,457,013          | 1,457,013                       | -         |

(ii) **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. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit 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.

The Fund is exposed to equity price risk on investments held by the Fund classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks and limits prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets of the Fund.

In case of 1% increase / decrease in KMI All Share Index on June 30, 2026, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 28.021 million (2025: Rs. 20.175 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI All Share Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI All Share Index.

## 18.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year ended June 30, 2026.

The table below summarises 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 dates. However, the assets and liabilities that are receivable / payable on demand including balances with banks have been included in the maturity grouping of one month:

| 2026                                                                    |                                            |                                           |                                         |                   |                                              |                  |
|-------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------|-----------------------------------------|-------------------|----------------------------------------------|------------------|
| Within 1 month                                                          | More than one month and up to three months | More than three months and up to one year | More than one year and up to five years | More than 5 years | Financial instruments with no fixed maturity | Total            |
| (Rupees in '000)                                                        |                                            |                                           |                                         |                   |                                              |                  |
| <b>Financial assets</b>                                                 |                                            |                                           |                                         |                   |                                              |                  |
| Balances with banks                                                     | 1,582,335                                  | -                                         | -                                       | -                 | -                                            | 1,582,335        |
| Investments                                                             | 4,086                                      | -                                         | -                                       | 425,087           | 101,000                                      | 3,332,237        |
| Dividend receivable                                                     | 1,798                                      | -                                         | -                                       | -                 | -                                            | 1,798            |
| Receivables against conversion of units                                 | 1,194,699                                  | -                                         | -                                       | -                 | -                                            | 1,194,699        |
| Advances, deposits, profit and other receivables                        | 20,584                                     | -                                         | -                                       | -                 | 2,832                                        | 23,416           |
|                                                                         | 2,803,512                                  | -                                         | -                                       | 425,087           | 101,000                                      | 2,804,886        |
| <b>Financial liabilities</b>                                            |                                            |                                           |                                         |                   |                                              |                  |
| Payable to Al Meezan Investment Management Limited - Management Company | 4,884                                      | -                                         | -                                       | -                 | -                                            | 4,884            |
| Payable to Central Depository Company of Pakistan Limited - Trustee     | 528                                        | -                                         | -                                       | -                 | -                                            | 528              |
| Payable to Meezan Bank Limited                                          | 269                                        | -                                         | -                                       | -                 | -                                            | 269              |
| Payable against redemption and conversion of units                      | 4,102                                      | -                                         | -                                       | -                 | -                                            | 4,102            |
| Payable against purchase of investment                                  | 162,501                                    | -                                         | -                                       | -                 | -                                            | 162,501          |
| Dividend payable                                                        | 7,535                                      | -                                         | -                                       | -                 | -                                            | 7,535            |
| Accrued expenses and other liabilities                                  | 3,712                                      | 856                                       | 273                                     | -                 | -                                            | 4,841            |
|                                                                         | 183,531                                    | 856                                       | 273                                     | -                 | -                                            | 184,660          |
| <b>Net financial assets / (liabilities)</b>                             | <b>2,619,981</b>                           | <b>(856)</b>                              | <b>(273)</b>                            | <b>425,087</b>    | <b>101,000</b>                               | <b>2,804,886</b> |
|                                                                         |                                            |                                           |                                         |                   |                                              | <b>5,949,825</b> |
| 2025                                                                    |                                            |                                           |                                         |                   |                                              |                  |
| Within 1 month                                                          | More than one month and up to three months | More than three months and up to one year | More than one year and up to five years | More than 5 years | Financial instruments with no fixed maturity | Total            |
| (Rupees in '000)                                                        |                                            |                                           |                                         |                   |                                              |                  |
| <b>Financial assets</b>                                                 |                                            |                                           |                                         |                   |                                              |                  |
| Balances with banks                                                     | 649,861                                    | -                                         | -                                       | -                 | -                                            | 649,861          |
| Investments                                                             | -                                          | -                                         | -                                       | 715,577           | 100,631                                      | 2,833,689        |
| Dividend receivable                                                     | 833                                        | -                                         | -                                       | -                 | -                                            | 833              |
| Receivables against conversion of units                                 | 20,636                                     | -                                         | -                                       | -                 | -                                            | 20,636           |
| Advances, deposits, profit and other receivables                        | 3,782                                      | 24,262                                    | -                                       | -                 | 2,832                                        | 30,876           |
|                                                                         | 675,112                                    | 24,262                                    | -                                       | 715,577           | 100,631                                      | 2,020,313        |
| <b>Financial liabilities</b>                                            |                                            |                                           |                                         |                   |                                              |                  |
| Payable to Al Meezan Investment Management Limited - Management Company | 2,971                                      | -                                         | -                                       | -                 | -                                            | 2,971            |
| Payable to Central Depository Company of Pakistan Limited - Trustee     | 394                                        | -                                         | -                                       | -                 | -                                            | 394              |
| Payable to Meezan Bank Limited                                          | 275                                        | -                                         | -                                       | -                 | -                                            | 275              |
| Payable against redemption and conversion of units                      | 30,645                                     | -                                         | -                                       | -                 | -                                            | 30,645           |
| Payable against purchase of investment                                  | 16,222                                     | -                                         | -                                       | -                 | -                                            | 16,222           |
| Dividend payable                                                        | 39,974                                     | -                                         | -                                       | -                 | -                                            | 39,974           |
| Accrued expenses and other liabilities                                  | 1,429                                      | 742                                       | 441                                     | -                 | -                                            | 2,612            |
|                                                                         | 91,910                                     | 742                                       | 441                                     | -                 | -                                            | 93,093           |
| <b>Net financial assets / (liabilities)</b>                             | <b>583,202</b>                             | <b>23,520</b>                             | <b>(441)</b>                            | <b>715,577</b>    | <b>100,631</b>                               | <b>2,020,313</b> |
|                                                                         |                                            |                                           |                                         |                   |                                              | <b>3,442,802</b> |



### 18.3 Credit risk

- 18.3.1** Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arises from deposits with banks and financial institutions, profit receivable on bank deposits and receivable against sale of investments.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The table below analyses the Fund's maximum exposure to credit risk:

|                                          | 2026                                               |                                 | 2025                                               |                                 |
|------------------------------------------|----------------------------------------------------|---------------------------------|----------------------------------------------------|---------------------------------|
|                                          | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
|                                          | (Rupees in '000')                                  |                                 |                                                    |                                 |
| Balances with banks                      | 1,582,335                                          | 1,582,335                       | 649,861                                            | 649,861                         |
| Investments                              | 3,332,237                                          | 330,183                         | 2,833,689                                          | 145,662                         |
| Dividend receivable                      | 1,798                                              | 1,798                           | 833                                                | 833                             |
| Receivables against conversion of units  | 1,194,699                                          | 1,194,699                       | 20,636                                             | 20,636                          |
| Advances, deposits and profit receivable | 23,416                                             | 17,054                          | 41,898                                             | 13,435                          |
|                                          | <u>6,134,485</u>                                   | <u>3,126,069</u>                | <u>3,546,917</u>                                   | <u>830,427</u>                  |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. Investment in equity securities, government securities and related profit receivable, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

### 18.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, investment in sukuk certificates and related profit receivable thereon. The credit rating profile of balances with banks is as follows:

|     | % of financial assets exposed to credit risk |               |
|-----|----------------------------------------------|---------------|
|     | 2026                                         | 2025          |
| AAA | 54.27                                        | 11.62         |
| AA+ | -                                            | 3.29          |
| AA  | -                                            | 0.03          |
| AA- | 45.65                                        | 85.06         |
| A   | 0.08                                         | -             |
|     | <u>100.00</u>                                | <u>100.00</u> |

Ratings of sukuks (other than GOP Ijarah sukuk certificates) have been disclosed in related notes to the financial statements. GoP Ijarah Sukuks and sukuks issued by government owned entities are government guaranteed. Investment in equity securities, are not exposed to credit risk and have been excluded from the above analysis. Since, the asset of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

### 18.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All the financial assets of the Fund as at June 30, 2026 and June 30, 2025 are unsecured and are not impaired except for corporate sukuks disclosed in note 6.2.2.1 to these financial statements.

## 19 FAIR VALUE MEASUREMENT

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

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

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

### 19.1 Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

As at June 30, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair value:

|                                                              | 2026                     |                |          |                  |
|--------------------------------------------------------------|--------------------------|----------------|----------|------------------|
|                                                              | Level 1                  | Level 2        | Level 3  | Total            |
| <b>Financial assets at fair value through profit or loss</b> | <b>(Rupees in '000')</b> |                |          |                  |
| Shares of listed companies - 'ordinary shares'               | 2,802,054                | -              | -        | 2,802,054        |
| Sukuk certificates                                           | 200,000                  | 330,183        | -        | 530,183          |
|                                                              | <u>3,002,054</u>         | <u>330,183</u> | <u>-</u> | <u>3,332,237</u> |
|                                                              | 2025                     |                |          |                  |
|                                                              | Level 1                  | Level 2        | Level 3  | Total            |
| <b>Financial assets at fair value through profit or loss</b> | <b>(Rupees in '000')</b> |                |          |                  |
| Shares of listed companies - 'ordinary shares'               | 2,017,481                | -              | -        | 2,017,481        |
| Sukuk certificates                                           | 203,660                  | 612,548        | -        | 816,208          |
|                                                              | <u>2,221,141</u>         | <u>612,548</u> | <u>-</u> | <u>2,833,689</u> |

Valuation technique used in determination of fair values is as follows:

| Item                                                           |                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ordinary shares - listed                                       | The fair value of investment in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.                                                                                                                               |
| Government of Pakistan - Ijarah sukuks - PSX Listed            | The fair value of GoP Ijarah sukuks listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange.                                                                                                                                              |
| Government of Pakistan - Ijarah sukuks - Other than PSX Listed | The fair value of other GoP Ijarah sukuks are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers. |
| Corporate sukuk certificates                                   | The valuation has been determined through closing rates announced by FMA (Financial Market Association) through Reuters.                                                                                                                                                                 |

There were no transfers between levels during the year.



## 20 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movements in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

## 21 UNIT HOLDING PATTERN OF THE FUND

| Category               | 2026                   |                   |                     | 2025                   |                   |                     |
|------------------------|------------------------|-------------------|---------------------|------------------------|-------------------|---------------------|
|                        | Number of unit holders | Investment amount | Percentage of total | Number of unit holders | Investment amount | Percentage of total |
|                        | (Rupees in '000')      |                   |                     | (Rupees in '000')      |                   |                     |
| Individuals            | 19,839                 | 2,959,978         | 50.24%              | 10,779                 | 1,885,808         | 55.56%              |
| Associated Companies / |                        |                   |                     |                        |                   |                     |
| Directors              | 3                      | 548,413           | 9.31%               | 33                     | 450,948           | 13.28%              |
| Insurance Companies    | 2                      | 3,195             | 0.05%               | 2                      | 2,646             | 0.08%               |
| Retirement Funds       | 39                     | 1,960,737         | 33.28%              | 47                     | 725,742           | 21.38%              |
| Others                 | 44                     | 419,195           | 7.12%               | 47                     | 329,097           | 9.70%               |
|                        | <u>19,927</u>          | <u>5,891,519</u>  | <u>100.00%</u>      | <u>10,908</u>          | <u>3,394,240</u>  | <u>100.00%</u>      |

## 22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| 2026                                          |                               | 2025                                          |                               |
|-----------------------------------------------|-------------------------------|-----------------------------------------------|-------------------------------|
| Name of broker                                | Percentage of commission paid | Name of broker                                | Percentage of commission paid |
| Taurus Securities Limited                     | 6.58%                         | Taurus Securities Limited                     | 10.74%                        |
| JS Global Capital Limited                     | 5.84%                         | Standard Capital Securities (Private) Limited | 8.87%                         |
| Rafi Securities (Private) Limited             | 5.50%                         | Topline Securities Limited                    | 6.99%                         |
| Spectrum Securities Limited                   | 4.61%                         | KASB Securities Limited                       | 5.26%                         |
| Topline Securities Limited                    | 4.54%                         | Fawad Yousuf Securities                       | 4.90%                         |
| Foundation Securities (Private) Limited       | 4.42%                         | Intermarket Securities Limited                | 4.86%                         |
| Standard Capital Securities (Private) Limited | 4.07%                         | Aba Ali Habib Securities (Private) Limited    | 4.53%                         |
| Aba Ali Habib Securities (Private) Limited    | 3.84%                         | Ismail Iqbal Securities (Private) Limited     | 4.41%                         |
| BMA Capital Management Limited                | 3.43%                         | Optimus Securities Limited                    | 3.69%                         |
| Arif Habib Limited                            | 3.40%                         | NextCapital Limited                           | 3.55%                         |

## 23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

| Name               | Designation                 | Qualification                 | Overall experience |
|--------------------|-----------------------------|-------------------------------|--------------------|
| Mr. Imtiaz Gadar   | Chief Executive Officer     | CFA / MBA                     | Twenty Three years |
| Mr. Muhammad Asad  | Chief Investment Officer    | CFA level II / MBA            | Thirty years       |
| Mr. Ahmed Hassan   | Head of Equity              | CFA / MBA                     | Nineteen years     |
| Ms. Amreen Soorani | Head of Research            | FCCA                          | Sixteen years      |
| Mr. Faizan Saleem  | Head of Fixed Income        | CFA level II / MBA            | Nineteen years     |
| Mr. Asif Imtiaz    | VP Investments              | CFA / MBA                     | Eighteen years     |
| Mr. Akhtar Munir   | Head of Risk Management     | CFA / FRM / ACCA / FCMA / MBA | Thirteen years     |
| Mr. Ali Khan       | Head of Product Development | CFA / FRM / MBA               | Seventeen years    |
| Mr. Wahaj Ahmed    | VP Investments              | MBA                           | Fourteen years     |
| Mr. Saad Idrees    | Senior Manager              | MS Economics                  | Six years          |
| Mr. Zohaib Jawaid  | Senior Manager              | CFA / BBA                     | Five years         |

The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the fund manager are as follows:

- KSE Meezan Index Fund
- Meezan Asset Allocation Fund
- Meezan Financial Planning Fund of Fund
- Meezan Strategic Allocation Fund
- Meezan Capital Protected Fund – III
- Meezan Dynamic Asset Allocation Fund
- Meezan Balanced Fund
- Meezan Dedicated Equity Fund

## 24 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

| Name of Directors       | Designation             | Meeting held on |                  |                  |                | Total Meetings Attendance |
|-------------------------|-------------------------|-----------------|------------------|------------------|----------------|---------------------------|
|                         |                         | August 18, 2025 | October 28, 2025 | January 30, 2026 | April 13, 2026 |                           |
| Mr. Irfan Siddiqui      | Chairman                |                 |                  |                  |                |                           |
| Ms. Ayesha Umer         | Non-Executive           | Yes             | Yes              | Yes              | Yes            | 4                         |
| Ms. Danish Zuberi       | Independent Director    | Yes             | Yes              | Yes              | Yes            | 4                         |
| Mr. Feroz Rizvi         | Independent Director    | Yes             | Yes              | Yes              | Yes            | 4                         |
| Mr. Furqan Kidwai       | Independent Director    | Yes             | Yes              | Yes              | Yes            | 4                         |
| Mr. Imtiaz Gadar        | Chief Executive Officer | Yes             | Yes              | Yes              | Yes            | 4                         |
| Mr. Saad Ur Rahman Khan | Non-Executive           | Yes             | Yes              | Yes              | Yes            | 4                         |
| Ms. Shazia Khurram      | Non-Executive           | Yes             | Yes              | Yes              | Yes            | 4                         |
| Syed Amir Ali           | Non-Executive           | Yes             | Yes              | No               | Yes            | 3                         |
| Syed Imran Ali Shah*    | Non-Executive           | Yes             | Yes              | Yes              | Yes            | 4                         |

\* Syed Imran Ali Shah resigned from the Board on May 21, 2026.

## 25 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

## 26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 18, 2026** by the Board of Directors of the Management Company.

**For AI Meezan Investment Management Limited  
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**PERFORMANCE TABLE**  
**Meezan Balanced Fund**

|                                                                                    | 2026      | 2025      | 2024      |
|------------------------------------------------------------------------------------|-----------|-----------|-----------|
| Net assets (Rs. '000) (ex-distribution)                                            | 5,891,519 | 3,394,240 | 1,913,428 |
| Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution) | 27.7417   | 23.8078   | 18.3552   |
| Offer price per unit as at June 30, (Rs.) (ex-distribution)                        | 28.3797   | 24.3553   | 18.7700   |
| Highest offer price per unit (Rs.)                                                 | 29.9108   | 25.5724   | 22.8720   |
| Lowest offer price per unit (Rs.)                                                  | 24.4410   | 18.5783   | 15.9510   |
| Highest redemption price per unit (Rs.)                                            | 29.2384   | 24.9975   | 22.3666   |
| Lowest redemption price per unit (Rs.)                                             | 23.8915   | 18.1607   | 15.5985   |
| Distribution (%)                                                                   |           | -         | -         |
| Interim                                                                            | 10.00     | 12.50     | 40.00     |
| Final                                                                              |           | -         | -         |
| Date of distribution                                                               |           | -         | -         |
| Interim                                                                            | 24-Jun-26 | 27-Jun-25 | 28-Jun-25 |
| Final                                                                              |           | -         | -         |
| Income distribution (Rupees in '000)                                               | 105,777   | 117,550   | 321,582   |
| Growth distribution (Rupees in '000)                                               | 43,052    | 53,595    | 46,936    |
| Total return (%)                                                                   | 20.77     | 36.60     | 43.38     |

|                                               | One Year | Two Years | Three Years |
|-----------------------------------------------|----------|-----------|-------------|
| Average annual return as at June 30, 2026 (%) | 20.77    | 28.44     | 33.24       |

*Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.*