

MEEZAN CAPITAL PROTECTED FUND-III

CAPITAL WITH CARE | OPPORTUNITY WITH PURPOSE

INVESTMENT OBJECTIVE

To seek competitive returns alongside capital protection, in accordance with the respective investment plans, through authorized Shariah-compliant investments aligned with investors' risk tolerance.



FUND INFORMATION



Meezan

A A

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

E-mail: 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.

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

AUDITORS

M/s. BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C, Lakson Square
Building No. 1, Sarwar Shaheed
Road Karachi -74200

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. Meezan Bank Limited - Islamic Banking
2. United Bank Limited - Islamic Banking



Pure. Profit.

REPORT OF THE FUND MANAGER

MEEZAN CAPITAL SECURE PLAN I (MCSP I)

(MANAGED UNDER MEEZAN CAPITAL PROTECTED FUND - III)

Type of Fund

MCSP-I is a perpetual Shariah Compliant (Islamic) Capital Protected Scheme

Objective

To provide investors with protection of their initial capital upon reaching maturity, through investment in Shariah Compliant Fixed income/ Money market instruments, while also providing potential for capital appreciation through investment in Shariah Compliant equity.

Investment Policy and Strategy

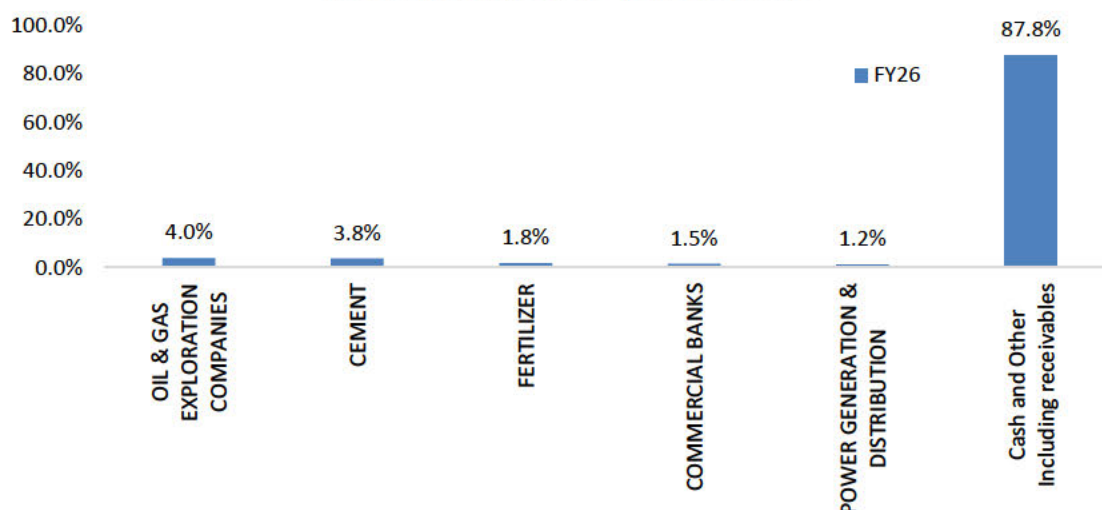
The Plan will actively allocate its portfolio between the equity asset classes and fixed income/money market asset classes based on the macroeconomic view of the fund manager on such asset classes. For exposure to equities, this investment plan shall primarily be invested in Islamic Equity instruments. Whereas for taking exposure to Fixed Income/Money Market, the Plan shall invest in Islamic Money Market and Islamic Fixed Income instruments as well as in Cash at Bank Accounts of Islamic Banks and licensed Islamic Banking windows of conventional Banks. The allocation between the Equity Component and the Debt/ Income Component may vary depending upon changes in the value of the Plan and macroeconomic changes. Investments shall be made as per the authorized investment limits given below and may be made according to the following mode of Shariah Transaction such as; principles of Bai-Mu'ajjal, Bai'-Mussawwama, Bai'- Salam, Istisna'a, Mudaraba, Murabaha and Musharika or any other structure as approved by the Shariah Advisor from time to time.

The Management Company (Wakeel) can from time to time alter the weightings, subject to the specified limits as mentioned in Authorized Investments table below between the various types of investments if it is of the view that market conditions so warrant. The funds not invested in the foregoing avenues may be placed as deposit with scheduled Islamic banks / Islamic Divisions of conventional banks.

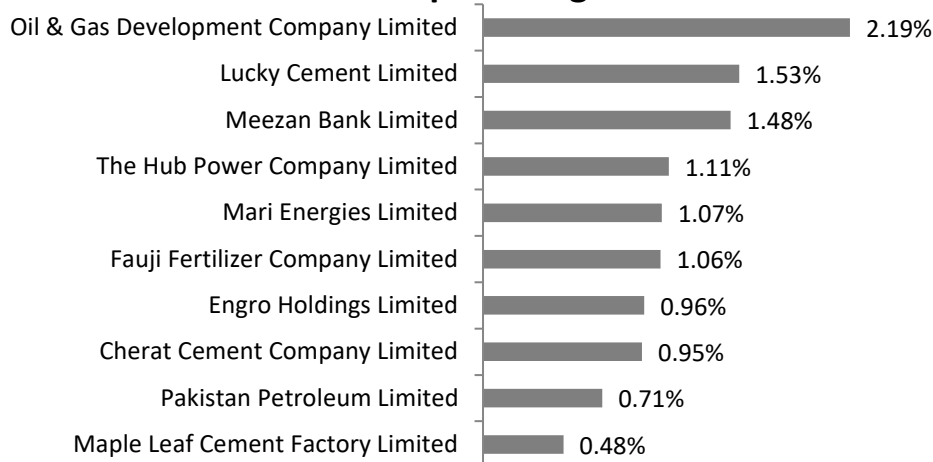
Asset Allocation

As on June 30, 2026, the fund's equity exposure was 16.68%, 78.44% in GoP Guaranteed Securities, while 4.88% of the Net Assets was invested in bank deposits & Other Receivables.

Asset Allocation for the year ended FY26



Top Holdings



Performance Review

During the fiscal year 2026, Meezan Capital Secure Plan I (MCSP I) managed under Meezan Capital Protected Fund - III provided a positive return of 0.55% to its investors for the year ended June 30, 2026 as compared to its benchmark return of 5.39%.

Launched date March 12, 2026

	MCSP-I	Benchmark
Net Asset Value as on March 12, 2026	50.00	
Net Asset Value as on June 30, 2026	50.09	
Change (Points)	0.09	
Return During the Period - Net	0.55%	5.39%
Under performance	4.84%	

Benchmark: A combination to be used incorporating a mix of PKISRV rates for the period corresponding to the maturity of CIS and the Shariah Compliant Equity Index based upon the percentage allocation

Meezan Capital Secure Plan I managed under Meezan Capital Protected Fund – III posted a total income of Rs. 14.86 million during the period from March 13, 2026 to June 30, 2026. Total income comprised of realized income and unrealized loss on investments of Rs. 1.94 million and Rs. 18.89 million respectively. Dividend income and profit on saving account with banks comprised of Rs. 1.53 million and 4.11 million respectively. After accounting for expenses of Rs. 9.38 million, the fund posted a net income of Rs. 5.48 million. The net assets of the Fund as at June 30, 2026 were Rs. 1,131 million. The net asset value per unit as at June 30, 2026 was Rs. 50.0853.

The fund aims to earn a potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income and Money Market Instruments and any other Shariah Compliant instrument as permitted by the SECP and Shariah Advisor.

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 period from March 13, 2026 to June 30, 2026 an amount of

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Rs. 0.066 million was accrued as charity payable.

Distributions

There is an interim distribution of Rs. 0.19 per unit (0.38%) by the Fund during the period from March 13, 2026 to June 30, 2026. Total distribution made by the fund was Rs. 4.289 million.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size:

(As on June 30, 2026)

Range (Units)	No. of Investors
1 - 9,999	153
10,000 - 49,999	139
50,000 - 99,999	43
100,000 - 499,999	40
500,000 and above	6
Total	381

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN CAPITAL PROTECTED FUND - III

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 Capital Protected Fund - III (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 period from March 13, 2026 to 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 17, 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

Ref no: IBSA/ESA/26/66

Report of the Shariah Advisor – Meezan Capital Protected Fund – III (MCPF-III)

August 10, 2026/Safar 26, 1448 AH

Alhamdulillah, the period from March 13, 2026 to June 30, 2026 was the **first** year of operations of **Meezan Capital Protected Fund III** (the “MCPF-III” 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.

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 Capital Protected Fund III (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 UNITHOLDERS OF Meezan Capital Protected FUND-III

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Meezan Capital Protected Fund-III ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2026, and its financial performance and its cash flows for the period then ended in accordance with 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(s)	How the matter was addressed in our audit
1.	Existence and valuation of balances with banks and investments. As disclosed in note 5 & 6 to the accompanying financial statements of the Fund for the period ended June 30, 2026, the balances with banks and investments amounting to Rs. 12.54 million and Rs. 1,081.48 million respectively, which represent 96.77% of the total assets.	Our audit procedures included the following: We obtained independent confirmations for verifying the existence of balances with the banks and investment portfolio as at June 30, 2026 and traced it with books and records of the Fund;

S.NO	Key audit matter(s)	How the matter was addressed in our audit
	The existence and valuation of banks and investments are significant components of statement of asset and liabilities for the determination of net asset value of the Fund as at June 30, 2026. We considered existence and valuation of investment as Key audit matter due to significance of these in relation to net assets.	- We performed substantive audit procedures on period-end balances of banks and investment portfolio including review of custodian's statement and re-performance of valuations as per valuation methodology specified in accounting policies; and - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of bank balances and investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

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 its Board of Directors

The Management Company ("Al Meezan Investment Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Company 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 the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The 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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of the 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 to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 17 SEP 2026

UDIN: AR202610166FtwerNCGE

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

**MEEZAN CAPITAL PROTECTED FUND III
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2026**

		Meezan Capital Secure Plan – I (MCSP-I) June 30, 2026 (Rupees in '000)	
	Note		
ASSETS			
Balances with banks	5		12,539
Investments	6		1,081,478
Preliminary expenses and formation cost	9		289
Advances, deposits and Profit receivable	7		42,640
TOTAL ASSETS			1,136,946
LIABILITIES			
Payable to Al Meezan Investment Management Limited - Management Company	8		821
Payable to Central Depository Company of Pakistan Limited - Trustee	10		139
Payable to the Securities and Exchange Commission of Pakistan	11		70
Dividend payable			4,289
Accrued expenses and other liabilities	12		1,077
TOTAL LIABILITIES			6,396
NET ASSETS			1,130,550
Unit holders' funds (as per statement attached)			1,130,550
CONTINGENCIES AND COMMITMENTS	13		
		(Number of units)	
Number of units in issue			22,572,498
		(Rupees)	
Net asset value per unit			50.0853

The annexed notes 1 to 27 form an integral part of these Financial Statements

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

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN CAPITAL PROTECTED FUND III
INCOME STATEMENT
FOR THE PERIOD FROM MARCH 13, 2026 TO JUNE 30, 2026

Meezan Capital
Secure Plan – I
(MCSP-I)
For the Period from
March 13, 2026 to
June 30, 2026
(Rupees in '000)

Note

Income

Net realised gain on sale of investments	1,939
Dividend income	1,525
Profit on sukuk certificates	26,179
Profit on savings accounts with banks	4,114
	<u>33,757</u>

Unrealised loss on re-measurement
of investments classified as financial assets at 'fair value
through profit or loss- net
Total income

6.3 (18,894)
14,863

Expenses

Remuneration of Al Meezan Investment Management Limited
- Management Company
Sindh sales tax on remuneration of the Management Company
Remuneration of Central Depository Company of
Pakistan Limited - Trustee
Sindh sales tax on remuneration of the Trustee
Fee to the Securities and Exchange Commission of Pakistan
Auditors' remuneration
Shariah Audit Fee
Brokerage expense
Charity expense
Bank and settlement charges
Fees and subscription
Amortization of Preliminary expenses and formation cost

8.1	5,841
8.2	876
10.1	448
10.2	67
	259
14	232
	175
	673
	66
	174
	540
9.1	34
	<u>9,385</u>

Total expenses

5,478

Net income for the period before taxation

Taxation

16 -

Net income for the period after taxation

5,478

Allocation of net income for the period

Net income for the period after taxation
Income already paid on units redeemed

5,478

-

5,478

Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

1,939

3,539

5,478

The annexed notes 1 to 27 form an integral part of these Financial Statements

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN CAPITAL PROTECTED FUND III
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM MARCH 13, 2026 TO JUNE 30, 2026**

Meezan Capital Secure Plan – I (MCSP-I)
For the Period from March 13, 2026 to June 30, 2026 (Rupees in '000)

Net income for the period after taxation	5,478
Other comprehensive income for the period	-
Total comprehensive income for the period	<u>5,478</u>

The annexed notes 1 to 27 form an integral part of these Financial Statements

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

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN CAPITAL PROTECTED FUND III
STATEMENT OF MOVEMENTS IN UNIT HOLDERS' FUND
FOR THE PERIOD FROM MARCH 13, 2026 TO JUNE 30, 2026

Meezan Capital Secure Plan – I (MCSP-I)		
For the Period from March 13, 2026 to June 30, 2026		
Capital value	Accumulated income	Total
(Rupees in '000)		

Net Assets at the beginning of the period

Issuance of 23,574,758 units

- Capital value (at net asset value per unit at the beginning of the period)
- Element of loss

Total proceeds on issuance of units

1,178,738	-	1,178,738
(82)	-	(82)
1,178,656		1,178,656

Redemption of 1,002,260 units

- Capital value (at net asset value per unit at the beginning of the period)
- Element of loss

Total payments on redemption of units

50,113	-	50,113
(818)	-	(818)
49,295		49,295

Total comprehensive income for the period

Distribution during the period

Net income for the period less distribution

-	5,478	5,478
-	(4,289)	(4,289)
-	1,189	1,189

Net assets at the end of the period

1,129,361	1,189	1,130,550
-----------	-------	-----------

Undistributed income brought forward

- Realised income
- Unrealised income

Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

Distribution during the period (0.19 per unit declared on June 30, 2026)

Undistributed income carried forward

-
-
-
1,939
3,539
5,478
(4,289)
1,189

Undistributed income carried forward

- Realised Income
- Unrealised loss

20,083
(18,894)
1,189

(Rupees)

Net Asset value per unit at the beginning of the period

50.0000

Net Asset value per unit at the end of the period

50.0853

The annexed notes 1 to 27 form an integral part of these Financial Statements

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN CAPITAL PROTECTED FUND III
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM MARCH 13, 2026 TO JUNE 30, 2026

	Meezan Capital Secure Plan – I (MCSP-I)
	For the Period from March 13, 2026 to June 30, 2026 (Rupees in '000)

Note

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income for the period before taxation	5,478
Adjustments for:	
Unrealised loss on investments	18,894
-classified as 'financial assets at fair value through profit or loss'- Net	34
Amortization of Preliminary expenses and formation cost	(4,114)
Profit on savings accounts with banks	(26,179)
Profit on sukuk certificates	(1,525)
Dividend income	(7,412)
Increase in assets	
Investments - net	(1,100,372)
Preliminary expenses and formation cost	(323)
Advances, deposits and other receivable	(3,069)
	(1,103,764)
Increase in liabilities	
Payable to Al Meezan Investment Management Limited - Management Company	821
Payable to Central Depository Company of Pakistan Limited - Trustee	139
Payable to the Securities and Exchange Commission of Pakistan	70
Accrued expenses and other liabilities	1,077
	2,107
Profit received on balance with banks and sukuk certificates	(9,278)
Dividend received	1,525
Net cash used in operating activities	(1,116,822)

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts against issuance and conversion of units - net	1,178,656
Payment against redemption and conversion of units - net	(49,295)
Net cash generated from financing activities	1,129,361
Net increase in cash and cash equivalents during the period	12,539
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	12,539

5.2

The annexed notes 1 to 27 form an integral part of these Financial Statements

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN CAPITAL PROTECTED FUND III
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD FROM MARCH 13, 2026 TO JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The Meezan Capital Protected Fund III (the Fund) has been established through a Trust Deed (the Deed) dated April 6, 2022 under the Sindh Trust Act, 2020 as amended vide Sindh Trusts (Amendment) Act, 2021 entered into and between Al Meezan Investment Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee and is authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the "Rules") and Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("Regulations"). The Trust Deed was executed under the Sindh Trust Act, 2020 as amended vide Sindh Trusts (Amendment) Act, 2021 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 14, 2022 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 Al Meezan Investment Management Limited, 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. 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.
- 1.3 The Fund has been categorized as an open-ended Shariah-compliant capital protected scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular No. 7 of 2009. The units of the Fund were initially offered for public subscription at Rs. 50 per unit. The units are transferable and redeemable by surrendering them to the Fund. Initial Public Offering (IPO) of first plan of the Fund named 'Meezan Capital Secure Plan – I (MCSP-I)' was made on March 12, 2026. The Fund / Plan commenced its operation from March 13, 2026 and has a duration of 2 years and 10 months.
- 1.4 The objective of the Fund is to provide investors with protection of their initial capital upon reaching maturity, through investment in Shariah Compliant Fixed income/ Money market instruments, while also providing potential for capital appreciation through investment in Shariah Compliant equity. 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.
- 1.5 The Management Company has been assigned an 'AM1' quality rating by VIS Credit Rating Company Limited (dated January 22, 2026; previously 'AM1' on December 31, 2024) and by PACRA (dated May 15, 2026; previously 'AM1' on May 15, 2025). This rating reflects the Company's experienced management team, well-structured investment process, and strong systems and operational practices.

- 1.6 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

3 BASIS OF PREPARATION

3.1 Statement of compliance

Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as 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 Regulations) 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 and the requirements of the Trust Deed have been followed.

- 3.2 There are no prior year amounts of statement of Assets and Liabilities, Income statement, statement of Comprehensive income, statement of Movement in unit holders fund and statement of cash flows as the first plan of the fund is launched in 13 March, 2026.

3.3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Certain annual improvements have also been made to a number of IFRSs and IASs.	

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

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 estimates, assumptions and use judgments that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and 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 the current and future years.

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

3.5 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for certain investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value. 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 20.

3.6 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these financial statements are set out below.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Financial instruments

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

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

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

4.2.2 Classification and subsequent measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Amortised cost (AC);
- At fair value through other comprehensive income (FVTOCI); and
- At fair value through profit or loss (FVTPL).

Financial asset at Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL;

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Financial asset at FVTOCI

A financial asset is classified at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL;

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI), and only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

Financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statement. In case of equity instrument, when the financial asset is derecognised, there is no subsequent reclassification of fair value gains and losses to income statement.

Financial asset at FVTPL

All other financial assets are classified as FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVTOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value. Net gains and losses, including any profit I markup or dividend income, are recognised in income statement.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has two business models.

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.
- Other business model: This includes equity securities. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

"For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin".

"In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates)."

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.2.2.2 Financial liabilities

The Fund on initial recognition classifies its financial liabilities at;

- Amortised Cost

Financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

4.2.2.3 Impairment of financial assets

The Fund at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD / AMCW / RS / MUFAP 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

4.2.2.5 Fair value measurement, principles and provision

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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments is determined as follows:

Basis of valuation of equity investments

Equity investments are marked-to-market on the basis of rates as quoted on PSX, as all equity investments are made in listed securities only.

Basis of valuation of government securities

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

The government securities listed on a stock exchange (for example Listed GOP Ijarah) are valued on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date.

4.2.2.6 Regular way contracts

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.2.7 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 for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

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

The Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, to its unit holders.

4.5 Dividend

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on MUFAP's guidelines (duly consented upon by the SECP), distribution for the year is deemed to comprise of the portion of amount 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 period in which such distributions are declared and approved by the Board of Directors of the Management Company. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year/period is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the period.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the period. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

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 distributors / Management Company during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load, if applicable, is payable to the investment facilitators and the Management Company / distributors.

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

4.7 Element of Income

Element of income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net Assets Value (NAV) at the beginning of the relevant accounting period.

Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

"MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the period under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period. The income already paid (Element of Income) on redemption of units during the period are taken separately in statement of movement in unit holders' fund."

4.8 Net assets value per unit

The Net Assets Value (NAV) per unit, as disclosed on 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 period end.

4.9 Revenue Recognition

- Realised gains / (losses) arising on sale of investments are included in the income statement on the date at which transactions takes place.
- Unrealised gain / (loss) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Income on bank balances is recognised on time proportionate basis.
- Dividend income on equity securities is recognised when the right to receive the dividend is established.

For quoted equity securities, this is usually the ex-dividend date.

4.10 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

4.11 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 as charity. Such purification is carried out in accordance with the guidelines approved by the Shariah Advisor of the Fund. The charity has been recorded as an expense in the 'Income Statement' in the financial statements of the Fund.

Meezan Capital Secure Plan – I (MCSP-I)
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June 30, 2026

Rs. in '000

5 BALANCES WITH BANKS

Balances with banks in:

Savings accounts

12,539

12,539

- 5.1 This includes a balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 6.75% per annum. Other saving account of the Fund has expected profit rates ranging from 11.40% per annum.

June 30, 2026

Rs. in '000

5.2 Cash and cash equivalents

Balances with banks

12,539

'Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

6 INVESTMENTS

June 30, 2026

Rs. in '000

Financial asset 'at fair value through profit or loss'

Investment in equity securities - listed

189,638

Sukuk Certificates - Listed

891,840

1,081,478

6.1 Investment in equity securities - listed

Meezan Capital Secure Plan - I (MCSP-I)								Percentage in relation to		
Name of the investee company	Face / Nominal Value per Share	Purchased during the period	Sold / transferred during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised gain / (loss) as at June 30, 2026	Net assets of the fund	Total market value of investment	Paid-up capital of investee company (with face value of investment)
		Number of shares			(Rupees in '000)			%		
AUTOMOBILE ASSEMBLER										
Ghansham Industries Limited	10	2,000	100	1,900	1,820	1,840	20	0.16	0.17	0.00
Suzgar Engineering Works Limited	10	1,000	600	400	876	825	(51)	0.07	0.08	0.00
								0.24	0.25	0.01
COMMERCIAL BANKS										
Meezan Bank Limited	10	38,500	6,000	32,500	15,298	16,785	1,487	1.48	1.55	0.00
								1.48	1.55	0.00
CEMENT										
Cherat Cement Company Limited	10	61,173	30,000	31,173	8,706	10,784	2,078	0.95	1.00	0.02
D.G. Khan Cement Company Limited	10	56,000	36,000	20,000	3,814	4,465	651	0.39	0.41	0.00
Fauji Cement Company Limited	10	58,750	15,000	43,750	2,306	2,518	212	0.22	0.23	0.00
Kohat Cement Company Limited	2	22,500	-	22,500	2,147	2,478	331	0.22	0.23	0.00
Lucky Cement Limited	2	76,000	39,000	37,000	15,703	17,372	1,669	1.54	1.61	0.00
Maple Leaf Cement Factory Limited	10	107,000	56,000	51,000	4,572	5,452	880	0.43	0.50	0.00
								3.81	3.98	0.03
ENGINEERING										
International Steels Limited	10	32,500	5,000	27,500	2,084	2,496	412	0.22	0.23	0.01
								0.22	0.23	0.01
FERTILIZER										
Engro Fertilizers Limited	10	38,000	21,000	17,000	3,516	3,382	(134)	0.30	0.31	0.00
Fulmina Fertilizer Company Limited	10	30,000	-	30,000	4,031	4,959	928	0.44	0.46	0.00
Fauji Fertilizer Company Limited	10	21,000	-	21,000	10,711	12,043	1,332	1.07	1.11	0.00
								1.80	1.88	0.00
FOOD & PERSONAL CARE PRODUCTS										
National Foods Limited (Note 6.1.2)	5	9,000	-	9,000	3,402	3,487	85	0.31	0.32	0.00
								0.31	0.32	0.00
GLASS & CERAMICS										
Ghani Glass Limited	10	50,000	5,000	45,000	1,709	1,799	90	0.16	0.17	0.00
Tariq Glass Industries Limited	10	10,579	2,000	8,579	1,434	1,657	223	0.15	0.15	0.00
								0.31	0.32	0.01
INV. BANKS / INV. COS. / SECURITIES COS.										
Engro Holdings Limited	10	67,000	29,000	38,000	10,451	10,933	482	0.57	1.01	0.00
								0.57	1.01	0.00
LEATHER & TANNERIES										
Service Industries Limited	1	2,000	-	2,000	4,835	4,682	(153)	0.41	0.43	0.00
								0.41	0.43	0.00
OIL & GAS EXPLORATION COMPANIES										
Mari Energies Limited (Note 6.1.1)	10	19,000	1,000	18,000	11,121	12,137	1,016	1.07	1.12	0.00
Oil & Gas Development Company Limited	10	92,000	17,700	74,300	21,418	24,881	3,463	2.20	2.30	0.00
Pakistan Petroleum Limited	10	42,300	9,000	33,300	7,178	8,079	901	0.71	0.75	0.00
								3.99	4.17	0.00
OIL & GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	10	22,000	15,000	7,000	2,541	2,396	(145)	0.21	0.22	0.00
Sui Northern Gas Pipelines Limited	10	47,000	25,000	22,000	2,181	2,661	480	0.24	0.25	0.00
								0.45	0.47	0.00
PHARMACEUTICALS										
AGP Limited	10	20,000	20,000	-	-	-	-	-	-	-
GlaxoSmithKline Pakistan Limited	10	15,625	6,500	9,125	3,266	3,379	113	0.30	0.31	0.00
Hightone Laboratories Limited	10	6,000	3,000	3,000	2,783	3,008	225	0.27	0.28	0.01
								0.56	0.59	0.01
POWER GENERATION & DISTRIBUTION										
The Hub Power Company Limited	10	68,000	14,000	54,000	10,868	12,606	1,738	1.12	1.17	0.00
K-Electric Limited	3.50	375,000	225,000	150,000	1,121	1,281	160	0.11	0.12	0.00
								1.23	1.29	0.00
REFINERY										
Attock Refinery Limited	10	9,920	7,500	2,420	2,124	2,059	(65)	0.18	0.19	0.00
Pakistan Refinery Limited	10	227,250	170,000	57,250	2,003	2,042	39	0.18	0.19	0.01
								0.36	0.38	0.01
TECHNOLOGY & COMMUNICATION										
Systems Limited	2	63,000	29,000	34,000	4,823	5,091	268	0.44	0.46	0.00
								0.44	0.46	0.00
TEXTILE COMPOSITE										
Interloop Limited	10	25,000	5,000	20,000	2,070	2,151	81	0.19	0.20	0.00
								0.19	0.20	0.00
Total as at June 30, 2026					170,912	189,638	18,726	16.77	17.53	

- 6.1.1 Investments include 8,000 shares of Mari Energies Limited having market value of Rs. 5.3943 million as at June 30, 2026 which have been pledged as collateral in favour of 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.

- 6.1.2 On May 29, 2026, Pakistan Stock Exchange (PSX) issued a notice bearing serial PSX/N-659 regarding the recomposition exercise carried out by PSX on KMI All Share Islamic Index. Accordingly, National Foods Limited was declared as shariah non-compliant of the Index. The Fund may retain the shares of National Foods Limited until the next two quarters after Shariah status is updated. The Fund is required to disclose the shariah non-compliant investments in accordance with the additional disclosure requirements enacted vide S.R.O.600(I)/2025.

6.2 Sukuk Certificates - Listed

Meezan Capital Secure Plan - I (MCSP-I)

Mezzan Capital Secure Plan – I (MCSPI-I)												
Name of the security	Profit payment	Face Value per certificate	Maturity date	Coupon rate	Purchased during the period	Sold / matured during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised loss as at June 30, 2026	Percentage in relation to	
											Net assets of the Fund	Total market value of investments
					(Number of certificates)		(Rupees in '000)			%		
GoP Ijarah Sukuk Certificates - FRR PSX Listed	Semi-annually	5,000	January 22, 2029	9.63%	185,800	-	185,800	929,460	891,840	(37,620)	78.89	82.46
Total as at June 30, 2026							185,800	929,460	891,840	(37,620)	78.89	82.46

**Meezan Capital
Secure Plan - I
(MCSP-I)
June 30, 2026
Rs. in '000**

Note

6.3 Net unrealised gain/(loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

Market value of investments	6.1 & 6.2	1,081,478
Less: carrying value of investments	6.1 & 6.2	(1,100,372)
		<u>(18,894)</u>

7 ADVANCES, DEPOSITS AND PROFIT RECEIVABLE

Security deposit with Central Depository Company of Pakistan Limited	100
Security deposit with National Clearing Company of Pakistan Limited	2,500
Profit receivable on Sukuk Certificates	39,217
Profit receivable on balances with banks	354
Advance income tax	52
Other Receivable	417
	<u>42,640</u>

Note

8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable	8.1	433
Sindh sales tax payable on remuneration of the Management Company	8.2	65
Preliminary expenses and floatation cost Payable	9	323
		<u>821</u>

8.1 SECP, vide S.R.O. 600(I)2025 dated April 10, 2025, has substituted Regulation 60(5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, whereby the management company, in the case of hybrid schemes, is required to use a weighted-average approach based on the respective allocation of net assets to determine the management fee caps, with effect from July 01, 2025. Accordingly, during the period from March 13, 2026 to June 30, 2026, the management company charged its remuneration at the rate of 1.69% per annum of average daily net assets for Meezan Capital Secure Plan – I (MCSP-I). 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 on the Management Company's remuneration, sales load and any reimbursable expenditure to the Management Company.

Note **June 30, 2026**
Rs. in '000

9 Preliminary Expenses and formation costs

Total Preliminary expenses and formation cost		323
Amortization of Preliminary expenses and formation cost during the period	9.1	(34)
		<u>289</u>

9.1 As per regulation 60 All expenses incurred in connection with the establishment and registration of an Open End Scheme shall be borne by the Asset Management Company and reimbursable, subject to the audit of expenses, by the fund over a period of not less than five years or within the maturity date of the fund or any other time period as may be specified by the Commission.

The formation costs incurred in respect of MCSP-I will be amortised over the maturity period of the plan, ending on January 22, 2029.

June 30, 2026
Rs. in '000

Note

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Remuneration payable	10.1	121
Sindh sales tax payable on remuneration of the Trustee	10.2	18
		<u>139</u>

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund as stated below under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets value of the Fund. During the period, Trustee has charged its tariff as follows:

0.13% per annum of net assets

- 10.2 Sindh sales tax is levied at the rate of 15% under the Sindh Sales Tax on Services Act, 2011 on the remuneration of the Trustee.

June 30, 2026
Rs. in '000

11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Fee payable	11.1	<u>70</u>
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- 11.1 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 0.075% per annum of the daily net assets during the period applicable on Capital Protected Scheme. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

June 30, 2026
Rs. in '000

12 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	14	232
Shariah audit fee payable		175
Shariah advisor fee payable		269
Charity payable	12.1	66
Brokerage Payable		335
		<u>1,077</u>

- 12.1 According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund.

Accordingly, during the period ended June 30, 2026, non-shariah compliant income amounting to Rs. 0.066 million was charged as an expense in the books of the Fund.

13 CONTINGENCIES AND COMMITMENTS

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

**Meezan Capital
Secure Plan – I
(MCSP-I)
June 30, 2026
Rs. in '000**

14 AUDITORS' REMUNERATION

Annual audit fee	150
Fee for other certifications	50
Out of pocket expenses and Sindh Sales Tax	32
	<u>232</u>

15 TOTAL EXPENSE RATIO

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 01, 2025. The previously applicable TER limit of 4.5% for collective investment schemes categorised as "Equity, Balanced, Asset Allocation and Capital Protected (Dynamic Asset Allocation - Direct Exposure) Schemes" has been replaced with a weighted-average approach based on the respective allocation of net assets for determining the management fee cap by the Management Company, as disclosed in note 8.1 to these financial statements. However, The Total Expense Ratio (TER) of the Fund as at June 30, 2026 is 2.72% (annualised) which includes 0.37% (annualised) representing government levies on the Fund such as Sales Taxes etc.

16 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 period from March 13, 2026 to 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 period.

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.

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 of. Directors or officers of the Management Company or any of their connected persons as specified herein.

Transactions with connected persons essentially comprise sale 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 to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Offering Document, respectively.

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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 period end and transactions occurred during the period with them are as follows:

Balances as at period end

	Meezan Capital Secure Plan – I (MCSP-I) June 30, 2026 Rs. in '000
Al Meezan Investment Management Limited - the Management Company	
Remuneration payable	433
Sindh sales tax payable on remuneration of Management Company	65
Preliminary expenses and flotation cost Payable	323
Interbank Fund Transfer (IBFT) Charges Payable	- *

* Rounded to thousand rupees

**Meezan Capital
Secure Plan – I
(MCSP-I)**

June 30 , 2026

Rs. in '000

Meezan Bank Limited

Balances with bank	7,735
Profit receivable on savings accounts	35
Shariah advisory fee payable	269
Investment in 32,500 shares	16,785

Central Depository Company of Pakistan Limited - the Trustee

Remuneration payable	121
Sindh sales tax payable on remuneration of the Trustee	18
Security deposit	100

National Clearing Company of Pakistan Limited

Security deposit	2,500
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**For the period
from March 13
to June 30, 2026**

Rs. in '000

Transactions during the period

Al Meezan Investment Management Limited - the Management Company

Remuneration of the Management Company	5,841
Sindh sales tax on remuneration of the Management Company	876
Preliminary expenses and floatation cost	323

Meezan Bank Limited

Profit on saving accounts	422
Shariah advisory fee	269
Shares purchased:38,500 shares	18,086
Shares sold: 6,000 shares	2,958
Dividend income	281

For the period
from March 13
to June 30, 2026
Rs. in '000

Central Depository Company of Pakistan Limited - the Trustee

Remuneration of the Trustee	448
Sindh sales tax on remuneration of the Trustee	67
CDS Charges	21
Security deposit	100

National Clearing Company of Pakistan Limited

Security deposit	2,500
NCCPL Charges	141

18 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2026		
At amortised cost	At fair value through profit or loss	Total

----- (Rupees in '000) -----

Financial assets

Balances with banks	12,539	-	12,539
Investments	-	1,081,478	1,081,478
Receivable against conversion of units	-	-	-
Dividend receivable	-	-	-
Receivable against sale of investments	-	-	-
Advances, deposits and profit receivable	42,640	-	42,640
	55,179	1,081,478	1,136,657

Financial liabilities

Payable to Al Meezan Investment Management Limited

- Management Company	821	-	821
Payable to Central Depository Company of Pakistan Limited - Trustee	139	-	139
Payable against redemption and conversion of units	-	-	-
Payable to Meezan Bank Limited	-	-	-
Payable against purchase of investment	-	-	-
Dividend payable	4,289	-	4,289
Accrued expenses and other liabilities	1,077	-	1,077
	6,326	-	6,326

19 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 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.

19.1 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 and regulations laid down by the SECP.

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. 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

Presently, the Fund holds 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 / (loss) for the year and net assets of the Fund would have been higher / lower by Rs.0.055 million.

The composition of the Fund's investment portfolio and profit rates 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:

As at June 30, 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 year	More than one year			
%	(Rupees in '000)					
Financial assets						
Balances with banks	6.75 to 11.40	12,539	-	-	-	12,539
Investments		-	891,840	-	189,638	1,081,478
Advances, deposits and profit receivable		-	-	-	42,640	42,640
		12,539	891,840	-	232,278	1,136,657
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	821	821
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	139	139
Dividend payable		-	-	-	4,289	4,289
Accrued expenses and other liabilities		-	-	-	1,077	1,077
		-	-	-	6,326	6,326
On-balance sheet gap (a)		12,539	891,840	-	225,952	1,130,331
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a + b)		12,539	891,840	-		
Cumulative profit rate sensitivity gap		12,539	904,379	904,379		

(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 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 35% of the net assets or index weight, whichever is higher, subject to maximum of 40%.

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 / (loss) of the Fund for the year would increase / decrease by Rs 0.18894 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 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.

19.2 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 redemption requests during the period ended June 30, 2026.

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 balances with banks have been included in the maturity grouping of one month:

As at June 30, 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	Total
(Rupees in '000)						
Financial assets						
Balances with banks	12,539	-	-	-	-	12,539
Investments	-	-	891,840	-	189,638	1,081,478
Advances, deposits and profit receivable	39,571	-	-	-	3,069	42,640
	52,110	-	891,840	-	192,707	1,136,657
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	821	-	-	-	-	821
Payable to Central Depository Company of Pakistan Limited - Trustee	139	-	-	-	-	139
Dividend payable	4,289	-	-	-	-	4,289
Accrued expenses and other liabilities	335	742	-	-	-	1,077
	5,584	742	-	-	-	6,326
Net financial assets / (liabilities)	46,526	(742)	891,840	-	192,707	1,130,331

19.3 Credit risk

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, dividend receivable, receivable against conversion of units 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	
Balance as per statement of assets and	Maximum exposure to credit risk
(Rupees in '000)	
Balances with banks	12,539
Investments	891,840
Advances, deposits and profit receivable	42,640
	947,019
	55,179

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 and receivable against withholding tax on bonus shares, 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.

19.3.1 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 related profit receivable thereon, dividend receivable and receivable against conversion of units and sale of investments. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed 2026
AAA	100.00%
	<u>100.00%</u>

19.3.2 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 are unsecured and are not impaired.

20 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 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.

20.1 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 the Fund held the following financial instruments measured at fair value:

	2026			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	189,638	-	-	189,638
Sukuk Certificate	891,840	-	-	891,840
	1,081,478	-	-	1,081,478
Financial assets not measured at fair value				
Balances with banks				12,539
Profit receivable on Sukuk Certificates				39,217
Profit receivable on balances with banks				354
				52,110
Financial liabilities not measured at fair value				
Payable to Al Meezan Investment Management Limited				821
				821

Item	Valuation technique
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price 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.

There were no transfers between levels during the period.

21 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 Movement 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'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.

22 UNIT HOLDING PATTERN OF THE FUND

Category	2026		
	Number of unit holders	Investment amount	Percentage of total investment
		(Rupees in '000)	(%)
Individuals	371	909,742	80.47%
Associated Companies / Directors	-	-	-
Insurance Companies	-	-	-
Banks and DFIs	-	-	-
Retirement Funds	9	215,781	19.09%
Public Limited Companies	-	-	-
Other Corporate	1	5,027	0.44%
	381	1,130,550	100.00%

23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2026 Percentage of commission
AKD Securities Limited	34.44%
Topline Securities Limited	26.25%
Next Capital Limited	20.10%
Summit Capital (Private) Limited	9.61%
JS Global Capital Limited.	9.60%

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualifications	Overall experience
Mr. Imtiaz Gador, 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	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

24.2 The Fund manager of the Fund is Mr. Asif Imtiaz. Other Funds being managed by the Fund Manager are as follows:

- Meezan Dedicated Equity Fund
- KSE - Meezan Index Fund
- Meezan Balanced Fund
- Meezan Asset Allocation Fund
- Meezan Dividend Yield Plan
- Meezan Financial Planning Fund of Fund
- Meezan Strategic Allocation Fund

25 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.

26 GENERAL

- 26.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.
- 26.2 These financial statements pertain to the Fund's first reporting period; accordingly, comparative figures have not been presented.

27 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**Meezan Capital Protected Fund III (MCPF III)****Meezan Capital Secure Plan-I (MCSP-I)**

	2026
Net assets (Rs. '000) (ex-distribution)	1,130,550
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	50.0853
Offer price per unit as at June 30, (Rs.) (ex-distribution)	
Highest offer price per unit (Rs.)	51.7250
Lowest offer price per unit (Rs.)	51.7250
Highest redemption price per unit (Rs.)	50.1363
Lowest redemption price per unit (Rs.)	47.9697
Distribution (%)	
Interim	0.38
Final	-
Date of distribution	
Interim	June 30, 2026
Final	-
Income distribution (Rupees in '000)	4,289
Growth distribution (Rupees in '000)	
Total return (%)*	0.55

* Return for the period from March 13, 2026 to June 30, 2026

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