



Al Meezan
Investment Management Ltd.

AM1
Rating by IIG & FICRA

MEEZAN ISLAMIC FUND

CAREFUL SELECTION | CONSIDERED INVESTING

INVESTMENT OBJECTIVE

To maximise total investor returns by investing in Shariah-compliant equities, focusing on both capital gains and dividend income.

FUND INFORMATION



Meezan

Islamic Fund

MANAGEMENT COMPANY

Al Meezan Investment Management Limited

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

Karachi 74400, Pakistan.

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

Fax: (+9221) 35676143, 35630808

Website: www.almeezangroup.com

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.

AUDITORS

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

SHARIAH AUDITORS

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

LEGAL ADVISER

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

SHARIAH ADVISER

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

TRANSFER AGENT

Al Meezan Investment Management Limited

BANKERS TO THE FUND

1. Allied Bank Limited
2. Al Baraka Bank Pakistan Limited
3. Bank Islami Pakistan Limited
4. Dubai Islamic Bank Pakistan Limited
5. Faysal Bank Limited - Islamic Banking

6 t t t s g

8 A s g



Pure. Profit.



REPORT OF THE FUND MANAGER MEEZAN ISLAMIC FUND (MIF)

Type of Fund

Open end Equity

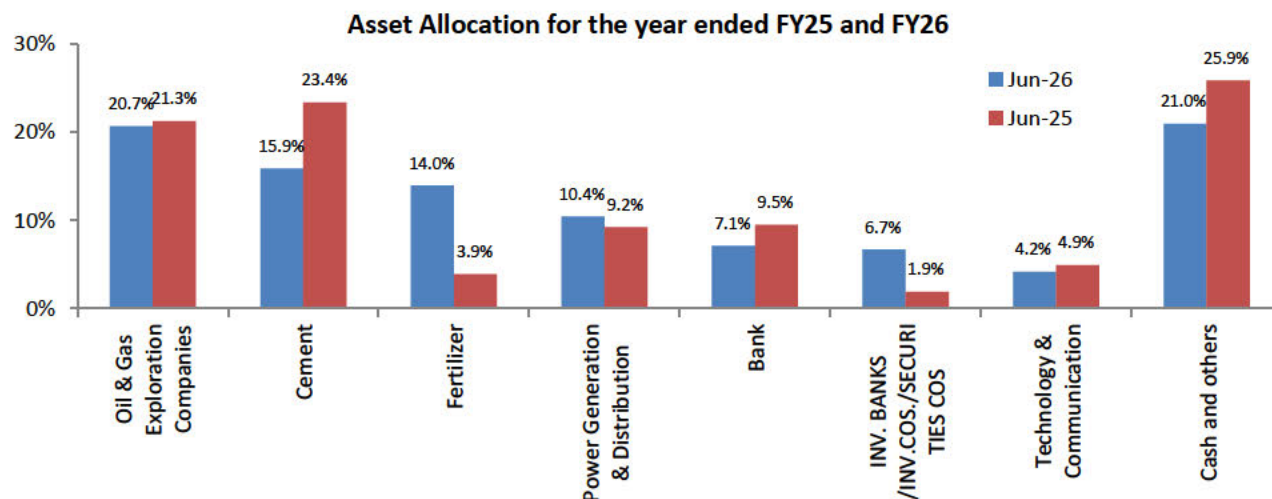
Objective

The objective of MIF has been formed to enable the Unit Holders to participate in a diversified portfolio security which are Shariah Compliant. The investment objective of MIF is, to optimize total investment returns through prudent investment management, which would consist of combination of capital appreciation and income. All investments will be monitored closely Shariah compatibility by MIF's Shariah Advisor. A detailed investment policy is given un-Part III of this Offering Document.

Strategy, Investment Policy and Asset Allocation

The performance of MIF is linked directly to the performance of equity market. The fund manager, Al Meezan Investment Management Limited, actively manages the fund with an aim to provide maximum risk adjusted total return to the investors. To control risk, the exposure in growth stocks is balanced against that of high dividend stocks. Moreover, the fund manager strives to reduce equity exposure in times when the market is trading above valuations while increasing equity exposures near troughs.

The fund began the year with an equity exposure of 98.81% and maintained an average exposure of approximately 97.35% throughout the year, closing at 98.15%. During FY26, portfolio positioning was adjusted in response to changing sector fundamentals and macroeconomic conditions. Cement sector exposure was reduced due to expectations of weak offtake amid capacity expansions, raising concerns over excess supply, while the subsequent US-Iran escalation and policy rate hike further supported a cautious stance. Fertilizer exposure was increased as the portfolio shifted towards defensive sectors, with greater weight in FFC following its Shariah-compliant status and inclusion in the KMI-30 Index. Exposure to Inv. Banks / Inv. Cos. / Securities Cos. increased mainly through ENGROH, supported by its diversified portfolio, stable cash generation, and long-term growth potential across telecom, infrastructure, power, mining, and other businesses. Oil & Gas Exploration exposure remained elevated given the earnings potential from higher oil prices and government efforts to resolve circular debt, which could improve sector cash flows and dividend-paying capacity



Top Holdings



Performance Review

During FY26, Meezan Islamic Fund (MIF) provided a positive return of 33.02% to its investors and KSE Meezan Index (KMI 30) - Benchmark increased by 39.18% to close at 257,327 pts.

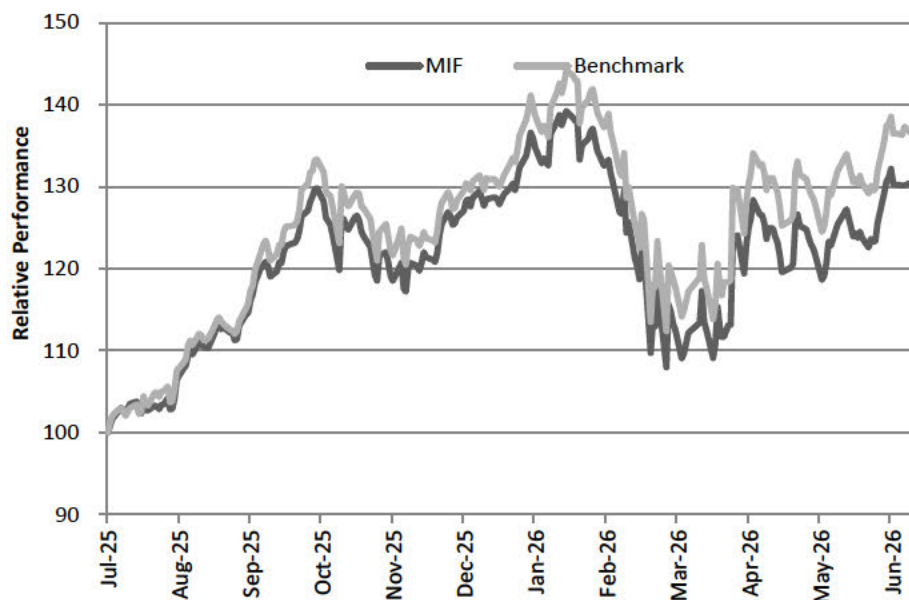
	MIF	KMI-30 (Benchmark)
Net Asset Value (NAV) as on June 30, 2025 –Rs.	129.01	184,886
Net Asset Value (NAV) as on June 30, 2026 –Rs.	170.59	257,327
Change (Points)	41.58	72,441
* Return During the Year	33.02%	39.18%

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

MIF posted a total income of Rs. 17,281 million in the fiscal year 2026 as compared to a total income of Rs. 16,888 million last year. Total income comprised of realized and unrealized gains on investments of Rs. 4,271 million and Rs. 10,234 million respectively. Dividend income contributed Rs. 2,657 million to income, while profit on saving accounts with banks amounted to Rs. 119 million. After accounting for expenses of Rs. 2,540 million, the Fund posted a net income of Rs. 14,741 million. The net assets of the Fund as at June 30, 2026 were Rs. 70,430 million as compared to Rs. 43,811 million at the end of year depicting an increase of 61%. The net asset value per unit as at June 30, 2026 was Rs. 170.5878 as compared to Rs. 129.0058 per unit as on June 30, 2025.



Pure. Profit.



Charity Statement

The Fund purifies the income earned by setting aside an amount payable by the Management Company out of the income of the Trust to charitable/welfare organizations, in consultation with Shariah Advisor, representing income that is Haram. During the year ended June 30, 2026 an amount of Rs. 112 million was accrued as charity payable.

Distributions

An interim distribution in the form of cash dividend by the Fund during the fiscal year ended June 30, 2026 was Re. 1 per unit (2.00%). Total distribution made by the Fund was Rs. 406 million.

SWWF Disclosure

Not applicable

Breakdown of unit holdings by size:

(As on June 30, 2026)

Range (Units)	No. of Investors
1 - 9,999	50,068
10,000 - 49,999	2,753
50,000 - 99,999	382
100,000 - 499,999	287
500,000 and above	53
Total	53,543



Pure. Profit.



Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	24	24	0	0
Percentage	100%	100%	0%	0%

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

Head Office:

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S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
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Email: info@cdcpak.com



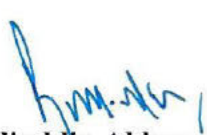
TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC FUND

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

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 15, 2026

Dr. Muhammad Imran Usmani

Jamia Darul Uloom Karachi

Korangi Industrial Area Karachi, Pakistan

Postal Code 75180

Tel: +92 21 35123225

Fax: +92 21 5040234

Email: miu786@gmail.com

Ref no: IBSA/ESA/26/73

Report of the Shariah Advisor – Meezan Islamic Fund (MIF)

August 10, 2026/Safar 26, 1448 AH

Alhamdulillah, the period from July 1, 2025 to June 30, 2026 was the **Twenty-third** year of operations of **Meezan Islamic Fund** (the “**MIF**” 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 Islamic Fund (the Fund)**, for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and an independent Shariah scholar.

2. Applicable Criteria

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

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

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

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

3. Management's Responsibility for Shariah Compliance

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

4. Our Independence and Quality Control

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

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

5. Our Responsibility and Summary of the Work Performed

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

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

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

6. Conclusion

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

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


Chartered Accountants

Date: September 15, 2026
Place: Karachi

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Islamic Fund

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 & 6 to the financial statements) Balances with banks and investments constitute the most significant components of the net asset value. Balances with banks aggregated to Rs. 1,115.12 million and investments of the Fund amounted to Rs. 69,126.51 million as at June 30, 2026. The existence of balances with banks and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: - Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; - Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and - Obtained bank reconciliation statements and tested reconciling items on a sample basis.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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Information Other than the Financial Statements and Auditor's Report Thereon

The Management Company (Al Meezan Investment Management Limited) is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



A.F. FERGUSON & CO.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

A.F. Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 18, 2026
UDIN: AR202610081o5ij4HKfT

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

	Note	2026 ———— (Rupees in '000) ————	2025 ———— (Rupees in '000) ————
Assets			
Balances with banks	5	1,115,116	896,859
Investments	6	69,126,513	43,014,926
Receivable against sale of investments		171,359	-
Receivable against conversion of units		579,601	741,741
Dividend receivable		32,213	14,775
Advances, deposits and other receivables	7	202,538	163,589
Total assets		71,227,340	44,831,890
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	8	60,805	22,684
Payable to Central Depository Company of Pakistan Limited - Trustee	9	6,405	4,064
Payable to the Securities and Exchange Commission of Pakistan	10	5,216	3,287
Payable against redemption and conversion of units		234,255	447,366
Payable against purchase of investments		-	117,378
Payable to Meezan Bank Limited		1,222	1,104
Accrued expenses and other liabilities	11	489,676	424,907
Total liabilities		797,579	1,020,790
Net assets		70,429,761	43,811,100
Unit holders' fund (as per statement attached)		70,429,761	43,811,100
Contingencies and commitments	12		
		———— (Number of units) ————	
Number of units In Issue		412,865,266	339,605,663
		———— (Rupees) ————	
Net asset value per unit		170.5878	129.0058

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

For Al Meezan Investment Management Limited

Chief Executive Officer

Chief Financial Officer

Director

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

	Note	2026 ----- (Rupees in '000)	2025 ----- (Rupees in '000)
Income			
Dividend income		2,656,973	1,581,944
Profit on savings accounts with banks		118,835	110,160
Net realised gain on sale of investments		4,271,390	4,672,354
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	10,233,503	10,523,469
Other income		-	454
Total income		<u>17,280,701</u>	<u>16,888,381</u>
Expenses			
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	1,830,635	825,476
Sindh sales tax on remuneration of the Management Company	8.2	274,595	123,821
Allocated expenses	8.3	-	23,686
Sindh sales tax on allocated expenses	8.2	-	3,553
Selling and marketing expenses	8.3	-	190,928
Sindh sales tax on selling and marketing expenses	8.2	-	28,639
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	62,027	35,876
Sindh sales tax on remuneration of the Trustee	9.2	9,304	5,381
Fee to the Securities and Exchange Commission of Pakistan	10.1	57,970	33,129
Charity expense	11.1	112,471	89,353
Auditor's remuneration	13	1,323	1,253
Fees and subscription		8,020	3,537
Legal and professional charges		158	73
Brokerage expense		173,203	101,612
Bank and settlement charges		10,050	5,671
Printing expenses		-	53
Total expenses		<u>2,539,756</u>	<u>1,472,041</u>
Net income for the year before taxation		<u>14,740,945</u>	<u>15,416,340</u>
Taxation	15	-	-
Net income for the year after taxation		<u>14,740,945</u>	<u>15,416,340</u>
Allocation of net income for the year			
Net income for the year after taxation		14,740,945	15,416,340
Income already paid on units redeemed		(5,250,982)	(4,169,829)
		<u>9,489,963</u>	<u>11,246,511</u>
Accounting income available for distribution			
- Relating to capital gains		9,489,963	11,246,511
- Excluding capital gains		-	-
		<u>9,489,963</u>	<u>11,246,511</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Net income for the year after taxation	14,740,945	15,416,340
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>14,740,945</u>	<u>15,416,340</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

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

	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	27,163,409	16,647,691	43,811,100	17,451,883	5,643,130	23,095,013
Issuance of 762,107,890 units (2025: 676,332,929 units)						
- Capital value (at net asset value per unit at the beginning of the year)	98,316,338	-	98,316,338	55,233,608	-	55,233,608
- Element of income	23,152,361	-	23,152,361	19,961,400	-	19,961,400
Total proceeds on Issuance of units	121,468,699	-	121,468,699	75,195,008	-	75,195,008
Redemption of 688,848,287 units (2025: 619,524,533 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(88,865,424)	-	(88,865,424)	(50,594,276)	-	(50,594,276)
- Element of loss	(15,068,907)	(5,250,982)	(20,319,889)	(14,795,955)	(4,169,829)	(18,965,784)
Total payments on redemption of units	(103,934,331)	(5,250,982)	(109,185,313)	(65,390,231)	(4,169,829)	(69,560,060)
Total comprehensive income for the year	-	14,740,945	14,740,945	-	15,416,340	15,416,340
Distribution during the year	-	(260,166)	(260,166)	-	(241,950)	(241,950)
Refund of capital	(145,504)	-	(145,504)	(93,251)	-	(93,251)
Net income for the year less distribution	(145,504)	14,480,779	14,335,275	(93,251)	15,174,390	15,081,139
Net assets at the end of the year	44,552,273	25,877,488	70,429,761	27,163,409	16,647,691	43,811,100
Undistributed Income brought forward						
- Realised income / (loss)		6,124,222			(1,723,984)	
- Unrealised gain		10,523,469			7,367,114	
		16,647,691			5,643,130	
Accounting income available for distribution						
- Relating to capital gains		9,489,963			11,246,511	
- Excluding capital gains		-			-	
		9,489,963			11,246,511	
Distribution during the year at Re. 1 per unit declared on June 24, 2026 (2025: Rs. 1 per unit declared on June 27, 2025)		(260,166)			(241,950)	
Undistributed income carried forward		25,877,488			16,647,691	
Undistributed income carried forward						
- Realised income		15,643,985			6,124,222	
- Unrealised income		10,233,503			10,523,469	
		25,877,488			16,647,691	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			129.0058			81.6663
Net asset value per unit at the end of the year			170.5878			129.0058

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		14,740,945	15,416,340
Adjustment for:			
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	(10,233,503)	(10,523,469)
Dividend income		(2,656,973)	(1,581,944)
Profit on savings accounts with banks		(118,835)	(110,160)
		<u>1,731,634</u>	<u>3,200,767</u>
Increase in assets			
Investments - net		(16,166,821)	(8,955,313)
Advances, deposits and other receivables		(34,262)	(125,612)
		<u>(16,201,083)</u>	<u>(9,080,925)</u>
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		38,121	(18,832)
Payable to Central Depository Company of Pakistan Limited - Trustee		2,341	1,850
Payable to the Securities and Exchange Commission of Pakistan		1,929	1,482
Payable to Meezan Bank Limited		118	734
Accrued expenses and other liabilities		64,769	(180,168)
		<u>107,278</u>	<u>(194,934)</u>
Dividend received		2,639,535	1,579,687
Profit received on savings accounts with banks		114,148	115,662
Net cash used in operating activities		<u>(11,608,488)</u>	<u>(4,379,743)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units - net of refund of capital		121,485,335	74,410,016
Payment against redemption and conversion of units		(109,398,424)	(69,169,474)
Dividend paid		(260,166)	(634,742)
Net cash generated from financing activities		<u>11,826,745</u>	<u>4,605,800</u>
Net increase in cash and cash equivalents during the year		<u>218,257</u>	<u>226,057</u>
Cash and cash equivalents at the beginning of the year		896,859	670,802
Cash and cash equivalents at the end of the year	5.3	<u><u>1,115,116</u></u>	<u><u>896,859</u></u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN ISLAMIC FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Islamic Fund (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 16, 2003 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 4, 2003 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.

In the year 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on September 2, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant and to optimise total investment returns through prudent investment management, which would consist of combination of capital appreciation and income. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open-end shariah compliant fund listed on the Pakistan Stock Exchange. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Equity Scheme.
- 1.4** The Management Company has been assigned an 'AM1' quality rating by VIS Credit Rating Company Limited dated January 22, 2026 (2025: 'AM1' dated December 31, 2024) and by PACRA dated May 15, 2026 (2025: 'AM1' dated May 15, 2025). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these financial statements.

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

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

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

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

3.4 Critical accounting estimates and judgments

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

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

3.5 Accounting convention

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

3.6 Functional and presentation currency

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

4.1 Financial assets

4.1.1 Initial recognition and measurement

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

4.1.2 Classification and subsequent measurement

4.1.2.1 Equity instruments

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

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

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

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

4.1.2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost.

These comprise balances with banks in savings and current accounts.

4.1.3 Impairment

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

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

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

4.1.4 Regular way contracts

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

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

4.1.5 Derecognition

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

4.2 Financial liabilities

4.2.1 Classification and subsequent measurement

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

4.2.2 Derecognition

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

4.3 Offsetting of financial assets and financial liabilities

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

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

4.4 Provisions

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

4.5 Net asset value per unit

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

4.6 Issuance and redemption of units

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

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

4.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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

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

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

4.9 Revenue recognition

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

4.10 Treatment of Shariah non-compliant Income

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

4.11 Expenses

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

4.12 Taxation

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

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

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

	Note	2026 ———— (Rupees in '000) ————	2025 ———— (Rupees in '000) ————
5 BALANCES WITH BANKS			
Balances with banks in:			
Savings accounts	5.1	1,114,792	886,883
Current accounts	5.2	324	9,976
		<u>1,115,116</u>	<u>896,859</u>
5.1	These include balances maintained with Meezan Bank Limited (a related party) that has a profit rate of 6.75% (2025: 3.25%) per annum. Other savings accounts of the Fund have profit rates ranging from 6.00% to 11.50% per annum (2025: 3.00% to 10.60% per annum).		
5.2	This includes balances maintained with Meezan Bank Limited (a related party).		
	Note	2026 ———— (Rupees in '000) ————	2025 ———— (Rupees in '000) ————
5.3 CASH AND CASH EQUIVALENTS			
Balances with banks	5	<u>1,115,116</u>	<u>896,859</u>
6 INVESTMENTS	Note	2026 ———— (Rupees in '000) ————	2025 ———— (Rupees in '000) ————
At fair value through profit or loss			
Investment in equity securities - listed	6.1	<u>69,126,513</u>	<u>43,014,926</u>

6.1 Investment in equity securities - listed

Name of the investee company	Note	As at July 1, 2025	Purchased during the year	Bonuses / rights issue received during the year	Sold / transfers during the year	As at June 30, 2025	Carrying value as June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation/ (diminution) as at June 30, 2025	Percentage in relation to		
										Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
Automobile Assembler												
Ghandhara Automobiles Limited		-	520,000	-	153,000	367,000	205,756	206,261	505	0.29%	0.30%	0.64%
Milat Tractors Limited *	6.1.1	8,368	8,368	-	-	16,736	4,675	5,104	429	0.01%	0.01%	0.00%
Sazgar Engineering Works Limited		4,667	579,175	-	399,473	184,369	368,852	380,444	11,592	0.54%	0.55%	0.31%
										0.84%	0.86%	0.95%
Automobile Parts & Accessories												
Agriauto Industries Limited	6.1.1	-	392,737	-	-	392,737	67,569	67,154	(415)	0.10%	0.10%	1.09%
Baluchistan Wheels Limited		-	157,351	-	-	157,351	30,744	34,229	3,485	0.05%	0.05%	1.18%
Service Long March Tyres Limited	6.1.1	-	3,462,592	-	700,000	2,762,592	55,114	70,115	15,001	0.10%	0.10%	0.04%
										0.25%	0.25%	2.31%
Commercial Banks												
Meezan Bank Limited (a related party of the fund)		12,745,292	5,159,805	-	8,135,525	9,769,572	3,711,597	5,045,593	1,333,996	7.16%	7.30%	0.54%
Faysal Bank Limited		300,000	1,767,815	-	1,749,377	318,438	28,231	31,602	3,371	0.04%	0.05%	0.02%
										7.20%	7.35%	0.56%
Cable & Electrical Goods												
Pak Elektron Limited		-	8,871,079	-	7,968,301	902,778	50,910	41,031	(9,879)	0.06%	0.06%	0.10%
										0.06%	0.06%	0.10%
Cement												
Attock Cement Pakistan Limited		1,984,125	648,534	-	1,971,823	660,836	178,786	143,249	(35,537)	0.20%	0.21%	0.48%
Bestway Cement Limited		284,500	-	-	96,981	187,519	76,039	91,877	15,838	0.13%	0.13%	0.03%
Cherat Cement Company Limited		4,298,576	1,367,859	-	2,705,252	2,961,183	894,815	1,024,362	129,547	1.45%	1.48%	1.52%
D.G. Khan Cement Company Limited		1,576,939	5,753,051	-	5,100,000	2,229,990	425,040	497,890	72,850	0.71%	0.72%	0.51%
Fauji Cement Company Limited		8,583,495	11,147,820	-	14,185,000	5,546,315	285,970	319,190	33,220	0.45%	0.46%	0.23%
Power Cement Limited		31,297,875	3,703,481	-	19,803,155	15,198,201	223,296	350,015	126,719	0.50%	0.51%	1.18%
Kohat Cement Company Limited	6.1.1	3,445,721	14,826,574	-	9,567,412	8,704,883	668,349	958,582	290,233	1.36%	1.39%	0.96%
Lucky Cement Limited	6.1.1 & 6.1.2	14,900,071	3,952,082	-	5,388,057	13,464,096	5,091,178	6,321,662	1,230,484	8.98%	9.15%	0.92%
Pioneer Cement Limited		680,749	8,026,587	-	8,264,815	442,521	121,255	125,397	4,142	0.18%	0.18%	0.19%
Maple Leaf Cement Factory Limited		8,625,991	17,074,748	-	11,678,046	14,022,693	1,280,254	1,499,166	218,912	2.13%	2.17%	1.34%
										16.09%	16.40%	7.35%
Chemical												
Dynex Pakistan Limited	6.1.1	280,800	-	-	50,000	230,800	65,360	77,780	12,420	0.11%	0.11%	1.22%
Engro Polymer & Chemicals Limited		-	14,147,617	-	3,526,960	10,620,657	388,001	359,084	(28,917)	0.51%	0.52%	1.17%
Lotte Chemical Pakistan Limited		-	12,107,507	-	-	12,107,507	339,464	339,858	394	0.46%	0.49%	0.80%
Lucky Core Industries Limited	6.1.1	307,056	1,883,358	-	250,000	1,940,414	609,269	459,180	(150,089)	0.65%	0.66%	0.42%
Stara Chemical Industries Limited		15,000	-	-	15,000	-	-	-	-	-	-	-
Ittehad Chemicals Limited		83,451	-	-	-	83,451	6,510	12,640	6,130	0.02%	0.02%	0.08%
Nimr Resins Limited		110,475	4,790,425	-	250,000	4,650,900	162,087	162,921	834	0.23%	0.24%	3.29%
Descon Oxychem Limited		-	1,075,000	-	445,535	629,465	22,476	19,822	(2,654)	0.03%	0.03%	0.36%
Ghani Chemworld Limited		-	6,276,623	-	6,276,623	-	-	-	-	-	-	-
										2.03%	2.07%	7.34%
Engineering												
Crescent Steel & Allied Products Limited		1,438,933	250,000	-	1,423,000	265,933	30,117	30,343	226	0.04%	0.04%	0.34%
Aisha Steel Mills Limited		-	22,938,878	-	10,335,621	12,603,257	165,286	165,607	321	0.24%	0.24%	1.35%
International Industries Limited		1,027,469	-	-	92,057	935,412	165,577	157,963	(7,614)	0.22%	0.23%	0.71%
International Steels Limited		624,693	5,450,590	-	1,538,999	4,536,284	519,132	411,622	(107,510)	0.58%	0.60%	1.04%
Mughal Iron & Steel Industries Limited		-	2,675,000	-	1,690,000	985,000	89,330	86,296	(3,034)	0.12%	0.12%	0.29%
										1.20%	1.23%	3.73%
Fertilizer												
Engro Fertilizers Limited		5,219,678	14,371,020	-	6,764,054	12,826,644	2,662,544	2,551,861	(110,683)	3.62%	3.69%	0.96%
Fatima Fertilizer Company Limited		3,459,789	12,307,182	-	1,212,000	14,554,971	1,918,452	2,405,937	487,485	3.42%	3.48%	0.69%
Fauji Fertilizer Company Limited		1,084,857	12,436,349	-	4,824,833	8,696,373	4,613,302	4,987,196	373,894	7.08%	7.21%	0.60%
										14.12%	14.38%	2.25%
Food & Personal Care Products												
National Foods Limited	6.1.1 & 6.1.4	2,639,245	1,284,014	-	1,036,794	2,886,465	1,005,384	1,118,303	112,919	1.59%	1.62%	1.24%
Frieslandcampina Engro Pakistan Limited		250,000	600,000	-	150,000	700,000	61,840	79,793	17,953	0.11%	0.12%	0.09%
Treet Corporation Limited		12,440,255	2,700,000	-	12,440,255	2,700,000	72,841	67,797	(5,044)	0.10%	0.10%	0.73%
Barkat Frisian Agro Limited	6.1.1	489,392	500,000	-	539,392	450,000	14,670	16,394	1,724	0.02%	0.02%	0.15%
Unity Foods Limited		-	7,750,000	-	7,750,000	-	-	-	-	-	-	-
The Organic Meat Company Limited		2,572,752	1,316,062	49,150	3,802,667	135,297	5,259	5,921	662	0.01%	0.01%	0.07%
Wahdat Poultry Farm Limited	6.1.1	-	9,410,033	-	1,700,000	7,710,033	149,635	143,330	(6,305)	0.20%	0.21%	2.30%
										2.03%	2.08%	4.58%
Glass & Ceramics												
Ghani Global Glass Limited		-	3,500,000	-	3,500,000	-	-	-	-	-	-	-
Ghani Glass Limited		2,060,095	406,447	-	1,487,843	978,699	45,165	39,119	(6,046)	0.06%	0.06%	0.10%
Shabbir Tiles and Ceramics Limited *	6.1.1	1,001,500	-	-	847,525	153,975	2,170	1,661	(509)	0.00%	0.00%	0.06%
Tariq Glass Industries Limited		2,971,159	2,496,710	-	1,055,000	4,412,869	1,039,817	852,478	(187,339)	1.21%	1.23%	2.56%
										1.27%	1.29%	2.72%
Inv. Banks / Inv. Cos. / Securities Cos.												
Engro Holdings Limited		4,612,011	16,011,131	-	4,095,301	16,527,841	4,046,012	4,755,390	709,378	6.75%	6.88%	1.37%
										6.75%	6.88%	1.37%

Name of the investee company	Note	As at July 1, 2025	Purchased during the year	Bones / rights issue received during the year	Sold / transfers during the year	As at June 30, 2026	Carrying value as June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation/ (diminution) as at June 30, 2026	Percentage in relation to			
										Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)	
(Number of shares)							(Rupees in '000)						
Insurance													
Pak Qatar General Takaful Limited *		-	149,402	-	148,969	443	6	7	1	0.00%	0.00%	0.00%	
											0.00%	0.00%	0.00%
Leather & Tanneries													
Service Global Footwear Limited		273,325	1,080,710	-	848,842	505,193	63,150	61,593	(1,557)	0.09%	0.09%	0.24%	
Service Industries Limited		-	212,408	-	-	212,408	440,127	497,196	57,069	0.71%	0.72%	0.45%	
											0.80%	0.81%	0.69%
Miscellaneous													
Shifa International Hospitals Limited		205,000	-	-	51,700	153,300	72,837	77,492	4,655	0.11%	0.11%	0.24%	
Pakistan Aluminium Beverage Cans Limited		238,385	-	-	238,385	-	-	-	-	-	-	-	
											0.11%	0.11%	0.24%
Oil & Gas Exploration Companies													
Oil & Gas Development Company Limited	6.1.2	18,622,582	17,109,823	-	12,589,420	23,142,985	5,871,960	7,749,891	1,877,931	11.00%	11.21%	0.54%	
Pakistan Petroleum Limited		9,496,490	7,682,249	-	11,273,847	5,904,892	1,161,151	1,432,645	271,494	2.03%	2.07%	0.22%	
Mari Energies Limited	6.1.2 & 6.1.3	6,092,452	4,988,242	-	2,795,902	8,285,692	5,454,268	5,586,959	132,691	7.93%	8.08%	0.69%	
											20.96%	21.36%	1.45%
Oil & Gas Marketing Companies													
Attock Petroleum Limited		816,086	7,517	-	453,360	370,243	178,091	199,280	21,189	0.28%	0.29%	0.30%	
Pakistan State Oil Company Limited		4,346,392	3,835,308	-	6,958,690	1,223,010	509,370	418,697	(90,673)	0.59%	0.61%	0.26%	
Sitara Petroleum Service Limited	6.1.1	-	1,954,329	-	1,954,329	-	-	-	-	-	-	-	
Sui Northern Gas Pipelines Limited		8,433,836	2,280,261	-	4,212,491	6,501,606	735,694	786,239	50,545	1.12%	1.14%	1.03%	
Sui Southern Gas Company Limited		5,143,981	9,562,156	-	12,957,534	1,748,603	47,754	56,095	8,341	0.08%	0.08%	0.20%	
											2.07%	2.12%	1.79%
Paper, Board and Packaging													
Century Paper & Board Mills Limited *		4,796,792	-	-	4,763,104	33,688	1,051	1,006	(45)	0.00%	0.00%	0.01%	
Cherat Packaging Limited		-	1,368,479	-	-	1,368,479	134,659	134,412	(247)	0.19%	0.19%	2.79%	
Packages Limited		861,105	670,854	-	120,000	1,411,959	919,987	1,143,602	223,615	1.62%	1.65%	1.58%	
SPEL Limited	6.1.1	-	1,673,658	-	-	1,673,658	93,885	86,595	(7,290)	0.12%	0.13%	0.84%	
											1.93%	1.97%	5.22%
Pharmaceuticals													
Haleon Pakistan Limited		652,878	-	-	72,000	580,878	427,718	467,723	40,005	0.66%	0.68%	0.50%	
Citi Pharma Limited		970,000	100,000	-	30,000	1,040,000	88,585	80,985	(7,600)	0.11%	0.12%	0.46%	
GlaxoSmithKline Pakistan Limited		595,395	150,000	-	143,000	602,395	238,314	223,037	(15,277)	0.32%	0.32%	0.19%	
Ferozsons Laboratories Limited		292,000	-	-	100,698	191,302	74,535	77,129	2,594	0.11%	0.11%	0.44%	
AGP Limited		536,981	1,565,322	-	1,311,889	790,414	176,048	163,086	(12,962)	0.23%	0.24%	0.28%	
Hightoon Laboratories Limited		228,784	40,000	-	22,000	246,784	245,753	247,450	1,697	0.35%	0.36%	0.47%	
The Searle Company Limited		3,347,773	2,880,000	145,165	5,247,773	1,125,165	114,846	106,373	(8,473)	0.15%	0.15%	0.19%	
											1.93%	1.98%	2.53%
Power Generation & Distribution													
The Hub Power Company Limited		23,914,214	15,785,371	-	9,878,137	29,821,448	4,936,796	6,961,817	2,025,021	9.88%	10.07%	2.30%	
K-Electric Limited	6.1.1	162,056,911	85,418,261	-	192,126,378	55,348,794	353,392	472,679	119,287	0.67%	0.68%	0.20%	
											10.55%	10.75%	2.50%
Property													
Javedan Corporation Limited		-	2,054,255	-	-	2,054,255	314,149	302,386	(11,763)	0.43%	0.44%	0.54%	
											0.43%	0.44%	0.54%
Refinery													
Attock Refinery Limited		317,955	702,721	-	438,500	582,176	458,237	495,240	37,003	0.70%	0.72%	0.55%	
Energyco PK Limited		15,634,144	-	-	15,634,114	30	-	-	-	-	-	-	
Pakistan Refinery Limited		7,603,779	2,281,500	-	3,750,000	6,135,279	212,473	218,845	6,372	0.31%	0.32%	0.97%	
											1.01%	1.04%	1.52%
Technology & Communication													
Air Link Communication Limited *		13,337	-	-	-	13,337	2,036	2,093	57	0.00%	0.00%	0.00%	
Systems Limited	6.1.1	20,459,646	6,173,572	-	6,548,373	20,084,845	2,387,226	2,954,280	567,054	4.19%	4.27%	1.36%	
											4.19%	4.27%	1.36%
Textile Composite													
Interloop Limited		5,804,461	5,943,853	-	1,561,332	10,186,982	807,094	1,095,508	288,414	1.56%	1.58%	0.73%	
Kohinoor Textile Mills Limited	6.1.1	689,722	2,684,596	-	3,214,576	159,742	6,625	8,819	2,194	0.01%	0.01%	0.01%	
Gul Ahmed Textile Mills Limited		-	4,650,000	-	2,550,000	2,100,000	73,313	64,029	(9,284)	0.09%	0.09%	0.28%	
Nishat Mills Limited		-	2,852,707	-	2,725,000	127,707	19,134	20,160	1,026	0.03%	0.03%	0.04%	
											1.69%	1.71%	1.06%
Real Estate Investment Trust													
TPL REIT Fund I		44,916	-	-	44,916	-	-	-	-	-	-	-	
											-	-	-
Transport													
Pakistan International Bulk Terminal Limited		-	48,328,530	-	26,738,000	21,590,530	304,616	411,946	107,330	0.58%	0.60%	1.21%	
											0.58%	0.60%	1.21%
Total as at June 30, 2026							58,893,010	69,126,513	10,233,503	98.15%	100%		
Total as at June 30, 2025							32,491,457	43,014,926	10,523,469				

* Nil figures due to rounding off

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

Name of the investee company	Nominal value per share as on June 30, 2026 (Rs.)	Subdivision of share during the year	Additional number of shares received on account of subdivision of shares during the year
Dynea Pakistan Limited	5.00	-	-
Shabbir Tiles and Ceramics Limited	5.00	-	-
Barkat Frisian Agro Limited	1.00	-	-
Service Long March Tyres Limited	2.00	-	-
Wahdat Poultry Farm Limited	2.00	-	-
Sitara Petroleum Service Limited	1.00	-	-
National Foods Limited	5.00	-	-
Agriauto Industries Limited	5.00	-	-
SPEL Limited	5.00	-	-
Lucky Cement Limited	2.00	-	-
Systems Limited	2.00	-	-
K-Electric Limited	3.50	-	-
Lucky Core Industries Limited	2.00	On July 18, 2025 from Rs. 10 to Rs. 2 per share	1,228,224
Kohat Cement Company Limited	2.00	On August 22, 2025 from Rs. 10 to Rs. 2 per share	13,782,884
Kohinoor Textile Mills Limited	2.00	On September 12, 2025 from Rs. 10 to Rs. 2 per share	2,457,096
Millat Tractors Limited	5.00	On June 20, 2026 from Rs.10 to Rs. 5 per share	8,368

6.1.2 Investments include 1,100,000 shares of Mari Energies Limited, and 350,000 shares of Oil & Gas Development Company Limited (2025: 485,000 shares of Lucky Cement Limited, 50,000 shares of Mari Energies Limited and 500,000 shares of Oil & Gas Development Company Limited), having market value of Rs. 741.719 million and 117.204 million respectively as at June 30, 2026 (2025: 172.291 million, 31.345 million and 110.280 million respectively) 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.

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

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

As at June 30, 2026, Mari Energies Limited has withheld 581,259 shares from the bonus shares issued to the Fund. The market value of bonus shares withheld amounts to Rs. 391.937 million as at June 30, 2026.

6.1.4 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. In the stated notice, National Foods Limited, Attock Petroleum Limited and Bestway Cement Limited were declared as shariah non-compliant of the Index. However, these shares were shariah compliant according to the KMI All Share Islamic Index at the time of investment. The Fund may retain these previously purchased shares until the next two quarters after shariah status is updated.

	Note	2026 ———— (Rupees in '000) ————	2025 ———— (Rupees in '000) ————
6.2 Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'			
Market value of investments	6.1	69,126,513	43,014,926
Less: carrying value of investments	6.1	<u>(58,893,010)</u>	<u>(32,491,457)</u>
		<u>10,233,503</u>	<u>10,523,469</u>

	Note	2026 ———— (Rupees in '000) ————	2025 ———— (Rupees in '000) ————
7 ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Security deposit with Central Depository Company of Pakistan Limited		100	100
Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Advance to Meezan Bank Limited against IBFT redemptions		30,000	30,000
Profit receivable on balances with banks		10,064	5,377
Receivables against withholding tax on bonus shares	7.1	125,612	125,612
Other receivable		262	-
Advance against Book Building / IPO	7.2	<u>34,000</u>	<u>-</u>
		<u>202,538</u>	<u>163,589</u>

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

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

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

As at June 30, 2026, the Fund has recorded an amount of Rs. 125.612 million as receivables against withholding tax on bonus shares in respect of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares.

- 7.2** This represents advance paid for the subscription of 1,000,000 ordinary shares of Select Technologies Limited through the book building / initial public offering (IPO) process at a strike price of Rs. 34 per share.

	Note	2026 ———— (Rupees in '000) ————	2025 ———— (Rupees in '000) ————
8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	8.1	45,485	17,728
Sindh sales tax payable on remuneration of the Management Company	8.2	6,823	2,658
Sales load payable		6,590	1,998
Sindh sales tax payable on sales load	8.2	988	300
Inter Bank Funds Transfer charges payable		919	-
		<u>60,805</u>	<u>22,684</u>

- 8.1** As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document and subject to the capping of 3% for a collective investment scheme categorised as an 'Equity Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 3% (2025: 2% - 3%) per annum of the average daily net assets of the Fund during the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.

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

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

In the prior year ended June 30, 2025, the Management Company has charged expenses related to selling and marketing at the rates ranging from 0.5% - 0.8% of the average annual net assets of the Fund and in relation to registrar services, accounting, operation and valuation services at the rates ranging from 0.07% - 0.0875% of the average annual net assets of the Fund.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
	Remuneration payable	9.1	5,569	3,534
	Sindh sales tax payable on remuneration of the Trustee	9.2	836	530
			<u>6,405</u>	<u>4,064</u>

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

Net assets (Rs.)	Fee
- Up to Rs. 1 billion	0.20% per annum of net assets.
- Over Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets on amount exceeding Rs. 1 billion.

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

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
	Fee payable	10.1	<u>5,216</u>	<u>3,287</u>

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

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
	Auditor's remuneration payable		849	903
	Shariah audit fee payable		174	-
	Shariah advisor fee payable		3,768	4,747
	Charity payable	11.1	157,614	86,502
	Brokerage payable		29,677	21,173
	Capital gain tax payable		5,252	24,560
	Zakat payable		229	168
	Withholding tax payable		26,235	21,452
	Provision for Federal Excise Duty and related Sindh sales tax on sales load	11.2	32,607	32,607
	Provision for Federal Excise Duty and related Sindh sales tax on management fee	11.2	231,867	231,867
	Other payable		<u>1,404</u>	<u>928</u>
			<u>489,676</u>	<u>424,907</u>

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

Accordingly, during the year ended June 30, 2026, non-shariah compliant income amounting to Rs. 112.471 million (2025: Rs. 89.353 million) was charged as an expense in the books of the Fund and Rs. 48.455 million was disbursed to following charitable / welfare organisation:

S. No.	Charitable Organisations	Amount (Rupees In '000)
1	Chiniot Anjuman Islamia	1,094
2	Transformation International Society	1,000
3	Path Educational Society	1,000
4	NIBD Welfare Society	2,000
5	Idara Al Khair Welfare Society	2,000
6	Cancer Foundation	3,000
7	Professional Education Foundation	666
8	Child Life Foundation	2,695
9	Al Khidmat Foundation	5,000
10	Saylani Welfare International Trust	5,000
11	The Patients Behbud Society for AKUH	5,000
12	Indus hospital	5,000
13	Ihsan Trust	5,000
14	Alamgir Welfare Trust International	5,000
15	Daru Shifa Foundation	5,000
		<u>48,455</u>

The Fund also maintains a separate savings bank account for charitable disbursements. Profit received on this bank account during the year ended June 30, 2026 amounted to Rs. 7.096 million and has been recorded as charity payable.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED and the related Sindh Sales Tax made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 264.474 million (2025: Rs. 264.474 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED and related Sindh Sales Tax not been made, the Net Asset Value of the Fund as at June 30, 2026 would have been higher by Re. 0.64 (2025: Re. 0.78) per unit.

12 CONTINGENCIES AND COMMITMENTS

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

	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
13 AUDITOR'S REMUNERATION		
Annual audit fee	630	700
Half yearly review fee	420	300
Fee for other certification	100	80
Out of pocket expenses and Sindh sales tax	173	173
	<u>1,323</u>	<u>1,253</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2026 is 4.16% (2025: 4.22%) which includes 0.6% (2025: 0.6%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc.

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

15 TAXATION

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

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

16 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

The details of transactions carried out by the Fund with connected persons / related parties during the year and balances with them as at year end are as follows:

Balances as at year end

Al Meezan Investment Management Limited - Management Company
 Remuneration payable to the Management Company
 Sindh sales tax payable on remuneration of the Management Company
 Sales load payable
 Sindh sales tax on sales load payable
 Investment of 25,369,951 units (2025: 13,858,332 units)
 Inter Bank Funds Transfer charges payable

	2026	2025
	(Rupees in '000)	
	45,485	17,728
	6,823	2,658
	6,590	1,998
	988	300
	4,327,804	1,787,805
	919	-

Balances as at year end	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	5,569	3,534
Sindh sales tax payable on remuneration of the Trustee	836	530
Security deposit	100	100
Investment of 1,263,183 units (2025: 997,633 units)	215,484	128,700
Meezan Bank Limited		
Balances with bank	449,288	290,424
Profit receivable on savings accounts	1,385	227
Advance against IBFT redemptions	30,000	30,000
Sales load payable	1,063	960
Sindh sales tax on sales load payable	159	144
Shariah advisor fee payable	3,768	4,747
Investment in 9,769,572 shares (2025: 12,745,292 shares)	5,045,593	4,232,074
Investment of 12,509,602 units (2025: 12,509,602 units)	2,133,985	1,613,811
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 120,011 units (2025: 222,536 units)	20,472	28,708
Generations School (Private) Limited		
Investment of 1,216,704 units (2025: 1,523,433 units)	207,555	196,532
Habbah Educational Trust		
Investment of 1,003,380 units (2025: 997,439 units)	171,164	128,675
National Clearing Company of Pakistan Limited		
Security deposit	2,500	2,500
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of Nil units (2025: 1,101,739 units)	-	142,131
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of Nil units (2025: 564,298 units)	-	72,798
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of Nil units (2025: 181,305 units)	-	23,389
Directors and executives of the Management Company		
Investment of 13,774,978 units (2025: 13,430,311 units)	2,349,843	1,732,588
Unit holders holding 10% or more units of the Fund		
Investment of Nil units (2025: 36,932,396 units)	-	4,764,493
Transactions during the year		
Al Meezan Investment Management Limited - Management Company		
Remuneration of the Management Company	1,830,635	825,476
Sindh sales tax on remuneration of the Management Company	274,595	123,821
Allocated expenses	-	23,686
Sindh sales tax on allocated expenses	-	3,553
Selling and marketing expenses	-	190,928
Sindh sales tax on selling and marketing expenses	-	28,639
Units issued: 23,858,049 units (2025: 17,949,216 units)	3,755,631	2,068,954
Units redeemed: 12,346,430 units (2025: 5,411,893 units)	2,036,000	650,000
Dividend paid	9,033	2,900
Refund of capital	15,683	10,853
Units issued to unitholders on behalf of the Management Company	-	62,466

Transactions during the year

	2026	2025
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	62,027	35,876
Sindh sales tax on remuneration of the Trustee	9,304	5,381
CDS charges	3,630	2,141
Units issued: 265,550 units (2025: 8,862 units)	41,270	1,167
Dividend paid	1,092	991
Refund of capital	165	-
Meezan Bank Limited		
Profit on savings accounts with bank	8,744	4,494
Shares purchased: 5,159,805 shares (2025: 11,826,670 shares)	2,295,954	2,786,639
Shares sold: 8,135,525 shares (2025: 5,878,072 shares)	3,416,242	1,404,164
Shariah advisory fee	7,414	3,506
Dividend income	277,210	269,007
Units issued: Nil units (2025: 26,487 units)	-	2,125
Dividend paid	12,510	12,510
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Units issued: 710 units (2025: 2,152 units)	119	253
Units redeemed: 103,235 units (2025: Nil units)	15,906	-
Dividend paid	119	221
National Clearing Company of Pakistan Limited		
NCCPL charges	5,717	3,429
Generations School (Private) Limited		
Units issued: 6,087 units (2025: 12,586 units)	1,211	1,706
Units redeemed: 312,816 units (2025: Nil units)	50,000	-
Dividend Paid	1,211	1,513
Habbah Educational Trust		
Units issued: 5,941 units (2025: 9,644 units)	997	1,135
Dividend Paid	997	990
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units issued: 322,623 units (2025: 2,030,565 units)	45,520	239,540
Units redeemed: 1,424,362 units (2025: 1,730,556 units)	230,487	210,074
Refund of capital	-	1,093
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Units issued: 154,679 units (2025: 960,035 units)	22,600	115,339
Units redeemed: 718,977 units (2025: 824,090 units)	118,441	100,596
Refund of capital	-	560
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Units issued: 245,075 units (2025: 402,982 units)	37,450	46,731
Units redeemed: 426,380 units (2025: 357,813 units)	69,785	43,186
Refund of capital	-	180

Transactions during the year

	2026 (Rupees in '000)	2025 (Rupees in '000)
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: Nil units (2025: 2,253 units)	-	181
Units redeemed: Nil units (2025: 81,625 units)	-	9,211
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: Nil units (2025: 3,411 units)	-	274
Units redeemed: Nil units (2025: 77,140 units)	-	8,397
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: Nil units (2025: 1,849 units)	-	148
Units redeemed: Nil units (2025: 8,789 units)	-	992
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: Nil units (2025: 19 units)	-	2
Units redeemed: Nil units (2025: 19 units)	-	2
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: Nil units (2025: 71 units)	-	6
Units redeemed: Nil units (2025: 27,396 units)	-	3,092
Engro Fertilizers Limited *		
Shares purchased: Nil shares (2025: 4,660,203 shares)	-	792,829
Shares sold: Nil shares (2025: 200,000 shares)	-	39,225
Dividend income	-	55,040
Directors and executives of the Management Company		
Units issued: 2,840,493 units (2025: 2,302,216 units)	458,028	242,163
Units redeemed: 2,486,766 units (2025: 2,208,030 units)	388,216	228,862
Dividend paid	13,232	13,065
Refund of capital	481	279
Unit holders holding 10% or more units of the Fund		
Units issued: Nil units (2025: 357,103 units)	-	42,009
Dividend paid	-	36,642

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

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Balances with banks	1,115,116	-	1,115,116
Investments	-	69,126,513	69,126,513
Receivable against conversion of units	579,601	-	579,601
Dividend receivable	32,213	-	32,213
Receivable against sale of investments	171,359	-	171,359
Advances, deposits and profit receivable	76,664	-	76,664
	<u>1,974,953</u>	<u>69,126,513</u>	<u>71,101,466</u>
Financial liabilities			
Payable to Al Meezan Investment Management Limited			
- Management Company	60,805	-	60,805
Payable to Central Depository Company of Pakistan Limited - Trustee	6,405	-	6,405
Payable against redemption and conversion of units	234,255	-	234,255
Payable to Meezan Bank Limited	1,222	-	1,222
Accrued expenses and other liabilities	35,872	-	35,872
	<u>338,559</u>	<u>-</u>	<u>338,559</u>

	2025		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Balances with banks	896,859	-	896,859
Investments	-	43,014,926	43,014,926
Receivable against conversion of units	741,741	-	741,741
Dividend receivable	14,775	-	14,775
Advances, deposits and profit receivable	37,977	-	37,977
	<u>1,691,352</u>	<u>43,014,926</u>	<u>44,706,278</u>
Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	22,684	-	22,684
Payable to Central Depository Company of Pakistan Limited - Trustee	4,064	-	4,064
Payable against redemption and conversion of units	447,366	-	447,366
Payable to Meezan Bank Limited	1,104	-	1,104
Payable against purchase of investment	117,378	-	117,378
Dividend payable	-	-	-
Accrued expenses and other liabilities	27,751	-	27,751
	<u>620,347</u>	<u>-</u>	<u>620,347</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

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

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

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 11.148 million (2025: Rs. 8.869 million).

The composition of the Fund's investment portfolio and KIBOR 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.

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

In case of 1% increase / decrease in KMI All Share Index on June 30, 2026, with all other variables held constant, the total net income of the Fund for the year would increase / decrease by Rs. 691.265 million (2025: Rs. 430.149 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'.

18.2 Liquidity risk

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

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

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

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:

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	1,115,116	-	-	-	-	1,115,116
Investments	-	-	-	-	69,126,513	69,126,513
Receivable against conversion of units	579,601	-	-	-	-	579,601
Receivable against sale of investments	171,359	-	-	-	-	171,359
Dividend receivable	32,213	-	-	-	-	32,213
Advances, deposits and profit receivable	10,064	-	-	-	66,600	76,664
	1,908,353	-	-	-	69,193,113	71,101,466

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 liabilities

Payable to Al Meezan Investment Management Limited - Management Company	60,805	-	-	-	-	60,805
Payable to Central Depository Company of Pakistan Limited - Trustee	6,405	-	-	-	-	6,405
Payable to Meezan Bank Limited	1,222	-	-	-	-	1,222
Payable against redemption and conversion of units	234,255	-	-	-	-	234,255
Accrued expenses and other liabilities	29,677	2,427	3,768	-	-	35,872
	332,364	2,427	3,768	-	-	338,559

Net financial assets / (liabilities)

1,575,989	(2,427)	(3,768)	-	-	69,193,113	70,762,907
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2025						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						

Financial assets

Balances with banks	896,859	-	-	-	-	896,859
Investments	-	-	-	-	43,014,926	43,014,926
Receivable against conversion of units	741,741	-	-	-	-	741,741
Dividend receivable	14,775	-	-	-	-	14,775
Advances, deposits and profit receivable	5,377	-	-	-	32,600	37,977
	1,658,752	-	-	-	43,047,526	44,706,278

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	22,684	-	-	-	-	22,684
Payable to Central Depository Company of Pakistan Limited - Trustee	4,064	-	-	-	-	4,064
Payable to Meezan Bank Limited	1,104	-	-	-	-	1,104
Payable against redemption and conversion of units	447,366	-	-	-	-	447,366
Payable against purchase of investment	117,378	-	-	-	-	117,378
Accrued expenses and other liabilities	21,173	1,831	4,747	-	-	27,751
	613,769	1,831	4,747	-	-	620,347

Net financial assets / (liabilities)

1,044,983	(1,831)	(4,747)	-	-	43,047,526	44,085,931
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18.3 Credit risk

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

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

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

	2026		2025	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees in '000)			
Balances with banks	1,115,116	1,115,116	896,859	896,859
Investments	69,126,513	-	43,014,926	-
Receivable against sale of investments	171,359	171,359	-	-
Receivable against conversion of units	579,601	579,601	741,741	741,741
Dividend receivable	32,213	32,213	14,775	14,775
Advances, deposits and profit receivable	76,664	76,664	37,977	37,977
	<u>71,101,466</u>	<u>1,974,953</u>	<u>44,706,278</u>	<u>1,691,352</u>

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

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

18.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2026	2025
AAA	89.22%	79.06%
AA+	0.01%	20.76%
AA	0.01%	0.03%
AA-	10.76%	0.15%
	<u>100.00%</u>	<u>100.00%</u>

18.3.3 Concentration of credit risk

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

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

19 FAIR VALUE MEASUREMENT

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

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

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

19.1 Fair value hierarchy

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

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

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

ASSETS	2026			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Investment in equity securities - listed	69,126,513	-	-	69,126,513
	2025			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Investment in equity securities - listed	43,014,926	-	-	43,014,926

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

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.

There were no transfers between levels during the year.

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

21 UNIT HOLDING PATTERN OF THE FUND

Category	2026			2025		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
		(Rupees in '000)	(%)		(Rupees in '000)	(%)
Individuals	53,237	34,822,191	49.44%	32,263	16,806,192	38.36%
Associated Companies /						
Directors	7	8,644,900	12.27%	11	5,298,459	12.09%
Insurance Companies	6	6,991,830	9.93%	6	5,821,876	13.29%
Banks and DFIs*	1	425	0.00%	1	321	0.00%
Retirement Funds	110	14,862,315	21.10%	111	12,221,369	27.90%
Public Limited Companies	9	825,185	1.17%	8	130,329	0.30%
Others	173	4,282,915	6.08%	140	3,532,554	8.06%
	53,543	70,429,761	100.00%	32,540	43,811,100	100.00%

*Nil figure due to rounding off

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2026		2025	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Akik Capital (Private) Limited	10.97%	Akik Capital (Private) Limited	11.35%
Foundation Securities (Private) Limited	9.78%	Foundation Securities (Private) Limited	8.71%
Topline Securities Limited	9.77%	Topline Securities Limited	8.27%
Arif Habib Limited	6.64%	BMA Capital Management Limited	7.74%
AKD Securities Limited	6.20%	Arif Habib Limited	7.44%
Optimus Capital Management (Pvt.) Limited	5.77%	JS Global Capital Limited	6.38%
Ismail Iqbal Securities (Private) Limited	4.32%	AKD Securities Limited	6.00%
BMA Capital Management Limited	4.30%	Alfalah CLSA Securities (Private) Limited	5.58%
JS Global Capital Limited	4.28%	Ismail Iqbal Securities (Private) Limited	5.27%
Standard Capital Securities (Pvt) Limited	4.10%	Sherman Securities (Private) Limited	5.08%

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

23.2 The Fund manager of the Fund is Mr. Muhammad Asad. The Fund Manager is not managing any other fund.

23.3 As required under Regulation 60A of the NBFC Regulations, 2008, in order to align the interest of key employees with the unitholders, the Management Company has implemented the Senior Executive Bonus Incentive Scheme (SEBIS) that allows eligible employees of the Management Company to receive a portion of their approved performance bonus each year in the form of SEBIS units. At the end of each reporting period, the outstanding units are revalued based on the current break-up value of the Management Company's shares. As at June 30, 2026, the Management Company has invested in 211,863 units of the Fund on behalf of key employees under the SEBIS. The return of the Fund on this investment is one of the contributors to the break-up value of the aforementioned SEBIS units offered by the Management Company.

24 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

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

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

25 GENERAL

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

26 DATE OF AUTHORISATION FOR ISSUE

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 ISLAMIC FUND

	2026	2025	2024
Net assets (Rs. '000) (ex-distribution)	70,429,761	43,811,100	23,095,013
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	170.5878	129.0058	81.6663
Offer price per unit as at June 30, (Rs.) (ex-distribution)	174.5113	131.9729	83.5119
Highest offer price per unit (Rs.)	184.8403	132.3140	97.4785
Lowest offer price per unit (Rs.)	132.7449	79.7310	56.0315
Highest redemption price per unit (Rs.)	180.6846	129.3392	95.3242
Lowest redemption price per unit (Rs.)	129.7605	77.9385	54.7932
Distribution (%)			
Interim	2.00	2.00	26.27
Final	-	-	-
Date of distribution			
Interim	24-Jun-26	27-Jun-25	28-Jun-24
Final	-	-	-
Income distribution (Rupees in '000)	260,166	241,950	2,861,803
Growth distribution (Rupees in '000)			
Total return (%)	33.02	59.22	73.00

	One Year	Two Years	Three Years
Average annual return as at June 30, 2026	33.02	45.53	54.17

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



Al Meezan
Investment Management Ltd.

AM1
Rating by VRS & PACER

AL MEEZAN MUTUAL FUND

EVERY BUSINESS, ASSESSED | EVERY CHOICE, CONSIDERED

INVESTMENT OBJECTIVE

To optimise total investment returns, encompassing both capital gains and dividend income, through prudent investment management.



FUND INFORMATION



Al Meezan
Mutual Fund

MANAGEMENT COMPANY

Al Meezan Investment Management Limited

Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal
Karachi 74400, Pakistan.
Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
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.

AUDITORS

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

SHARIAH AUDITORS

M/s. BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C, Lakson Square
Building No. 1, Sarwar Shaheed
Road Karachi -742000

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



Pure. Profit.



REPORT OF THE FUND MANAGER AL MEEZAN MUTUAL FUND (AMMF)

Type of Fund

Open end equity fund

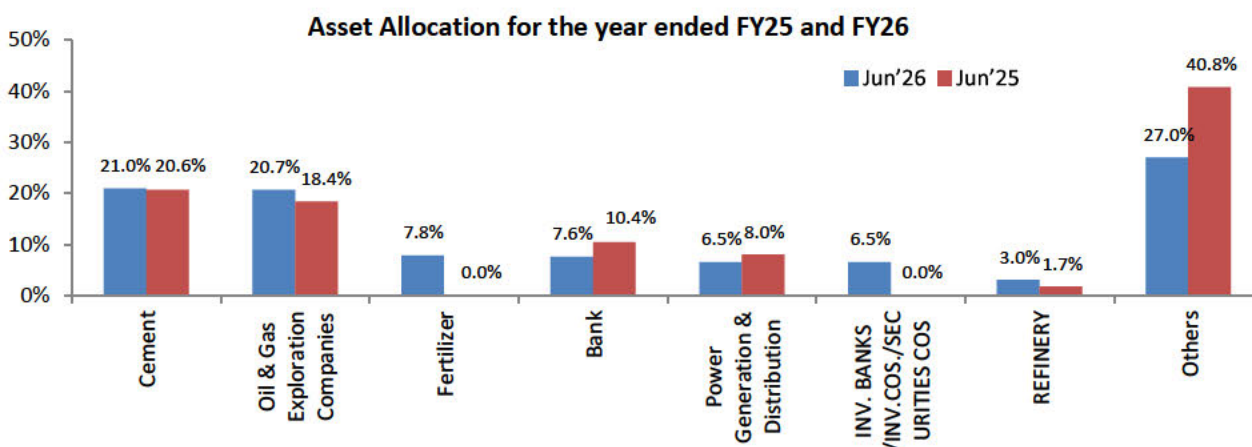
Objective

The objective of AMMF is to provide maximum total return to the shareholders by investing in "Shariah compliant" equity avenues for the given level of risk, while abiding by the Regulations and any other prevailing rules and regulations.

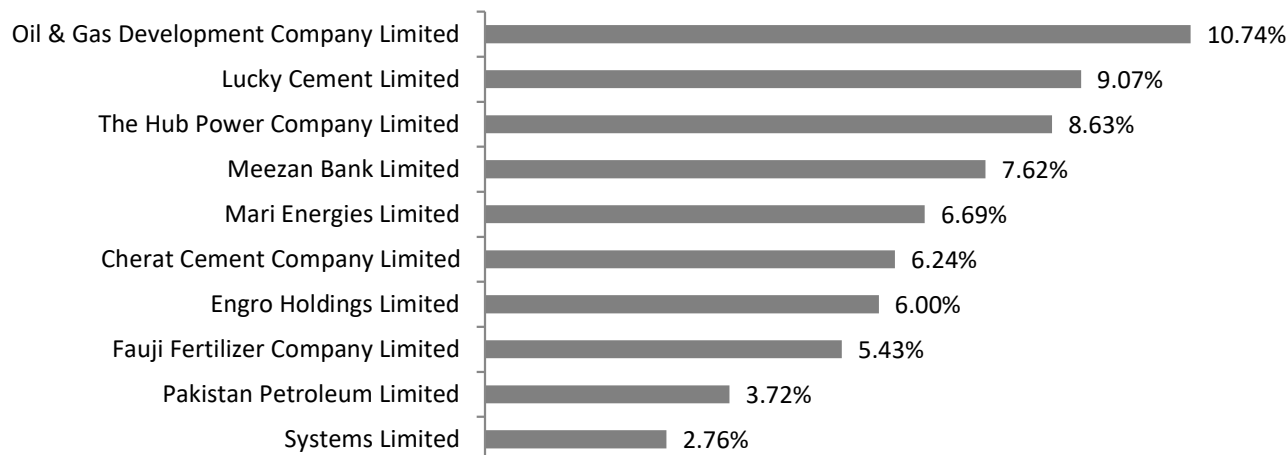
Strategy, Investment Policy and Asset Allocation

The performance of AMMF is directly linked to the performance of the equity market. The fund manager, Al Meezan Investment Management Limited, actively manages the fund with an aim to provide maximum risk adjusted total return to the investors. To control risk, the exposure in growth stocks is balanced against that of high dividend stocks. Moreover, the fund manager strives to reduce equity exposure in times when the market is trading above valuations while increasing equity exposure near troughs.

The fund began the year with an equity exposure of 97.44% and maintained an average exposure of approximately 97.25% throughout the year, closing at around 100%. During FY26, portfolio positioning was adjusted in response to changing sector fundamentals and macroeconomic conditions. Fertilizer exposure was increased as the portfolio shifted towards defensive sectors, with greater weight in FFC following its Shariah-compliant status and inclusion in the KMI-30 Index. Exposure to Inv. Banks / Inv. Cos. / Securities Cos. increased mainly through ENGROH, supported by its diversified portfolio, stable cash generation, and long-term growth potential across telecom, infrastructure, power, mining, and other businesses. Oil & Gas Exploration exposure remained elevated given the earnings potential from higher oil prices and government efforts to resolve circular debt, which could improve sector cash flows and dividend-paying capacity. While cement sector exposure was slightly reduced due to expectations of weak offtake amid capacity expansions, raising concerns over excess supply, while the subsequent US-Iran escalation and policy rate hike further supported a cautious stance. Within the sector, the portfolio was also rebalanced by shifting exposure from relatively overvalued stocks toward undervalued names, offering better valuation support and potential upside.



Top Holdings



Performance Review

During FY26, Al Meezan Mutual Fund (AMMF) provided a positive return of 29.87% to its investors and the KSE Meezan Index (KMI 30) - Benchmark increased by 39.18% to close at 257,327 pts.

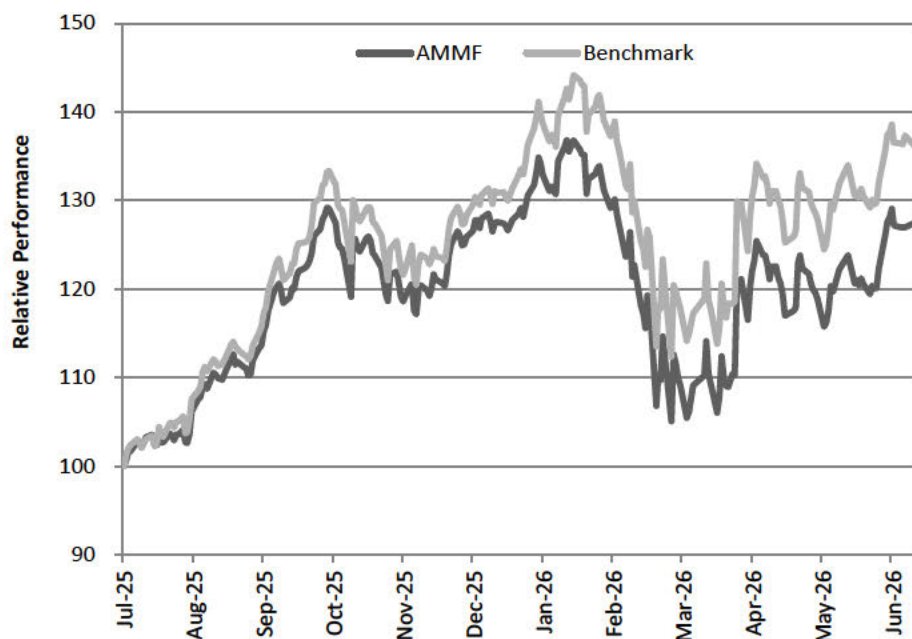
	AMMF (NAV)	KMI-30 (Benchmark)
Net Asset Value (NAV) as on June 30, 2025- Rs.	39.88	184,886
Net Asset Value (NAV) as on June 30, 2026- Rs.	51.54	257,327
Change (Points)	11.66	72,441
* Return During the Period	29.87%	39.18%

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

AMMF posted a total income of Rs. 5,261 million in the fiscal year 2026 as compared to a total income of Rs. 4,399 million last year. Total income comprised of realized gain and unrealized gain on investments of Rs. 1,590 million and Rs. 2,635 million respectively. Dividend income contributed Rs. 989 million to income, while profit on saving accounts with banks amounted to Rs. 47 million. After accounting for expenses of Rs. 958 million, the Fund posted a net income of Rs. 4,302 million. The net assets of the Fund as at June 30, 2026 were Rs. 26,457 million as compared to Rs. 12,926 million last year depicting increase of 105%. The net asset value per unit as at June 30, 2026 was Rs. 51.5384 as compared to Rs. 39.8818 per unit as on June 30, 2025.



Pure. Profit.



Charity Statement

The Fund purifies the income earned by setting aside an amount payable by the Management Company out of the income of the Trust to charitable / welfare organizations, in consultation with Shariah Advisor, representing income that is Haram. During the year ended June 30, 2026 an amount of Rs. 43 million was accrued as charity payable.

Distributions

An interim distribution in the form of cash dividend by the Fund during the fiscal year ended June 30, 2026

was Rs. 0.25 per unit (2.50%). Total distribution made by the Fund was Rs. 128 million.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size:

(As on June 30, 2026)

Range (Units)	No. of investors
1 - 9,999	36,504
10,000 - 49,999	4,163
50,000 - 99,999	676
100,000 - 499,999	509
500,000 and above	73
Total	41,925



Pure. Profit.



Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	8	8	0	0
Percentage	100%	100%	0%	0%

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

Head Office:

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

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

AL MEEZAN MUTUAL FUND

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

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

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


Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 15, 2026

Dr. Muhammad Imran Usmani

Report of the Shariah Advisor – Al Meezan Mutual Fund (AMMF)

August 10, 2026/Safar 26, 1448 AH

Alhamdulillah, the period from **July 1, 2025 to June 30, 2026** was the **Thirty-first** year of operations of **Al Meezan Mutual Fund** (the “AMMF” 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 Al Meezan Mutual Fund (the Fund) managed by Al Meezan Investment Management Limited (the Management Company) for assessing compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and 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;

- 1) Essentials, Regulations, Instructions and Guidelines issued by SECP;
- 2) The rulings of the Central Shariah Board as notified by SECP;
- 3) Requirements of the applicable Islamic Financial Accounting Standards as notified by SECP;
- 4) Approvals and rulings given by the Shariah Board (SB) directives, regulations, instructions and guidelines issued in accordance with the rulings of SECP's Shariah Board.

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

3. Management's Responsibility for Shariah Compliance

Management is responsible for ensuring that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Fund with its unitholders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their 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 Management

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, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM) 1 “Quality Management for firms that perform Audit or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design, implement and operate a system of quality management including policies or 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 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, ‘Assurance Engagements other than audits or reviews of historical financial statements’, 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 depend 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 necessary verification procedures on various financial arrangements, 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 was 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 overall financial arrangements, contracts, and transactions for the year ended June 30, 2026, comply with the Shariah rules and principles, in all material respects.

Engagement Partner
Tariq Feroz Khan

Date: **10 SEP 2026**
Place: Karachi


BDO EBRAHIM & CO.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Al Meezan Mutual Fund

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 & 6 to the financial statements) Balances with banks and investments constitute the most significant components of the net asset value. Balances with banks aggregated to Rs. 272.67 million and investments of the Fund amounted to Rs. 26,518.55 million as at June 30, 2026. The existence of balances with banks and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: - Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; - Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and - Obtained bank reconciliation statements and tested reconciling items on a sample basis.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007



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

The Management Company (Al Meezan Investment Management Limited) is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

A.F. Ferguson & Co.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: September 18, 2026

UDIN: AR202610081cJVD23f0v

AL MEEZAN MUTUAL FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Assets			
Balances with banks	5	272,667	382,938
Investments	6	26,518,548	12,537,886
Receivable against sale of investments		47,382	85,444
Receivable against conversion of units		163,941	230,246
Dividend receivable		6,307	2,402
Deposits and other receivables	7	23,764	22,780
Total assets		<u>27,032,609</u>	<u>13,261,696</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	8	26,313	8,801
Payable to Central Depository Company of Pakistan Limited - Trustee	9	2,459	1,263
Payable to Securities and Exchange Commission of Pakistan (SECP)	10	1,951	966
Payable to Meezan Bank Limited		913	1,452
Payable against conversion and redemption of units		406,850	237,305
Dividend payable		5,706	5,704
Accrued expenses and other liabilities	11	131,769	80,352
Total liabilities		<u>575,961</u>	<u>335,843</u>
Net assets		<u><u>26,456,648</u></u>	<u><u>12,925,853</u></u>
Unitholders' fund (as per statement attached)		<u><u>26,456,648</u></u>	<u><u>12,925,853</u></u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u><u>513,339,054</u></u>	<u><u>324,103,932</u></u>
		----- (Rupees) -----	
Net assets value per unit		<u><u>51.5384</u></u>	<u><u>39.8818</u></u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

AL MEEZAN MUTUAL FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
	Note	(Rupees in '000)	
Income			
Dividend income		989,094	408,749
Profit on savings accounts with banks		46,838	19,868
Other income		-	85
Net realised gain on sale of investments		1,589,823	1,061,255
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	2,634,884	2,909,306
Total Income		5,260,639	4,399,263
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company	8.1	665,498	207,436
Sindh sales tax on remuneration of the Management Company	8.2	99,825	31,115
Allocated expenses	8.3	-	5,745
Sindh sales tax on allocated expenses	8.2	-	862
Selling and marketing expenses	8.3	-	45,744
Sindh sales tax on selling and marketing	8.2	-	6,862
Remuneration to Central Depository Company of Pakistan Limited - Trustee	9.1	23,185	9,655
Sindh sales tax on remuneration of the Trustee	9.2	3,478	1,448
Annual fee to Securities and Exchange Commission of Pakistan	10.1	21,074	8,221
Auditor's remuneration	13	1,465	952
Legal and professional charges		157	73
Charity expense	11.1	42,671	21,845
Fees and subscription		4,175	516
Brokerage expense		91,642	34,947
Printing expenses		-	41
Bank and settlement charges		5,246	2,003
Total expenses		958,416	377,465
Net income for the year before taxation		4,302,223	4,021,798
Taxation	14	-	-
Net income for the year after taxation		4,302,223	4,021,798
Allocation of net income for the year			
Net income for the year after taxation		4,302,223	4,021,798
Income already paid on units redeemed		(787,503)	(1,023,929)
		3,514,720	2,997,869
Accounting Income available for distribution			
- Relating to capital gains		3,514,720	2,997,869
- Excluding capital gains		-	-
		3,514,720	2,997,869

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	2026	2025
	(Rupees in '000)	
Net income for the year after taxation	4,302,223	4,021,798
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>4,302,223</u>	<u>4,021,798</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

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

	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	8,439,694	4,486,159	12,925,853	3,327,814	1,546,636	4,874,450
Issuance of 1,246,872,853 units (2025: 460,208,196 units)						
- Capital value (at net asset value per unit at the beginning of the year)	49,727,534	-	49,727,534	16,926,448	-	16,926,448
- Element of Income	11,060,568	-	11,060,568	6,739,782	-	6,739,782
Total proceeds on Issuance of units	60,788,102	-	60,788,102	23,666,230	-	23,666,230
Redemption of 1,057,637,731 units (2025: 363,148,699 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(42,180,496)	-	(42,180,496)	(13,892,352)	-	(13,892,352)
- Element of loss	(8,463,059)	(787,503)	(9,250,562)	(4,624,183)	(1,023,929)	(5,648,112)
Total payments on redemption of units	(50,643,555)	(787,503)	(51,431,058)	(18,516,535)	(1,023,929)	(19,540,464)
Total comprehensive income for the year	-	4,302,223	4,302,223	-	4,021,798	4,021,798
Refund of capital	(30,754)	-	(30,754)	(37,815)	-	(37,815)
Distribution during the year at Re 0.25 per unit declared on June 24, 2026 (2025: Re 0.30 per unit declared on June 27, 2025)	-	(97,718)	(97,718)	-	(58,346)	(58,346)
Net Income for the year less distribution	(30,754)	4,204,505	4,173,751	(37,815)	3,963,452	3,925,637
Net assets at the end of the year	<u>18,553,487</u>	<u>7,903,161</u>	<u>26,456,648</u>	<u>8,439,694</u>	<u>4,486,159</u>	<u>12,925,853</u>
Undistributed Income brought forward						
- Realised Income		1,576,853			189,437	
- Unrealised income		2,909,306			1,357,199	
		<u>4,486,159</u>			<u>1,546,636</u>	
Accounting Income available for distribution						
- Relating to capital gains	3,514,720			2,997,869		
- Excluding capital gains	-			-		
	<u>3,514,720</u>			<u>2,997,869</u>		
Distribution during the year at Re 0.25 per unit declared on June 24, 2026 (2025: Re 0.30 per unit declared on June 27, 2025)		(97,718)			(58,346)	
Undistributed Income carried forward		<u>7,903,161</u>			<u>4,486,159</u>	
Undistributed Income carried forward						
- Realised income		5,268,277			1,576,853	
- Unrealised income		2,634,884			2,909,306	
		<u>7,903,161</u>			<u>4,486,159</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		<u>39.8818</u>			<u>24.4013</u>	
Net assets value per unit at end of the year		<u>51.5384</u>			<u>39.8818</u>	

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

AL MEEZAN MUTUAL FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 ———— (Rupees in '000) ————	2025 ———— (Rupees in '000) ————
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		4,302,223	4,021,798
Adjustments for:			
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	(2,634,884)	(2,909,306)
Dividend income		(989,094)	(408,749)
Profit on savings accounts with banks		(46,838)	(19,868)
		<u>631,407</u>	<u>683,875</u>
Increase in assets			
Investments - net		(11,307,716)	(4,722,114)
Deposits and other receivables		-	(19,681)
		<u>(11,307,716)</u>	<u>(4,741,795)</u>
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		17,512	(572)
Payable to Central Depository Company of Pakistan Limited - Trustee		1,196	721
Payable to Meezan Bank Limited		(539)	1,452
Payable to Securities and Exchange Commission of Pakistan		985	583
Accrued expenses and other liabilities		51,417	(7,255)
		<u>70,571</u>	<u>(5,071)</u>
Profit received on savings accounts with banks		45,854	20,509
Dividend received		985,189	408,400
		<u>(9,574,695)</u>	<u>(3,634,082)</u>
Net cash used in operating activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units - net of refund of capital		60,823,653	23,398,169
Payment against redemption and conversion of units		(51,261,513)	(19,370,631)
Dividend paid		(97,716)	(175,699)
Net cash generated from financing activities		<u>9,464,424</u>	<u>3,851,839</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(110,271)</u>	<u>217,757</u>
Cash and cash equivalents at the beginning of the year		382,938	165,181
Cash and cash equivalents at the end of the year	5.3	<u><u>272,667</u></u>	<u><u>382,938</u></u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on June 17, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 14, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (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.

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

- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Equity Scheme.
- 1.4** The Management Company has been assigned an 'AM1' quality rating by VIS Credit Rating Company Limited dated January 22, 2026 (2025: 'AM1' dated December 31, 2024) and by PACRA dated May 15, 2026 (2025: 'AM1' dated May 15, 2025). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1. Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting year beginning on July 1, 2025. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these financial statements.

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

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

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

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

3.4 Critical accounting estimates and judgments

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

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

3.5 Accounting convention

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

3.6 Functional and presentation currency

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Financial assets

4.1.1 Initial recognition and measurement

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

4.1.2 Classification and subsequent measurement

4.1.2.1 Equity instruments

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

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

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

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

4.1.2.2 Cash and cash equivalents

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

These comprise balances with banks in savings and current accounts.

4.1.3 Impairment

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

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

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

4.1.4 Regular way contracts

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

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

4.1.5 Derecognition

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

4.2 Financial liabilities

4.2.1 Classification and subsequent measurement

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

4.2.2 Derecognition

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

4.3 Offsetting of financial assets and liabilities

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

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

4.4 Provisions

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

4.5 Net asset value per unit

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

4.6 Issue and redemption of units

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

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

4.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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

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

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

4.9 Revenue recognition

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

4.10 Treatment of Shariah non-compliant Income

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

4.11 Expenses

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

4.12 Taxation

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

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

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

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
5. BALANCES WITH BANKS			
Balances with banks in:			
Savings accounts	5.1	269,942	363,230
Current accounts	5.2	2,725	19,708
		<u>272,667</u>	<u>382,938</u>

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

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

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
5.3 CASH AND CASH EQUIVALENTS			
Balances with banks	5	<u>272,667</u>	<u>382,938</u>

6. INVESTMENTS

At fair value through profit or loss

Investment in equity securities - listed	6.1	<u>26,518,548</u>	<u>12,537,886</u>
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6.1 Investment in equity securities - listed

Name of the investee company	As at July 1, 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market Value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Percentage in relation to		
								Net assets of the Fund*	Market value of total investments*	Paid-up capital of investee company (with face value of investment)
Automobile Parts & Accessories										
Agriauto Industries Limited	-	596,225	7,500	588,725	99,582	100,666	1,084	0.38	0.38	3.27
								0.38	0.38	3.27
Automobile Parts & Accessories										
Sazgar Engineering Works Limited	-	241,201	144,000	97,201	211,119	200,573	(10,546)	0.76	0.76	0.16
Service Long March Tyres Limited	-	1,039,395	500,000	539,395	10,761	13,690	2,929	0.05	0.05	3.46
								0.81	0.81	3.62

Name of the investee company	As at July 1, 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market Value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Percentage in relation to		
								Net assets of the Fund*	Market value of total investments*	Paid-up capital of investee company (with face value of investment)
	(Number of shares)	(Rupees in '000)	%							
Cable & Electrical Goods										
Pak Elektron Limited	-	4,244,500	4,244,500	-	-	-	-	-	-	-
Cement										
Attock Cement Pakistan Limited	234,212	8,500	242,712	-	-	-	-	-	-	-
Cherat Cement Company Limited	2,407,025	3,278,455	808,041	4,877,439	1,552,134	1,687,252	135,118	6.38	6.36	2.51
Kohat Cement Company Limited (note 6.1.1)	687,388	3,835,965	3,000,651	1,522,702	131,395	167,680	36,285	0.63	0.63	0.83
D.G. Khan Cement Company Limited	1,075,000	6,976,500	5,800,500	2,251,000	433,820	502,581	68,761	1.90	1.90	0.51
Lucky Cement Limited (note 6.1.1 and 6.1.2)	4,728,990	3,269,391	2,773,585	5,224,796	2,086,733	2,453,146	366,413	9.27	9.25	1.78
Pioneer Cement Limited	-	2,033,373	2,033,373	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	9,835,000	5,326,500	4,508,500	412,479	482,004	69,525	1.82	1.82	0.43
Fauji Cement Company Limited	14,500	11,660,000	8,628,500	3,046,000	166,361	175,297	8,936	0.65	0.66	0.12
								20.67	20.62	6.18
Chemical										
Ittehad Chemicals Limited	-	765,914	41,150	724,764	105,576	109,780	4,204	-	0.41	0.72
Lucky Core Industries Limited (note 6.1.1)	262,948	1,498,292	268,682	1,492,558	471,036	353,199	(117,837)	1.34	1.33	1.62
Sitara Chemical Industries Limited	108,105	-	108,105	-	-	-	-	-	-	-
Descon Oxychem Limited	-	842,394	842,394	-	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	7,081,100	7,081,100	-	-	-	-	-	-	-
Ghani Chemical Industries Limited	-	1,999,348	1,999,348	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	4,500,000	-	4,500,000	132,912	126,315	(6,597)	-	0.48	0.30
								1.34	2.22	2.64
Engineering										
Crescent Steel & Allied Products Limited	455,000	-	455,000	-	-	-	-	-	-	-
Aisha Steel Mills Limited	-	10,925,000	10,925,000	-	-	-	-	-	-	-
International Steels Limited	-	2,633,838	319,965	2,313,873	263,439	209,961	(53,478)	0.79	0.79	0.53
								0.79	0.79	0.53
Commercial Banks										
Faysal Bank Limited	2,291,488	810,000	2,292,988	808,500	75,168	80,236	5,068	0.30	0.30	0.05
Meezan Bank Limited - a related party of the Fund	4,025,284	3,241,751	3,278,717	3,988,318	1,661,897	2,059,807	397,910	7.79	7.77	0.22
								8.09	8.07	0.27
Fertilizer										
Engro Fertilizers Limited	567,811	4,275,000	1,296,515	3,546,296	771,034	705,536	(65,498)	2.67	2.66	0.27
Fatima Fertilizer Company Limited	-	4,321,299	390,002	3,931,297	521,721	649,843	128,122	2.46	2.45	0.19
Fauji Fertilizer Company Limited	-	5,535,262	2,974,170	2,561,092	1,378,263	1,468,735	90,472	5.55	5.54	0.18
								10.67	10.65	0.64
Food & Personal Care Products										
Barkat Frisian Agro Limited (note 6.1.1)	40,261	-	40,261	-	-	-	-	-	-	-
National Foods Limited (note 6.1.1 and 6.1.4)	1,000,000	657,000	374,998	1,282,002	439,266	496,686	57,420	1.88	1.87	1.10
Frieslandcampina Engro Pakistan Limited	-	1,583,500	1,583,500	-	-	-	-	-	-	-
								1.88	1.87	1.10
Glass & Ceramics										
Ghani Glass Limited	508,466	4,380,984	299,000	4,590,450	178,091	183,480	5,389	0.69	0.69	0.46
Tariq Glass Industries Limited	855,002	1,139,906	168,837	1,826,071	411,160	352,760	(58,400)	1.33	1.33	1.06
								2.03	2.02	1.52
Inv. Banks / Inv.Cos. / Securities Cos										
Engro Holdings Limited	2,440,329	9,540,091	6,346,681	5,633,739	1,467,058	1,620,939	153,881	6.13	6.11	0.47
								6.13	6.11	0.47
Insurance										
Pak Qatar General Takaful Limited	-	149,402	149,402	-	-	-	-	-	-	-
								-	-	-
Leather & Tanneries										
Service GlobalFootwear Limited	-	273,153	273,153	-	-	-	-	-	-	-
Service Industries Limited	-	93,143	-	93,143	189,460	218,025	28,565	0.82	0.82	0.20
								0.82	0.82	0.20
Miscellaneous										
Shifa International Hospitals Limited	60,000	-	60,000	-	-	-	-	-	-	-

Name of the investee company	As at July 1, 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market Value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Percentage in relation to		
								Net assets of the Fund*	Market value of total investments*	Paid-up capital of investee company (with face value of investment)
Oil & Gas Exploration Companies										
Mari Energies Limited (note 6.1.2 and 6.1.3)	2,215,855	1,882,011	1,414,375	2,683,491	1,785,575	1,809,451	23,876	6.84	6.82	0.22
Oil & Gas Development Company Limited (note 6.1.2)	5,940,584	8,063,277	5,331,000	8,672,861	2,249,292	2,904,281	654,989	10.98	10.95	0.20
Pakistan Petroleum Limited (note 6.1.2)	898,871	8,157,967	4,907,812	4,149,026	938,821	1,006,637	67,816	3.80	3.80	0.15
								21.62	21.57	0.57
Oil and Gas Marketing Companies										
Attock Petroleum Limited (note 6.1.4)	-	170,420	-	170,420	94,277	91,727	(2,550)	0.35	0.35	0.14
Pakistan State Oil Company Limited	2,384,762	2,326,000	3,034,798	1,675,964	678,431	573,766	(104,665)	2.17	2.16	0.36
Sui Northern Gas Pipelines Limited	4,132,574	3,376,285	5,386,536	2,122,323	253,089	256,653	3,564	0.97	0.97	0.33
Sui Southern Gas Company Limited	-	900,000	900,000	-	-	-	-	-	-	-
								3.49	3.48	0.83
Paper, Board & Packaging										
Century Paper & Board Mills Limited	3,763,520	-	3,763,520	-	-	-	-	-	-	-
International Packaging Films Limited	-	200,000	-	200,000	5,840	7,002	1,162	0.03	0.03	0.03
Packages Limited	579,818	270,315	74,953	775,180	472,462	627,849	155,387	2.37	2.37	0.87
								2.40	2.39	0.90
Pharmaceuticals										
Highnoon Laboratories Limited	97,000	238,151	13,976	321,175	334,966	322,042	(12,924)	1.22	1.21	0.61
Abbott Laboratories (Pakistan) Limited	-	127,118	35,000	92,118	89,920	90,680	760	0.34	0.34	0.09
GlaxoSmithKline Pakistan Limited	-	723,478	463,631	259,847	97,510	96,208	(1,302)	0.36	0.36	0.08
AGP Limited	-	720,000	720,000	-	-	-	-	-	-	-
Haleon Pakistan Limited	170,000	20,000	190,000	-	-	-	-	-	-	-
								1.92	1.92	0.78
Power Generation & Distribution										
K-Electric Limited (note 6.1.1)	73,099,187	15,500,000	88,599,187	-	-	-	-	-	-	-
The Hub Power Company Limited	6,822,860	9,263,052	6,090,155	9,995,757	1,802,894	2,333,511	530,617	8.82	8.80	0.77
								8.82	8.80	0.77
Automobile Assembler										
Ghandhara Automobiles Limited	-	275,000	25,000	250,000	138,361	140,505	2,144	0.53	0.53	0.44
Ghandhara Industries Limited	-	90,000	-	90,000	88,428	87,171	(1,257)	0.33	0.33	0.21
								0.86	0.86	0.65
Textile Composite										
Kohinoor Textile Mills Limited	-	62,500	60,000	2,500	136	138	2	-	-	-
Interloop Limited	-	2,288,611	403,611	1,885,000	178,510	202,713	24,203	0.77	0.76	0.13
								0.77	0.76	0.13
Technology & Communication										
Systems Limited (note 6.1.1)	2,053,635	6,813,855	3,791,846	5,075,644	726,943	746,576	19,633	2.82	2.82	1.72
								2.82	2.82	1.72
Transport										
Pakistan International Bulk Terminal Limited	-	22,650,015	22,650,015	-	-	-	-	-	-	-
								-	-	-
Refinery										
Cnergyco PK Limited	6,403,977	14,500,000	7,553,977	13,350,000	115,779	109,070	(6,709)	0.41	0.41	0.24
Attock Refinery Limited	-	571,000	165,000	406,000	329,975	345,372	15,397	1.31	1.30	0.38
National Refinery Limited	-	350,000	350,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	10,933,000	1,370,000	9,563,000	324,890	341,112	16,222	1.29	1.29	1.52
								3.01	3.00	2.14
Textile Composite										
Nishat Mills Limited	-	600,000	550,000	50,000	7,100	7,893	793	-	0.03	0.01
								-	0.03	0.01
Total as at June 30, 2026					23,883,664	26,518,548	2,634,884	99.31	100.00	
Total as at June 30, 2025					9,628,580	12,537,886	2,909,306	97.00	100.00	

* Nil figures due to rounding off difference

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

Name of investee company	Nominal value per share as on June 30, 2026	Subdivision of shares during the year	Additional number of shares received on account of subdivision of shares during the year
	(Rupees)		
National Foods Limited	5.00	-	-
Kohat Cement Company Limited	2.00	On Aug 22, 2025 from Rs. 10 to Rs. 2 per share	2,749,552
Lucky Core Industries Limited	2.00	On July 18, 2025 from Rs. 10 to Rs. 2 per share	1,037,792
Lucky Cement Limited	2.00	-	-
Systems Limited	2.00	-	-
Barkat Frisian Agro Limited	1.00	-	-
K-Electric Limited	3.50	-	-

6.1.2 Investments include 220,000 shares of Lucky Cement Limited, 230,000 shares of Pakistan Petroleum Limited, 40,000 shares of Oil & Gas Development Company Limited and 220,000 shares of Mari Energies Limited (2025: 202,000 shares of Engro Corporation Limited), having market value of Rs. 320.84 million (2025: Rs 117.292 million) as at June 30, 2026 which have been pledged as collateral in favour of National Clearing Company Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

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

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

As at June 30, 2026, Mari Energies Limited has withheld 130,170 shares from the bonus shares issued to the Fund. The market value of bonus shares withheld amounts to Rs. 87.772 million as at June 30, 2026.

6.1.4 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. In the stated notice, National Foods Limited and Attock Petroleum Limited were declared as shariah non-compliant of the Index. However, these shares were shariah compliant according to the KMI All Share Islamic Index at the time of investment. The Fund may retain these previously purchased shares until the next two quarters after shariah status is updated.

6.2	Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	Note	2026	2025
			—(Rupees in '000)—	
	Market value of investments	6.1	26,518,548	12,537,886
	Less: Carrying value of investments	6.1	(23,883,664)	(9,628,580)
			<u>2,634,884</u>	<u>2,909,306</u>
7	DEPOSITS AND OTHER RECEIVABLE			
	Security deposit with Central Depository Company of Pakistan Limited		238	238
	Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
	Profit receivable on balances with banks		1,345	361
	Receivable against withholding of bonus shares	7.1	19,681	19,681
			<u>23,764</u>	<u>22,780</u>

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

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

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

As at June 30, 2026, the Fund has recorded an amount of Rs. 19.681 million as receivables against withholding tax on bonus shares in respect of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares.

8. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY		2026	2025
		----- (Rupees in '000) -----	
Remuneration payable	8.1	17,322	5,235
Sindh sales tax payable on remuneration of the Management Company	8.2	2,598	785
Inter bank fund transfer (IBFT) charges payable		784	-
Sales load payable		4,877	2,418
Sindh sales tax payable on sales load	8.2	732	363
		<u>26,313</u>	<u>8,801</u>

- 8.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document and subject to the capping of 3% for a collective investment scheme categorised as an 'Equity Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 3% (2025: 2% - 3%) per annum of the average daily net assets of the Fund during the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.
- 8.2 Sindh sales tax is levied at the rate of 15% under the Sindh Sales Tax on Services Act, 2011 (2025: 15%) on the Management Company's remuneration and any reimbursable expenditure to the Management Company.
- 8.3 The SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to selling and marketing and registrar services, accounting, operation and valuation services was excluded.

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

During the year ended June 30, 2025, the Management Company charged expenses related to selling and marketing at the rates ranging from 0.5% - 0.8% of the average annual net assets of the Fund and in relation to registrar services, accounting, operation and valuation services at the rate of 0.07% of the average annual net assets of the Fund.

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		Note	2026	2025
			----- (Rupees in '000) -----	
Remuneration payable	9.1		2,138	1,098
Sindh sales tax payable on remuneration of the Trustee	9.2		321	165
			<u>2,459</u>	<u>1,263</u>

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

Net assets (Rs.)	Fee
Up to Rs.1 billion	0.20% per annum of net assets.
Over Rs.1 billion	Rs. 2 million plus 0.10% per annum of net assets exceeding Rs.1 billion.

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

10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2026 ------(Rupees in '000)-----	2025
Fee payable	10.1	<u>1,951</u>	<u>966</u>

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

11. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026 ------(Rupees in '000)-----	2025
Auditor's remuneration payable		849	531
Brokerage payable		17,637	4,236
Withholding tax payable		12,167	3,963
Shariah advisor fee payable		1,393	298
Shariah audit fee Payable		175	-
Charity payable	11.1	55,153	20,748
Capital gain tax payable		3,031	9,098
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	11.2	37,524	37,524
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	11.2	3,732	3,732
Zakat payable		<u>108</u>	<u>222</u>
		<u>131,769</u>	<u>80,352</u>

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

Accordingly, during the year ended Jun 30, 2026, non-shariah compliant income amounting to Rs. 42.671 million (2025: Rs. 21.845 million) was charged as an expense in the books of the Fund and Rs. 8.695 million was disbursed to following charitable / welfare organisations respectively:

S. No.	Charitable Organisations	2026 Rs. in '000	Charitable Organisations	2025 Rs. in '000
1	The Hunar Foundation	3,000	Saylani Welfare Trust	6,000
2	Molana Tariq Jamil Foundation	3,000	Friends of Burns Centre Patients Welfare Society	2,500
3	Professional Education Foundation	629	Afzaal Memorial Thalessemia Foundation	420
4	Chiniot Anjuman Islamia	66	Darus Shifa Foundation	1,000
5	Hisaar Foundation	1,000	Molana Tariq Jamil Foundation	97
6	Karwan-e-Hayat	1,000		
	Total	<u>8,695</u>	Total	<u>10,017</u>

The Fund also maintains a separate savings bank account for charitable disbursements. Profit received on this bank account during the year ended June 30, 2026 amounted to Rs. 0.429 million and has been recorded as charity payable.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 41.256 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2026 would have been higher by Re. 0.08 (2025: Re. 0.13) per unit.

12. CONTINGENCIES AND COMMITMENTS

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

	2026	2025
	----- Rupees in '000 -----	
13. AUDITOR'S REMUNERATION		
Annual audit fee	851	595
Half yearly review fee	439	227
Fee for other certification	98	85
Out of pocket expenses and Sindh sales tax	77	45
	<u>1,465</u>	<u>952</u>

14. TAXATION

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

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

15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2026 is 4.32% (2025: 4.36%) which includes government levies which is 0.61% (2025: 0.61%) such as sales taxes, annual fee to the SECP etc.

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

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

Balances as at year end	2026	2025
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable to the Management Company	17,322	5,235
Sindh sales tax payable on remuneration of the Management Company	2,598	785
Sales load payable	4,877	2,418
IBFT charges payable	784	-
Sindh sales tax on sales load payable	732	363
Investment of Nil units (2025: 22,637,633 units)	-	902,830
Meezan Bank Limited		
Balance with bank	117,255	88,072
Profit receivable on savings accounts	634	60
Sales load payable	794	1,263
Sindh sales tax on sales load	119	189
Investment in 3,988,318 shares (2025: 4,025,284 shares)	2,059,807	1,336,596
Investment of 23,030,593 units (2025: 23,030,593 units)	1,186,960	918,502
Shariah advisory fee payable	1,393	298
Central Depository Company of Pakistan Limited - Trustee		
Security deposit receivable	238	238
Remuneration payable	2,138	1,098
Sindh sales tax on trustee fee payable	321	165
National Clearing Company of Pakistan Limited		
Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Meezan Bank Limited - Staff Provident Fund		
Investment of 6,184 units (2025: 6,154 units)	319	245
Meezan Bank Limited - Staff Gratuity Fund		
Investment of 5,804 units (2025: 5,776 units)	299	230
Pak Kuwait Investment Company (Private) Limited		
Investment of 16,924,439 units (2025: 16,924,439 units)	872,259	674,977
Directors and executives of the Management Company		
Investment of 3,080,906 units (2025: 2,664,491 units)	158,785	106,265
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 179,684 units (2025: 497,152 units)	9,261	19,827
Transactions during the year	2026	2025
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the year	665,498	207,436
Sindh sales tax on remuneration of the Management Company	99,825	31,115
Allocated expenses	-	5,745
Sindh sales tax on allocated expenses	-	862
Selling and marketing expense	-	45,744
Sindh sales tax on selling and marketing expense	-	6,862
Units issued: 5,111,853 units (2025: 17,203,011 Units)	257,000	541,884
Units redeemed: 27,749,486 units (2025: 9,219,783 units)	1,400,508	300,000
Dividend paid	-	4,517
Refund of capital	-	2,228
Units issued to unitholder on behalf of the Management Company	-	11,363

Transactions during the year

	2026 ----- (Rupees in '000)	2025 ----- (Rupees in '000)
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Units issued: 179,684 units (2025: 4,668 units)	8,045	169
Units Redeemed: 497,152 units (2026: Nil units)	25,734	-
Dividend paid	45	-
Dividend Re-invest	-	148
Meezan Bank Limited		
Profit on saving accounts with banks	6,590	1,778
Shariah advisory fee	3,762	485
Units issued: Nil units (2025: 46,012 units)	-	1,097
Shares purchased: 3,241,751 shares (2025: 3,735,000 shares)	1,484,910	888,877
Shares sold: 3,278,717 shares (2025: 1,292,000 shares)	1,435,984	305,394
Dividend income	101,233	75,006
Dividend paid	5,758	6,909
Meezan Bank Limited - Staff Provident Fund		
Units issued: 30 units (2025: 6,154 units)	1	147
Dividend paid	1	-
Meezan Bank Limited - Staff Gratuity Fund		
Units issued: 28 units (2025: 5,776 units)	1	138
Dividend paid	1	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the year	23,185	9,655
Sindh sales tax on Trustee fee	3,478	1,448
CDS charges for the year	2,055	743
National Clearing Company of Pakistan Limited		
NCCPL charges	2,889	1,224
MSAF - Meezan Strategic Allocation Plan IV		
Units issued: Nil units (2025: 2,170 units)	-	52
Units redeemed: Nil units (2025: 58,455 units)	-	1,467
MSAF - Meezan Strategic Allocation Plan - I		
Units issued: Nil units (2025: 12,859 units)	-	307
Units redeemed: Nil units (2025: 12,859 units)	-	323
MSAF - Meezan Strategic Allocation Plan - II		
Units issued: Nil units (2025: 10,492 units)	-	250
Units redeemed: Nil units (2025: 16,828 units)	-	422
MSAF - Meezan Strategic Allocation Plan - III		
Units issued: Nil units (2025: 4,629 units)	-	110
Units redeemed: Nil units (2025: 524,071 units)	-	13,148
MSAF - Meezan Strategic Allocation Plan - V		
Units issued: Nil units (2025: 1,273 units)	-	30
Units redeemed: Nil units (2025: 545,930 units)	-	13,697
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: Nil units (2025: 3,569 units)	-	85
Units redeemed: Nil units (2025: 111,614)	-	2,800
Directors and executives of the Management Company		
Units issued: 16,111,277 units (2025: 23,796,023 units)	761,932	812,378
Units redeemed: 15,689,510 units (2025: 21,308,064 units)	731,284	735,753
Dividend paid	514	101
Refund of capital	246	697

Transactions during the year

	2026	2025
	(Rupees in '000)	
KSE Meezan Index Fund		
Shares purchased under negotiated deal market (NDM) transaction	-	6,863
Pak Kuwait Investment Company Limited		
Units issued: Nil units (2025: 28,749 units)	-	686
Dividend paid	4,231	5,077
Engro Fertilizers Limited*		
Shares purchased: Nil shares (2025: 1,525,000 shares)	-	258,150
Shares sold: Nil shares (2025: 386,000 shares)	-	75,809
Dividend received	-	12,391

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

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Balances with banks	272,667	-	272,667
Investments	-	26,518,548	26,518,548
Receivable against sale of investments	47,382	-	47,382
Receivable against conversion of units	163,941	-	163,941
Dividend receivable	6,307	-	6,307
Deposits and other receivables	4,083	-	4,083
	<u>494,380</u>	<u>26,518,548</u>	<u>27,012,928</u>

Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	26,313	-	26,313
Payable to the Central Depository Company of Pakistan Limited - Trustee	2,459	-	2,459
Payable to Meezan Bank Limited	913	-	913
Payable against conversion and redemption of units	406,850	-	406,850
Dividend payable	5,706	-	5,706
Accrued expenses and other liabilities	20,054	-	20,054
	<u>462,295</u>	<u>-</u>	<u>462,295</u>

	2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Balances with banks	382,938	-	382,938
Investments	-	12,537,886	12,537,886
Receivable against sale of investments	85,444	-	85,444
Receivable against conversion of units	230,246	-	230,246
Dividend receivable	2,402	-	2,402
Deposits and other receivables	3,099	-	3,099
	<u>704,129</u>	<u>12,537,886</u>	<u>13,242,015</u>

Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	8,801	-	8,801
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,263	-	1,263
Payable to Meezan Bank Limited	1,452	-	1,452
Payable against conversion and redemption of units	237,305	-	237,305
Dividend payable	5,704	-	5,704
Accrued expenses and other liabilities	5,065	-	5,065
	<u>259,590</u>	<u>-</u>	<u>259,590</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

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

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

Market risk comprises of three types of risks: profit 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 analysis for variable rate instruments

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 for the year and net assets of the Fund would have been higher / lower by Rs. 2.699 million (2025: Rs. 2.632 million).

The composition of the Fund's investment portfolio and KIBOR 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.

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

In case of 1% increase / decrease in KMI All Share Index on June 30, 2026, with all other variables held constant, total net income of the Fund would increase / decrease by Rs. 265.185 million (2025: Rs. 125.378 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.

18.2 Liquidity risk

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

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

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

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining year at the end of the reporting year to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including balances with banks have been included in the maturity grouping of one month:

2026						
Within 1 month	More than one month and 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	272,667	-	-	-	-	272,667
Investments	-	-	-	-	26,518,548	26,518,548
Receivable against sale of investments	47,382	-	-	-	-	47,382
Receivable against conversion of units	163,941	-	-	-	-	163,941
Dividend receivable	6,307	-	-	-	-	6,307
Deposits and other receivable	1,345	-	-	-	2,738	4,083
	491,642	-	-	-	26,521,286	27,012,928
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	26,313	-	-	-	-	26,313
Payable to Central Depository Company of Pakistan Limited - Trustee	2,459	-	-	-	-	2,459
Payable to Meezan Bank Limited	913	-	-	-	-	913
Payable against conversion and redemption of units	406,850	-	-	-	-	406,850
Dividend payable	5,706	-	-	-	-	5,706
Accrued expenses and other liabilities	17,637	1,024	1,393	-	-	20,054
	459,878	1,024	1,393	-	-	462,295
Net financial assets / (liabilities)	31,764	(1,024)	(1,393)	-	-	26,521,286
						26,550,633
2025						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees in '000						
Financial assets						
Balances with banks	382,938	-	-	-	-	382,938
Investments	-	-	-	-	12,537,886	12,537,886
Receivable against sale of investments	85,444	-	-	-	-	85,444
Receivable against conversion of units	230,246	-	-	-	-	230,246
Dividend receivable	2,402	-	-	-	-	2,402
Deposits and other receivable	361	-	-	-	2,738	3,099
	701,391	-	-	-	12,540,624	13,242,015
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	8,801	-	-	-	-	8,801
Payable to Central Depository Company of Pakistan Limited - Trustee	1,263	-	-	-	-	1,263
Payable to Meezan Bank Limited	1,452	-	-	-	-	1,452
Payable against conversion and redemption of units	237,305	-	-	-	-	237,305
Dividend payable	5,704	-	-	-	-	5,704
Accrued expenses and other liabilities	4,236	531	298	-	-	5,065
	258,761	531	298	-	-	259,590
Net financial assets / (liabilities)	442,630	(531)	(298)	-	-	12,540,624
						12,982,425

18.3 Credit risk

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

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

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

	2026		2025	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
'(Rupees in '000)				
Bank balances	272,667	272,667	382,938	382,938
Investments	26,518,548	-	12,537,886	-
Receivable against conversion of units	163,941	163,941	230,246	230,246
Dividend receivable	6,307	6,307	2,402	2,402
Receivable against sale of investments	47,382	47,382	85,444	85,444
Deposits and other receivable	4,083	4,083	3,099	3,099
	<u>27,012,928</u>	<u>494,380</u>	<u>13,242,015</u>	<u>704,129</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. Investment in equity securities, 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

18.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2026	2025
AA+	-	7.87%
AAA	99.42%	91.22%
AA-	0.58%	0.89%
AA	-	0.02%
	<u>100.00%</u>	<u>100.00%</u>

18.3.3 Concentration of credit risk

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

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

19. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

		2026			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
ASSETS					
Financial assets 'at fair value through profit or loss'					
Listed equity securities		26,518,548	-	-	26,518,548
		2025			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
ASSETS					
Financial assets 'at fair value through profit or loss'					
Listed equity securities		12,537,886	-	-	12,537,886

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

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

There were no transfers between levels during the year.

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 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 is in compliance 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 endeavors 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.

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21 UNIT HOLDING PATTERN OF THE FUND

Category	2026			2025		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
		(Rupees in '000)			(Rupees in '000)	
Individuals	41,828	17,681,355	66.83%	14,150	5,322,332	41.18%
Associated Companies and Directors	2	39,508	0.15%	6	2,522,613	19.52%
Insurance Companies	3	1,949,301	7.37%	4	1,390,664	10.76%
Bank / Development Financial Institutions	51	592,006	2.24%	1	25,952	0.20%
Retirement Funds	30	4,066,668	15.37%	25	3,272,112	25.31%
Others	11	2,127,810	8.04%	38	392,180	3.03%
	<u>41,925</u>	<u>26,456,648</u>	<u>100%</u>	<u>14,224</u>	<u>12,925,853</u>	<u>100.00%</u>

22 LIST OF TOP 10 BROKERS BY PERCENTAGE OF COMMISSION PAID

2026		2025	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Standard Capital Securities (Private) Limited	8.35%	Arif Habib Securities Limited	5.38%
Topline Securities Limited	4.92%	AKIK Capital (Private) Limited	4.79%
Aba Ali Habib Securities (Pvt) Limited	4.42%	AKD Securities Limited	4.26%
Intermarket Securities Limited	4.28%	ABA ALI HABIB Securities Limited	3.93%
DJM Securities Limited	4.24%	Fawad Yusuf Securities (Private) Limited	3.45%
Foundation Securities (Pvt.) Limited	4.07%	Alfalah Securities Limited	3.27%
AKD Securities Limited	4.06%	EFG Hermes Pakistan	3.14%
Habib Metro Financial Services Limited	3.98%	Dalal Securities (Private) Limited	2.67%
KTrade Securities Limited	3.97%	Alfa Adhi Securities (Private) Limited	2.64%
Taurus Securities Limited	3.60%	BMA Capital Management Limited	2.12%

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

23.2 The Fund manager of the Fund is Mr. Ahmed Hassan. Other funds being managed by the Fund Manager are as follows:

- Meezan Energy Fund; and
- Meezan Tahaffuz Pension Fund.

24 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

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

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

25 GENERAL

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

26 DATE OF AUTHORISATION FOR ISSUE

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
AL MEEZAN MUTUAL FUND

	2026	2025	2024
Net assets (Rs. '000) (ex-distribution)	26,456,648	12,925,853	4,874,450
Net assets value / redemption price per unit	-	-	-
as at June 30 (Rs.) (ex-distribution)	51.5384	39.8818	24.4013
Offer price per unit as at June 30, (Rs.)	-	-	-
(ex-distribution)	52.7237	40.7990	24.9527
Highest offer price per unit (Rs.)	56.1288	40.7990	28.1997
Lowest offer price per unit (Rs.)	41.0310	23.7796	16.0273
Highest redemption price per unit (Rs.)	54.8669	39.8818	27.5765
Lowest redemption price per unit (Rs.)	40.1086	23.2450	15.6731
Distribution (%)	-	-	-
Interim	2.50%	2.51%	3.00%
Final	-	-	-
Date of distribution	-	-	-
Interim	-	-	-
Final	24-Jun-26	27-Jun-25	28-Jun-24
Income distribution (Rupees in '000)	97,718	58,346	486,834
Growth distribution (Rupees in '000)	30,754	37,815	64,655
Total return (%)	29.87	64.70	74.84

	One Year	Two Years	Three Years
Average annual return as at June 30, 2026 (%)	29.87	46.25	55.22

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