

HARMONY AMONG THE STARS

Meezan Balanced Fund bridges the horizon of stability and growth in equal measure.

MEEZAN BALANCED FUND

The investment objective of the Fund is to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality equity securities and Islamic Income Instruments such as TFCs, COIs, Certificates of Musharika, Islamic Sukuk, and other Shariah Compliant instruments.



FUND INFORMATION

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
Syed Amir Ali	Non-Executive Nominee Director- MBL
Syed Imran Ali Shah	Non-Executive Nominee Director- MBL

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Syed Haseeb Ahmed Shah

BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Ms. Ayesha Umer	Member
Syed Imran Ali Shah	Member

BOARD RISK MANAGEMENT COMMITTEE

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

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

BOARD IT COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH AUDITORS

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

LEGAL ADVISER

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

SHARIAH ADVISER

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

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

TRANSFER AGENT

Al Meezan Investment Management Limited

BANKERS TO THE FUND

- Allied Bank Limited
- Al Baraka Bank Pakistan Limited
- Askari Bank Limited - Islamic Banking
- Bank Al Habib Limited - Islamic Banking
- Bank Alfalah Limited
- Bank Islami Pakistan Limited
- Dubai Islamic Bank Pakistan Limited
- Faysal Bank Limited - Islamic Banking
- Habib Metropolitan Bank Limited - Islamic Banking
- MCB- Islamic Bank Limited
- Meezan Bank Limited
- National Bank of Pakistan - Islamic Banking
- Samba Bank Limited
- Sindh Bank Limited
- The Bank Of Khyber - Islamic Banking
- UBL Ameen - Islamic Banking



REPORT OF THE FUND MANAGER Meezan Balanced Fund (MBF)

Type of Fund

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

Objective

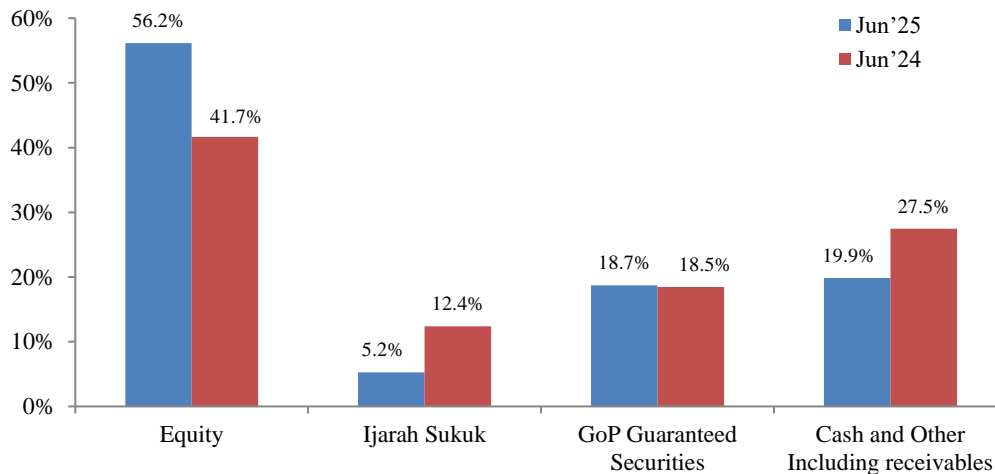
Meezan Balanced Fund (MBF) aims to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah Compliant equity securities and Islamic Income Instruments such as TFCs, Islamic Sukuks COIs, Certificates of Musharika,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

Strategy and Investment Policy

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

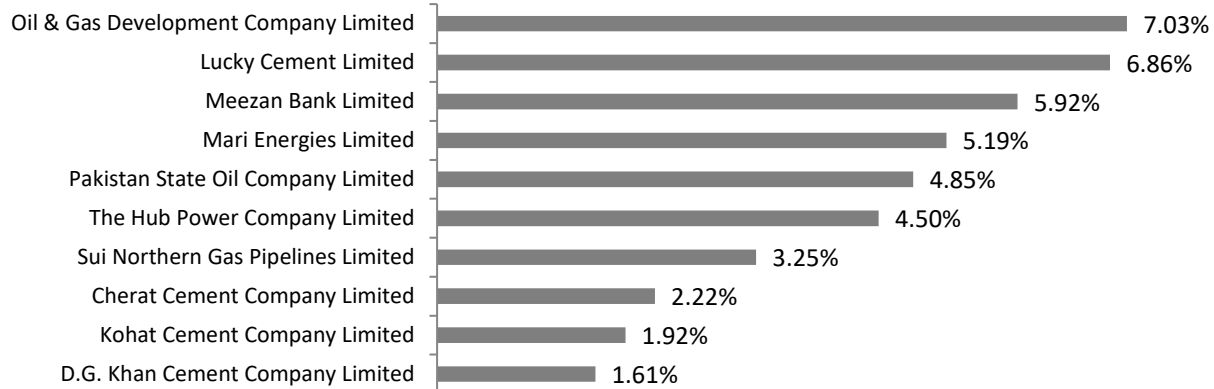
During the year, the focus was on proactive and continuous re-allocation between high yield instruments so as to optimize fund return while simultaneously minimizing risk. To keep interest rate risk at a minimum, the fund manager over the period kept the duration of the fixed income portfolio below six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

Asset Allocation for the year ended FY24 and FY25





Top Holdings



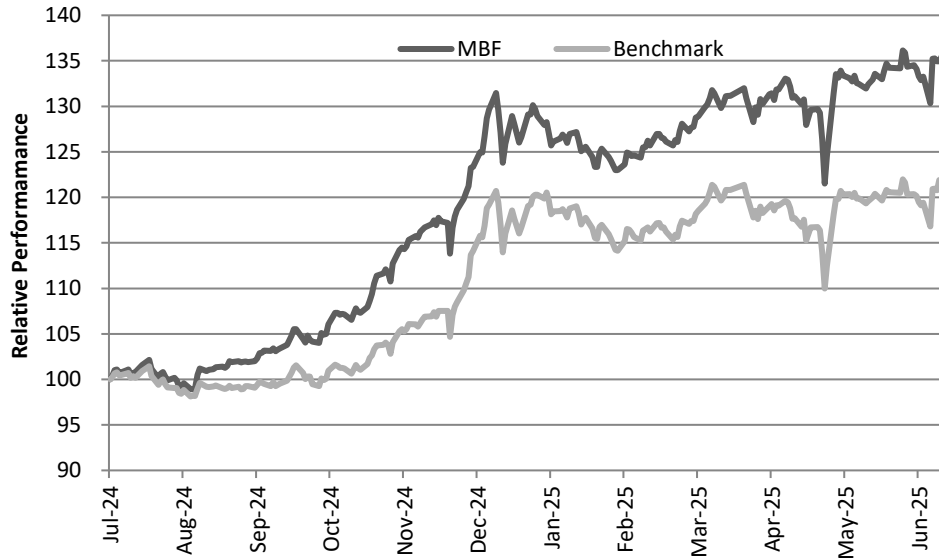
Performance Review

During FY25, Meezan Balanced Fund (MBF) provided a positive return of 36.60% to its investors compared to benchmark return of 28.40%. The fund has five non-performing Sukuk (Sukuk of Eden Housing Limited, Security Leasing Company Limited, Arzoo Textile Mills Limited, Hascol Petroleum Limited and Agha Steel Industries) but it is pertinent to note that Eden Housing Limited Sukuk, Arzoo Textile Mills Sukuk, Security Leasing Company Limited and Hascol Petroleum Limited Sukuk stand fully provided while provisioning for Agha Steel Sukuk is being carried out as per the regulatory requirements. A case for Arzoo Textile Mills Limited Sukuk is already under contestation in the courts, whereas for Eden Housing Limited, Security Leasing Limited and Hascol Petroleum Limited negotiations have not been very fruitful so it appears that the most likely way forward will be procession of legal proceedings against the respective companies but the Sukuk holders are yet to reach a conclusion on the matter. For Agha Steel sukuk, the company is in the process of negotiating restructuring terms with the sukuk holders.

NAV	30-Jun-25	30-Jun-24	Change
Meezan Balanced Fund	23.81	18.36	36.60%
Combination of Benchmarks			
KMI 30 Index	184,886	126,424	46.24%
Benchmark Return *			28.40%
Outperformance			8.20%

* 60% of the benchmark for Shariah Compliant Equity CIS + 40% of benchmark for Shariah Compliant Income CIS

MBF posted a total income of Rs. 1,009 million in the fiscal year 2025 as compared to a total income of Rs. 746 million last year. Total income comprised of realized and unrealized gain on investments of Rs. 373 million and Rs. 374 million respectively. Dividend income contributed Rs. 74 million to income, while profit on saving accounts with banks amounted to Rs. 57 million. Profit on Sukuk certificates was Rs. 132 million. After accounting for expenses of Rs. 132 million, the Fund posted a net income of Rs. 877 million. The net assets of the Fund as at June 30, 2025 were Rs. 3,394 million as compared to Rs. 1,913 million at the end of last year depicting an increase of 77%. The net asset value per unit as at June 30, 2025 was Rs. 23.8078 as compared to Rs. 18.3552 per unit as on June 30, 2024.



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, 2025 an amount of Rs. 4 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, 2025 was Rs. 1.25 per unit (2.50%). Total distribution made by the Fund was Rs. 117 million.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size

(As on June 30, 2025)

Range (Units)	No. of investors
1-9,999	6,515
10,000-49,999	2,024
50,000-99,999	1,148
100,000-499,999	609
500,000 and above	612
Total	10,908

Summary of Actual Proxy Voted by the Fund

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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

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URL: www.cdcPakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN BALANCED FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Balanced Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 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 12, 2025

Dr. Muhammad Imran Usmani

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Korangi Industrial Area Karachi, Pakistan
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Report of the Shariah Advisor –Meezan Balanced Fund (MBF)

August 12, 2025/Safar 17, 1447 AH

Alhamdulillah, the period from July 1, 2024 to June 30, 2025 was the Twenty-First year of operations of Meezan Balanced Fund (the “MBF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with the Trust Deed of the Fund. The scope of the Report is to express an opinion on the Shariah compliance of the Fund’s activity.

In the capacity of Shariah Advisor, Guidelines and polices 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, 2025 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 Balanced Fund** (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with the Shariah principles for the year ended **June 30, 2025**. 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, 2025) 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, 2025, 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, 2025, 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 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, 2025 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 25, 2025

Place: Karachi



INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Balanced Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Balanced Fund (the Fund / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, statement of movement 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, 2025, 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 the 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 (Refer notes 5 and 6 to the financial statements)	
	Balances with banks and investments constitute the most significant component of the net asset value. Balances with banks aggregated to Rs. 649.86 million and investments of the Fund amounted to Rs. 2,833.69 million as at June 30, 2025. The existence and proper valuation of investments and existence of balances with banks for the determination of NAV of the Fund as at June 30, 2025 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2025 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; andObtained bank reconciliation statements and tested reconciling items on a sample basis.



Other Information

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

Management is responsible for the preparation and fair presentation of these 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, management 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.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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, actions taken to eliminate threats or safeguards applied.

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 statements 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 Schemes and the financial statements prepared are in agreement with the books and records of the Collective Investment Schemes; and
- c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

A. F. Ferguson & Co.

Chartered Accountants

Dated: September 25, 2025

Karachi

UDIN: AR202510081XTm4IRZKt



MEEZAN BALANCED FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

	Note	2025	2024
----- (Rupees in '000') -----			
Assets			
Balances with banks	5	649,861	404,151
Investments	6	2,833,689	1,779,501
Receivable against conversion of units		20,636	-
Dividend receivable		833	677
Receivable against sale of investments		-	184,561
Advances, deposits and profit receivable	7	41,898	52,237
Total assets		3,546,917	2,421,127
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	8	2,971	4,343
Payable to Central Depository Company of Pakistan Limited - Trustee	9	394	307
Payable to the Securities and Exchange Commission of Pakistan	10.1	222	165
Payable to Meezan Bank Limited		275	57
Payable against purchase of investment		16,222	-
Payable against redemption and conversion of units		30,645	411,708
Dividend payable		39,974	7,697
Accrued expenses and other liabilities	11	61,974	83,422
Total liabilities		152,677	507,699
Net assets		3,394,240	1,913,428
Unit holders' fund (as per statement attached)		3,394,240	1,913,428
Contingencies and commitments	12		
Number of units in issue		142,568,672	104,244,636
----- (Rupees) -----			
Net asset value per unit		23.8078	18.3552

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN BALANCED FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**



Meezan
Balanced Fund

	Note	2025	2024
		----- (Rupees in '000') -----	
Income			
Profit on savings accounts with banks		56,540	61,322
Dividend income		74,023	59,052
Profit on sukuk certificates		132,245	144,303
Other income		66	255
Net realised gain on sale of investments		372,640	201,779
		635,514	466,711
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.3	373,547	278,938
Total income		1,009,061	745,649
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company	8.1	65,628	37,441
Sindh Sales Tax on remuneration of the Management Company	8.2	9,844	4,867
Allocated expenses	8.3	1,911	1,068
Sindh Sales Tax on allocated expenses	8.2	287	-
Selling and marketing expenses	8.4	15,940	15,817
Sindh Sales Tax on selling and marketing expenses	8.2	2,391	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	3,824	2,872
Sindh Sales Tax on remuneration of the Trustee	9.2	574	373
Fee to the Securities and Exchange Commission of Pakistan	10.1	2,400	1,591
Brokerage expense		9,809	3,010
Auditors' remuneration	13	840	1,060
Fees and subscription		563	561
Charity expense	11.2	3,896	2,047
Bank and settlement charges		889	425
Printing expense		40	-
Legal and professional charges		73	-
Provision against sukuk certificates - net	6.2.2.6	13,437	21,328
Other expense		-	7
Total expenses		132,346	92,467
Net income for the year before taxation		876,715	653,182
Taxation	15	-	-
Net income for the year after taxation		876,715	653,182
Allocation of net income for the year			
Net income for the year after taxation		876,715	653,182
Income already paid on units redeemed		(251,017)	(111,167)
		625,698	542,015
Accounting income available for distribution			
- Relating to capital gains		625,698	480,717
- Excluding capital gains		-	61,298
		625,698	542,015

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

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN BALANCED FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024
	----- (Rupees in '000') -----	
Net income for the year after taxation	876,715	653,182
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>876,715</u></u>	<u><u>653,182</u></u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN BALANCED FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2025**



Meezan
Balanced Fund

	For the year ended June 30, 2025			For the year ended June 30, 2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	1,155,869	757,559	1,913,428	1,151,404	537,126	1,688,530
Issue of 198,691,326 units (2024: 66,087,678 units)						
- Capital value (at net asset value per unit at the beginning of the year)	3,647,019	-	3,647,019	1,030,743	-	1,030,743
- Element of income	823,087	-	823,087	288,641	-	288,641
Total proceeds on issuance of units	4,470,106	-	4,470,106	1,319,384	-	1,319,384
Redemption of 160,367,290 units (2024: 70,105,742 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(2,943,574)	-	(2,943,574)	(1,093,411)	-	(1,093,411)
- Element of loss	(500,273)	(251,017)	(751,290)	(174,572)	(111,167)	(285,739)
Total payments on redemption of units	(3,443,847)	(251,017)	(3,694,864)	(1,267,983)	(111,167)	(1,379,150)
Total comprehensive income for the year	-	876,715	876,715	-	653,182	653,182
Distribution during the year	-	(117,550)	(117,550)	-	(321,582)	(321,582)
Refund of capital during the year	(53,595)	-	(53,595)	(46,936)	-	(46,936)
Net income for the year less distribution	(53,595)	759,165	705,570	(46,936)	331,600	284,664
Net assets at the end of the year	2,128,533	1,265,707	3,394,240	1,155,869	757,559	1,913,428
Undistributed income brought forward						
- Realised income		478,621			554,915	
- Unrealised income / (loss)		278,938			(17,789)	
		<u>757,559</u>			<u>537,126</u>	
Accounting income available for distribution						
- Relating to capital gains		625,698			480,717	
- Excluding capital gains		-			61,298	
		<u>625,698</u>			<u>542,015</u>	
Distribution during the year @ Rs. 1.25 per unit (2024: Rs. 4 per unit) declared on June 27, 2025		(117,550)			(321,582)	
Undistributed income carried forward		<u><u>1,265,707</u></u>			<u><u>757,559</u></u>	
Undistributed income carried forward						
- Realised income		892,160			478,621	
- Unrealised income		373,547			278,938	
		<u><u>1,265,707</u></u>			<u><u>757,559</u></u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			<u>18.3552</u>			<u>15.5966</u>
Net asset value per unit at the end of the year			<u>23.8078</u>			<u>18.3552</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN BALANCED FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

Note	2025	2024
	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	876,715	653,182
Adjustments for:		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.3 (373,547)	(278,938)
Profit on saving accounts with banks	(56,540)	(61,322)
Dividend income	(74,023)	(59,052)
Profit on sukuk certificates	(132,245)	(144,303)
Provision against sukuk certificates - net	13,437	21,328
	<u>253,797</u>	<u>130,895</u>
(Increase) / decrease in assets		
Investments - net	(493,295)	(232,112)
Advances, deposits and other receivables	(9,481)	-
	<u>(502,776)</u>	<u>(232,112)</u>
(Decrease) / increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(1,372)	(1,703)
Payable to Central Depository Company of Pakistan Limited - Trustee	87	55
Payable to the Securities and Exchange Commission of Pakistan	57	(306)
Payable to Meezan Bank Limited	218	43
Accrued expenses and other liabilities	(21,448)	28,463
	<u>(22,458)</u>	<u>26,552</u>
Profit received	208,605	191,696
Dividend received	73,867	59,236
Net cash generated from operating activities	<u>11,035</u>	<u>176,267</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units - net of refund of capital	4,395,875	1,272,600
Payments against redemption and conversion of units	(4,075,927)	(977,824)
Dividend paid	(85,273)	(342,616)
Net cash generated from / (used in) financing activities	<u>234,675</u>	<u>(47,840)</u>
Net increase in cash and cash equivalents	<u>245,710</u>	<u>128,427</u>
Cash and cash equivalents at the beginning of the year	404,151	275,724
Cash and cash equivalents at the end of the year	<u>5 649,861</u>	<u>404,151</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN BALANCED FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

1.2 The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP.

1.3 The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah compliant equity securities and Islamic income instruments such as Islamic Sukuks (Government of Pakistan Ijarah sukuks) and corporate sukuks as indicated by the SECP. Under the Trust Deed all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.4 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. The Fund is categorised as a Shariah Compliant Balanced Fund in accordance with Circular 7 of 2009 issued by the SECP.

1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 31, 2024 (2024: 'AM1' dated December 29, 2023) and by PACRA dated May 15, 2025 (2024: AM1 dated June 21, 2024). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan (CDC) as the Trustee of the Fund.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS accounting standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, therefore, not been disclosed in these financial statements.

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

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, 2025. However, these are not considered to be relevant or did 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 2025) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and 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 with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements 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 judgements 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 certain investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 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, unless otherwise stated.

4.1 Financial assets

4.1.1 Initial recognition and measurement

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

4.1.2 Classification and subsequent measurement

4.1.2.1 Debt instruments

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

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

based on the business model of the entity.

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

4.1.2.2 Equity instruments

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

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

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

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

4.1.2.3 Cash and cash equivalents

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

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

4.1.3 Impairment (other than debt securities)

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

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

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

4.1.4 Impairment loss on debt securities

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

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

4.1.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

4.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

4.2 Financial liabilities

4.4.1 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.

4.4.2 Derecognition

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

4.3 Offsetting of financial assets and financial liabilities

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

4.4 Provisions

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

4.5 Net asset value per unit

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

4.6 Issuance and redemption of units

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

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

4.7 Distributions to unit holders

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

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

4.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

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

4.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Income on sukuk certificates and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Profit on saving accounts with banks is recognised on a time proportionate basis using the effective yield method.

4.10 Treatment of Shariah non-compliant income

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

4.11 Expenses

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

4.12 Taxation

Current

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.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

	Note	2025	2024
----- (Rupees in '000')-----			
5	BALANCES WITH BANKS		
Balances with banks in:			
	Savings accounts	5.1	640,805
	Current accounts	5.2	9,056
			<u>7,312</u>
		<u>649,861</u>	<u>404,151</u>

5.1 This includes balances maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 3.25% (2024: 11.01%) per annum. Other balances in savings accounts have expected profit rates ranging from 3% to 10.60% per annum (2024: 6.75% to 19.6% per annum).

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

	Note	2025	2024
----- (Rupees in '000')-----			
6	INVESTMENTS		
At fair value through profit or loss			
	Shares of listed companies - 'ordinary shares'	6.1	2,017,481
	Sukuk certificates	6.2.1 & 6.2.2	816,208
			<u>759,509</u>
		<u>2,833,689</u>	<u>1,779,501</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2024	Purchases during the year	Right / Bonus issue during the year	Sold / transferred during the year	As at June 30, 2025	Carrying value as at 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 the investee company (with face value of investments)
						(Rupees In '000)		%			

Sectors / companies

Automobile Assembler

Sazgar Engineering Works Limited	8,000	-	-	8,000	-	-	-	-	-	-	-
Ghanchara Tyre & Rubber Company Limited	-	300,000	-	300,000	-	-	-	-	-	-	-
Al-Ghazi Tractors Limited	-	28,200	-	28,200	-	-	-	-	-	-	-

Cable & Electrical Goods

Pak Elektron Limited	-	200,000	-	200,000	-	-	-	-	-	-	-
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Cement

Cherif Cement Company Limited	205,034	251,000	-	181,419	274,615	64,021	79,721	15,700	2.35	1.41	2.81
D.G. Khan Cement Company Limited	162,000	1,070,000	-	882,000	350,000	54,332	57,947	3,615	1.71	0.80	2.04
Fauji Cement Company Limited	417,000	2,250,000	-	2,667,000	-	-	-	-	-	-	-
Kohat Cement Company Limited (note 6.1.5)	224,320	45,506	-	87,990	181,836	49,706	68,982	19,276	2.03	0.93	2.43
Lucky Cement Limited (note 6.1.1 & 6.1.2)	83,978	839,702	-	230,408	693,272	169,452	246,278	76,826	7.26	2.37	8.69
Power Cement Limited	-	1,600,000	-	1,600,000	-	-	-	-	-	-	-
Attock Cement Pakistan Limited (note 6.1.5)	-	84,020	-	49,806	34,214	5,869	10,012	4,143	0.29	0.25	0.35
Maple Leaf Cement Factory Limited	240,987	1,460,000	-	1,470,987	230,000	12,645	19,385	6,740	0.57	0.22	0.68
									14.22	5.99	17.00

Name of the investee company	As at July 1, 2024	Purchases during the period	Right / Bonus Issue	Sold / transferred during the period	As at June 30, 2025	Carrying value as at 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 the investee company (with face value of investments)			
												%		
Number of shares						Rupees in '000			%					
Chemicals														
Lucky Core Industries Limited	20,915	8,619	-	6,323	23,211	25,284	36,888	11,604	1.09	0.25	1.30	1.09	0.25	1.30
Commercial Banks														
Faysal Bank Limited	-	660,000	-	250,000	410,000	22,093	28,585	6,492	0.84	0.27	1.01			
Meezan Bank Limited (an related party of the Fund)	330,955	946,833	-	637,786	640,002	158,127	212,512	54,385	6.26	0.36	7.50	7.10	0.63	8.51
Engineering														
Crescent Steel and Allied Products Limited (note 6.1.5)	-	200,000	-	110,000	90,000	10,099	10,406	307	0.31	0.12	0.37	0.31	0.12	0.37
Fertilizers														
Engro Corporation Limited (note 6.1.2 & 6.1.4)	102,273	155,000	-	257,273	-	-	-	-	-	-	-	-	-	-
Engro Fertilizers Limited - a related party of the Fund	-	700,764	-	700,764	-	-	-	-	-	-	-	-	-	-
Falima Fertilizer Company Limited	-	253,500	-	253,500	-	-	-	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	75,000	575,000	-	650,000	-	-	-	-	-	-	-	-	-	-
Food & Personal Care Products														
Al Shaheer Corporation Limited	6,035	-	-	6,035	-	-	-	-	-	-	-	-	-	-
Barkal Frisian Agro Limited (note 6.1.1)	-	440,261	-	400,000	40,261	732	1,649	917	0.05	0.13	0.06			
National Foods Limited (note 6.1.1)	-	155,000	-	-	155,000	44,450	50,721	6,271	1.49	0.33	1.79			
Fauji Foods Limited	-	500,000	-	500,000	-	-	-	-	-	-	-	-	-	-
The Organic Meat Company Limited	2,913	-	-	2,913	-	-	-	-	-	-	-	-	-	-
Treel Corporation Limited	-	1,084,600	-	1,084,600	-	-	-	-	1.54	0.46	1.85			
Glass and Ceramics														
Ghani Glass Limited	-	50,000	-	-	50,000	1,945	2,273	328	0.07	0.05	0.08			
Tariq Glass Industries Limited	47,900	90,000	-	-	137,000	22,002	34,411	12,409	1.01	0.60	1.21	1.08	0.85	1.29
Investment Banks / Investment Companies / Securities Companies														
Engro Holdings Limited (note 6.1.4)	-	615,452	-	440,452	175,000	29,525	31,949	2,424	0.94	0.15	1.13	0.94	0.15	1.13
Leather & Tanneries														
Service Global Footwear Limited	22,930	-	-	22,930	-	-	-	-	-	-	-	-	-	-
Miscellaneous														
Pakistan Aluminium Beverage Cans Limited	89,499	-	-	89,499	-	-	-	-	-	-	-	-	-	-
Oil & Gas Exploration Companies														
Mari Energies Limited (note 6.1.2 and 6.1.3)	43,307	252,500	324,448	322,850	297,405	145,526	186,441	40,915	5.49	0.25	6.58			
Oil and Gas Development Company Limited	904,931	970,000	-	730,000	1,144,931	214,768	252,626	37,758	7.44	0.27	8.91			
Pakistan Oilfields Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pakistan Petroleum Limited (note 6.1.2)	955,167	830,000	-	1,554,847	240,320	40,366	40,896	530	1.20	0.09	1.44	14.14	0.60	16.93
Oil and Gas Marketing Companies														
Attock Petroleum Limited	16,891	20,000	-	36,891	-	-	-	-	-	-	-	-	-	-
Hascol Petroleum Limited	1,901	-	-	1,901	-	-	-	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	1,112,867	-	1,112,867	-	-	-	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	183,428	495,000	-	216,730	461,698	149,495	174,305	24,810	5.14	0.98	6.15			
Sui Northern Gas Pipelines Limited	426,888	958,787	-	385,000	1,000,675	90,176	116,788	26,612	3.44	1.58	4.12	8.59	2.57	10.27
Paper & Board														
Century Paper and Board Mills Limited	139,022	300,000	-	439,022	-	-	-	-	-	-	-	-	-	-
Packages Limited	31,407	23,641	-	7,003	48,045	25,120	26,645	1,525	0.79	0.54	0.94	0.79	0.53	0.94

Name of the investee company	As at July 1, 2024	Purchases during the period	Right / Bonus Issue	Sold / transferred during the period	As at June 30, 2025	Carrying value as at 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 the investee company (with face value of investments)
						(Rupees in '000)		%			
Pharmaceuticals											
AGP Limited	500	207,304	-	115,000	92,804	16,430	17,722	1,292	0.52	0.18	0.63
Hightnoon Laboratories Limited	10,668	23,800	-	9,318	24,950	20,891	24,640	3,749	0.73	0.47	0.87
Cif Pharma Limited	-	150,000	-	-	150,000	15,618	12,596	(3,022)	0.37	0.66	0.44
Haleon Pakistan Limited	-	67,702	-	41,532	26,170	20,830	19,270	(1,560)	0.57	0.22	0.68
The Searle Company Limited	122,211	701,000	-	623,211	-	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	-	85,222	-	85,222	-	-	-	-	-	-	-
									2.19	1.52	2.62
Power Generation & Distribution											
K-Electric Limited (note 6.1.1)	1,872,038	13,800,500	-	5,250,000	10,422,538	49,195	54,719	6,525	1.61	0.38	1.93
The Hub Power Company Limited	707,086	1,598,712	-	1,132,817	1,172,981	161,999	161,649	(350)	4.76	0.90	5.70
									6.37	1.28	7.63
Real Estate Investment Trust											
TPL REIT Fund I	171,000	-	-	171,000	-	-	-	-	-	-	-
Refinery											
Attock Refinery Limited	25,000	40,000	-	65,000	-	-	-	-	-	-	-
Energyco Pakistan Limited	550,000	6,334,934	-	6,884,934	-	-	-	-	-	-	-
Pakistan Refinery Limited	150,000	77,000	-	227,000	-	-	-	-	-	-	-
Technology & Communication											
Air Link Communication Limited	50,000	51,000	-	101,000	-	-	-	-	-	-	-
Supernet Limited	194,100	133,000	-	327,100	327,100	6,366	13,012	6,646	0.38	2.41	0.46
Nelsof technologies Limited	-	30,000	-	30,000	-	-	-	-	-	-	-
Systems Limited (note 6.1.1)	110,442	162,528	-	126,060	146,910	12,977	15,741	2,763	0.46	0.50	0.56
									0.85	2.91	1.02
Textile composite											
Interloop Limited	263,863	100,000	-	363,863	-	-	-	-	-	-	-
Nishat Mills Limited	-	70,000	-	-	70,000	7,474	8,812	1,337	0.26	0.02	0.31
									0.26	0.02	0.31
Total as at June 30, 2025						1,646,513	2,017,481	370,967			
Total as at June 30, 2024						742,968	1,019,992	277,824			

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, 2025	Subdivision of share during the year	Additional Shares Received on account of Subdivision of Shares during the year
National Foods Limited	5.00	-	-
K-Electric Limited	3.50	-	-
Lucky Cement Limited	2.00	On April 28, 2025 from Rs .10/- to Rs .2/- per share	564,740
Systems Limited	2.00	On June 2, 2025 from Rs .10/- to Rs .2/- per share	117,528
Barkat Frisian Agro Limited	1.00	-	-

6.1.2 Investments include 1,000 shares of Lucky Cement Limited having market value of Rs 0.355 million, 1,000 shares of Mari Petroleum Company Limited having market value of Rs 0.627 million and 201,500 shares of Pakistan Petroleum Limited having market value of Rs. 34.289 million (2024: 33,500 shares of Engro Corporation Limited having market value of Rs 11.146 million, 8,800 shares of Mari Petroleum Company Limited having market value of Rs. 23.869 million, 1,000 shares of Pakistan Petroleum having market value of Rs. 0.117 million) as at June 30, 2025, which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

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

In this regard, a petition was filed by the Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CIS. The petition is based on the grounds that since the CISs are exempt from levy of income tax in terms of 99 of Part-I of the Second Schedule to the ITO, no tax is payable by the Fund under Section 236Z of the ITO. During the current year, the Honorable High Court of Sindh has issued notices to the relevant parties and ordered to retain the bonus shares being withheld and no tax shall be paid under section 236Z of the ITO till further orders by the Court. As at June 30, 2025, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares are valued at Rs. 20.157 million.

6.1.4 During the year, Engro Corporation Limited (ENGRO) has been merged with and into Engro Holdings Limited (ENGROH) (formerly known as Dawood Hercules Corporation Limited), upon sanction by the Honourable Islamabad High Court on July 18, 2024. In accordance with the Scheme of Arrangement (the Scheme), and in consideration for the merger in terms thereof, ENGROH will allot and issue ordinary shares of ENGROH to the ENGRO Shareholders (being the members of ENGRO, other than ENGROH and its nominees, if any), based on a swap ratio of 2.24407865 ENGROH shares for each ordinary share held by them (subject to the adjustment of fractional shares), in the manner detailed in the Scheme.

As a result of the above arrangement, the Fund received 440,452 shares of Engro Holdings Limited in lieu of 196,273 shares of Engro Corporation Limited based on the ratio of DH Corp (renamed as Engro Holdings Limited) shares to Engro Corp shares under the Scheme (i.e. 2.24407865).

6.1.5 On June 02, 2025, Pakistan Stock Exchange (PSX) issued a notice no PSX/N-570 regarding the recomposition exercise carried out by PSX on KMI All Share Islamic Index. In the stated notice, Attock Cement Limited, Kohat Cement Company Limited and Crescent Steel & Allied Products Limited were declared as non-compliant of the Index and hence are considered to be the non-compliant investments as at June 30, 2025. However, these shares were 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. The Fund is required to disclose the shariah non-compliant investments in accordance with the additional disclosure requirements enacted vide S.R.O.600(I)/2025 dated April 10, 2025.

6.2 Sukuk certificates

6.2.1 Government Securities - GOP Ijarah Sukuk

Name of the Security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	July 1, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation as at June 30, 2025	Percentage in relation to	
					(Number of certificates)	(Rupees in '000')	(Rupees in '000')	(%)	Total market value of investments				
GoP Ijarah Sukuk Certificates - XXI - VRR	Semi-annually / At maturity	July 29, 2020	July 29, 2025	Weighted Average 6 months T-Bills	2,647	-	-	2,647	264,594	264,726	132	7.80	9.34
GoP Ijarah Sukuk Certificates - XLII - VRR	Semi-annually / At maturity	December 04, 2023	December 04, 2028	Weighted Average 6 months T-Bills	2,000	-	2,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXV - VRR	Semi-annually / At maturity	October 06, 2021	October 06, 2026	Weighted Average 6 months T-Bills	-	2,000	-	2,000	203,200	202,160	(1,040)	5.96	7.13
GOP Ijarah Sukuk Certificates - PSX Listed (Note 6.2.1.1)	At maturity	September 18, 2024	September 18, 2029	17.49%	-	40,000	-	40,000	200,000	203,660	3,660	6.00	7.19
GOP Ijarah Sukuk Certificates - PSX Listed (Note 6.2.1.1)	At maturity	December 11, 2023	December 09, 2024	19.52%	-	1	1	-	-	-	-	-	-
Total as at June 30, 2025									667,794	670,546	2,752		
Total as at June 30, 2024									462,417	464,914	2,497		

6.2.1.1 The nominal value of these sukuk certificates is Rs 100,000 each except for GoP Ijarah sukuk certificates PSX Listed having nominal value of Rs. 5,000 each.

6.2.2 Corporate sukuk certificates

Name of the investee company	Profit payments / principal redemptions	Maturity	Profit rate	As at July 1, 2024	Purchases during the year	Sold / matured during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised diminution as at June 30, 2025	Percentage in relation to	
				Number of certificates			(Rupees in '000)			Net Assets of the Fund	Total market value of investments	%
Commercial banks												
Dubai Islamic Bank Pakistan Limited - Sukuk (AA-, VIS, non-traded) (note 6.2.2.1)	Semi-annually / At maturity	December 2, 2032	6 months KIBOR plus base rate of 0.70%	100	-	-	100	160,329	160,631	303	2.96	3.55
Food Products												
Shakarganj Food Products Limited (BBB-, VIS, non-traded) (note 6.2.2.1 & 6.2.2.4)	Quarterly	July 10, 2025	3 months KIBOR plus base rate of 2.5%	82	-	-	82	20,354	19,889	(466)	0.59	0.70
Power generation & distribution												
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) (note 6.2.2.1)	Semi-annually	June 29, 2026	6 months KIBOR plus base rate of 1.13%	230	-	-	230	2,440	2,430	(10)	0.07	0.09
Hub Power Holdings Limited (AA+, PACRA, non-traded) (note 6.2.2.1)	Quarterly / Semiannually	November 12, 2025	6 months KIBOR plus base rate of 2.50%	1,500	-	1,500	-	-	-	-	-	-
Non-performing assets												
Agha Steel Industries Limited * (A, VIS, non-traded) (note 6.2.2.1 & 6.2.2.5)	Quarterly	October 9, 2026	3 months KIBOR plus base rate of 0.80%	6,800	-	-	6,800	22,712	22,712	-	0.67	0.80
Security Leasing Corporation Limited II * (note 6.2.2.2 & 6.2.2.3)	Not applicable	January 19, 2022	Not applicable	5,000	-	-	5,000	-	-	-	-	-
Eden Housing Limited * (note 6.2.2.2 & 6.2.2.3)	Not applicable	September 29, 2014	Not applicable	5,000	-	-	5,000	-	-	-	-	-
Arzoo Textile Mills Limited * (note 6.2.2.2 & 6.2.2.3)	Not applicable	April 15, 2014	Not applicable	5,000	-	-	5,000	-	-	-	-	-
Hascal Petroleum Limited - Sukuk * (note 6.2.2.2 & 6.2.2.3)	Not applicable	January 7, 2022	Not applicable	50,000	-	-	50,000	-	-	-	-	-
Total as at June 30, 2025								145,835	145,662	(172)		
Total as at June 30, 2024								295,178	294,595	(583)		

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

6.2.2.1 The nominal value of these sukuk certificates is Rs 100,000 each.

6.2.2.2 Details of non-compliant investments

The Securities and Exchange Commission of Pakistan (SECP), vide Circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the Circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Balanced Fund (the Fund) as a 'Balanced Scheme' in accordance with the said Circular. As at June 30, 2025, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Following investments of the Funds are in sukuk certificates which are non-compliant securities with the above requirements of the circular. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of non-compliant investment	Type of Investment	Value of investments before provision	Provision held as at June 30, 2025	Value of investments after provision	Percentage of net assets of the Fund	Percentage of total investments
		----- (Rupees in '000') -----			----- % -----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	62,037	62,037	-	-	-
Agha Steel Industries Limited	Non-traded sukuk certificates	68,000	45,288	22,712	0.67	0.80
Total - June 30, 2025		167,660	144,948	22,712	0.67	0.80
Total - June 30, 2024		204,425	129,734	74,691	3.90	4.20

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

6.2.2.4 On April 26, 2024, sukuk certificates of Shakarganj Food Products Limited (SFPL) has been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No. 33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter in accordance with the SECP Circular.

On September 8, 2023, the restructuring of the aforementioned sukuk was approved by all the sukuk investors whereby the four principal installments due from July 10, 2023 to April 10, 2024 were deferred for one year from their respective due dates and the tenure of the sukuk has been extended by twelve months. However, SFPL will continue to service profit payments on quarterly basis on the outstanding amount of principal as per earlier agreed terms. During the current year, SFPL has paid all the due installments and accordingly MUFAP has classified the sukuk as performing in accordance with the requirement of SECP's Circular No. 33 of 2012 as a result of which the Fund has started reversing the provision booked on the sukuk in line with the requirements of SECP's Circular No. 33 of 2012.

6.2.2.5 On March 7, 2024, sukuk certificates of Agha Steel Industries Limited were classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No. 33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said circular, an amount of Rs. 22,712 million has been held as provision against the outstanding principal as at June 30, 2025. The face value of sukuk certificates is Rs. 68 million as at June 30, 2025.

6.2.2.6 Movement of provision	Note	2025	2024
		---- (Rupees in '000')----	
Balance as at July 1		129,734	108,406
Charge for the year	6.2.2.4 & 6.2.2.5	29,595	25,428
Reversals for the year	6.2.2.4	(16,158)	(4,100)
		13,437	21,328
Balance as at June 30		<u>143,171</u>	<u>129,734</u>

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

Market value of investments	6.1, 6.2 & 6.3	2,833,689	1,779,501
Less: carrying value of investments	6.1, 6.2 & 6.3	2,460,142	1,500,563
		<u>373,547</u>	<u>278,938</u>

7 ADVANCES, DEPOSITS AND PROFIT RECEIVABLES

Security deposits		2,832	2,800
Profit receivable on balances with banks		3,782	15,573
Profit receivable on sukuk certificates		24,262	32,291
Advance tax	7.1	1,573	1,573
Receivable against withholding tax on bonus shares	7.2	9,449	-
		<u>41,898</u>	<u>52,237</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during prior years, withholding tax on profit on debt securities and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on dividends and profit on debt securities and bank deposits amounts to Rs 1.573 million (2024: 1.573 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on debt securities and profit on bank deposits has been shown as advance tax as at June 30, 2025 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

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

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

During the year ended June 30, 2020, the CISs have filed a petition via CP 4653 dated July 11, 2019 in the Honorable 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, 2025, the Fund has recorded an amount of Rs. 9.449 million as receivables against withholding tax on bonus shares in respect of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares.

8	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2025	2024
			------(Rupees in '000')-----	
	Remuneration payable	8.1	1,380	743
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	207	97
	Sales load payable		1,203	177
	Sindh Sales Tax on sales load payable		180	13
	Allocated expenses payable	8.3	-	-
	Selling and marketing expenses payable	8.4	-	3,313
			2,971	4,343

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 subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates per annum of the average annual net assets of the Fund during the year ended June 30, 2025:

2025		2024	
Rate applicable from July 01, 2024 to December 31, 2024	Rate applicable from January 01, 2025 to May 18, 2025	Rate applicable from May 19, 2025 to June 30, 2025	Rate applicable from July 01, 2023 to June 30, 2024
2.00% per annum of the average annual net assets of the Fund	2.50% per annum of the average annual net assets of the Fund	3.00% per annum of the average annual net assets of the Fund	2.00% per annum of the average annual net assets of the Fund

During the year ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap to be calculated on a weighted average basis, based on allocation of average daily net assets, applicable to a "Hybrid Scheme". This revision is effective from July 01, 2025.

- 8.2 Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of Management Company has been enhanced from the rate of 13% to 15% (June 30, 2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

Further, Sindh sales tax at the rate of 15% has also been levied on any reimbursable expenditure to the Management Company effective July 1, 2024 vide Sindh Finance Act, 2024.

- 8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses for registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its own discretion, has charged such expenses at the following rates during the year ended June 30, 2025, subject to total expense charged being lower than actual expense incurred:

2025		2024	
Rate applicable from July 01, 2024 to December 31, 2024	Rate applicable from January 01, 2025 to May 18, 2025	Rate applicable from July 01, 2023 to January 31, 2024	Rate applicable from February 1, 2024 to June 30, 2024
0.07% per annum of the average annual net assets of the Fund	0.0875% per annum of the average annual net assets of the Fund	0.11% per annum of the average annual net assets of the Fund	0.00% per annum of the average annual net assets of the Fund

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to registrar services, accounting, operation and valuation services has been excluded. This amendment was effective immediately upon its release on April 10, 2025, except where a later date was explicitly approved by the SECP.

- 8.4 In accordance with Circular 11 dated July 5, 2019 issued by the SECP with respect to selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the following rates during the year ended June 30, 2025, subject to total expense charged being lower than actual expense incurred:

The Management Company, based on its own discretion, has charged such expenses at the following rates during the year ended June 30, 2025, subject to total expense charged being lower than actual expense incurred:

2025			2024	
Rate applicable from July 01, 2024 to August 17, 2024	Rate applicable from August 18, 2024 to December 31, 2024	Rate applicable from January 1, 2025 to May 18, 2025	Rate applicable from July 1, 2023 to March 31, 2024	Rate applicable from April 1, 2024 to June 30, 2024
0.50% per annum of the average annual net assets of the Fund	0.8% per annum of the average annual net assets of the Fund	0.55% per annum of the average annual net assets of the Fund	1.00% per annum of the average annual net assets of the Fund	0.5% per annum of the average annual net assets of the Fund

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has 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 services has been excluded. This amendment was effective immediately upon its release on April 10, 2025, except where a later date was explicitly approved by the SECP.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2025	2024
			----- (Rupees in '000) -----	
	Remuneration payable	9.1	343	272
	Sindh Sales Tax payable on remuneration of the Trustee	9.2	51	35
			<u>394</u>	<u>307</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. 1,000 million	Rs 0.7 million or 0.2% per annum of net assets, whichever is higher.
over Rs. 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1,000 million.

- 9.2 Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of the Trustee has been enhanced from the rate of 13% to 15% (June 30, 2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2025 ------(Rupees in '000')-----	2024
	Fee payable	10.1	<u>222</u>	<u>165</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) at the rate of fee to 0.085% (2024: 0.085%) per annum of the daily net assets of the Fund.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2025 ------(Rupees in '000')-----	2024
	Auditors' remuneration payable		742	740
	Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	11.1	31,961	31,961
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	11.1	6,838	6,838
	Brokerage expense payable		1,333	1,067
	Shariah advisory fee payable		441	461
	Withholding tax payable		14,690	38,472
	Capital gain tax payable		2,073	1,201
	Zakat payable		169	170
	Charity payable	11.2	3,631	2,494
	IBFT charges payable		<u>96</u>	<u>18</u>
			<u>61,974</u>	<u>83,422</u>

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED and related sales tax has been made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 38.8 million (2024: Rs. 38.8 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED and related Sindh Sales Tax not been made, the Net Assets Value per unit of the Fund as at June 30, 2025 would have been higher by Re 0.27 (2024: Re 0.37) per unit.

- 11.2 According to the instructions of the Shariah Advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes.

During the year ended June 30, 2025, non-shariah compliant income amounting to Rs 3.895 million (2024: Rs 2.047 million) was charged as an expense in the books of the Fund, and Rs. 2.8 million was disbursed to following charitable welfare organisations respectively:

S. No.	Charitable Organisations	Amount (Rupees in '000)
1	Idara Al Khair	2,000
2	Afzal Memorial Thallessemia Foundation	495
3	The Hunar Foundation	315
4	The Hunar Foundation	15
	Total	2,825

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2025 and June 30, 2024.

	2025	2024
	(Rupees in '000)	
13 AUDITORS' REMUNERATION		
Annual audit fee	442	483
Half yearly review of condensed interim financial statements	226	145
Fee for other certifications	60	154
Out of pocket expenses and Sindh Sales Tax	112	278
	840	1,060

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 4.21% (2024: 3.80%) which includes 0.59% (2024: 0.38%) representing government levies on the Fund such as sales taxes, Federal excise duties and fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Balanced Scheme'.

During the year ended June 30, 2025, the SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the TER limit with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 8.1 of these financial statements.

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, 2025 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 of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 16.1** Connected persons / related parties include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, other collective investment schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 16.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

- 16.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.
- 16.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 16.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 16.6 The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

Balances	2025	2024
	----- (Rupees in '000') -----	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	1,380	743
Sindh Sales Tax payable on remuneration of the Management Company	207	97
Sales load payable	1,203	177
Sindh Sales Tax on sales load payable	180	13
Selling and marketing expenses payable	-	3,313
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	343	272
Sindh Sales Tax payable on remuneration of the Trustee	51	35
Security deposit	300	300
National Clearing Company of Pakistan		
Security deposit	2,500	2,500
Meezan Bank Limited		
Balances with banks	24,329	29,651
Sales load payable	239	50
Sindh Sales Tax on sales load payable	36	7
Shariah advisory fee payable	441	461
Outstanding units : 18,934,113 units (2024: 18,886,746 units)	450,780	346,670
Investment in 640,002 shares (2024: 330,955 shares)	212,512	79,227
Profit receivable on balances with banks	496	216
Dividend receivable	-	5,188
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Outstanding units: 621,251 units (2024: 589,015 units)	14,791	10,815
Directors and Executives of the Management Company		
Outstanding units: 948,792 units (2024: 903,714 units)	22,589	16,588
Transactions during the year	2025	2024
	----- (Rupees in '000') -----	
Al Meezan Investment Management Limited - Management Company		
Remuneration of Al Meezan Investment Management Limited - Management Company	65,628	37,441
Sindh Sales Tax on remuneration of the Management Company	9,844	4,867
Allocated expenses	1,912	1,068
Sindh Sales Tax on allocated expenses	287	
Selling and marketing expenses	15,940	15,817
Sindh Sales Tax on selling and marketing expenses	2,391	
Units issued: 1,303,526 units (2024: Nil units)	30,033	-
Units redeemed: 1,303,526 units (2024: 988,045 units)	30,282	22,085
Units issued to unitholders on behalf of the Management Company	7,079	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	3,824	2,872
Sindh Sales Tax on remuneration of the Trustee	574	373
CDS charges	217	86



Transactions during the year

	2025	2024
	----- (Rupees in '000') -----	
Meezan Bank Limited		
Profit on savings accounts with banks	1,102	2,215
Dividend income	12,038	10,478
Shariah advisor fee	532	533
Purchase of 946,833 shares (2024: 129,932 shares)	232,138	51,239
Sale of 637,786 shares (2024: 431,000 shares)	149,747	165,792
Units issued: 47,367 units (2024: Nil units)	869	-
Dividend paid	23,668	75,640
Engro Fertilizers Limited *		
Shares purchased: 580,764 shares (2024: 328,000 shares)	107,399	34,095
Shares sold: 446,623 shares (2024: 408,019 shares)	91,827	49,514
Dividend income	3,118	2,654
National Clearing Company of Pakistan		
NCCPL charges	633	283
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Units issued: 32,236 units (2024: 92,183 units)	754	1,990
Dividend paid	737	1,990
Ghandhara Tyre & Rubber Company Limited		
Shares purchased: 300,000 shares (2024: nil)	13,615	-
Shares sold: 300,000 shares (2024: nil)	14,415	-
Directors and Executives of the Management Company		
Units issued: 157,617 units (2024: 167,485 units)	3,802	3,568
Units redeemed: 112,567 units (2024: 25,212 units)	2,626	520
Dividend paid	1,137	3,050
Refund of capital	3	3
Meezan Dedicated Equity Fund		
Shares sold	844	-

* Current year balance has not been presented as the person was not classified as a related party / connected person of the Fund with effect from March 24, 2025. However, transactions with this related party till this date have been accordingly disclosed.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	----- As at June 30, 2025 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees in '000') -----		
Financial assets			
Balances with banks	649,861	-	649,861
Investments	-	2,833,689	2,833,689
Dividend receivable	833	-	833
Receivable against sale of investments	-	-	-
Advances, deposits and profit receivable	30,876	-	30,876
	<u>681,570</u>	<u>2,833,689</u>	<u>3,515,259</u>
Financial liabilities			
Payable to Al Meezan investment Management Limited - Management Company	2,971	-	2,971
Payable to Central Depository Company of Pakistan Limited - Trustee	394	-	394
Payable to Meezan Bank Limited	275	-	275
Payable against purchase of investment	16,222	-	16,222
Payable against redemption and conversion of units	30,645	-	30,645
Dividend payable	39,974	-	39,974
Accrued expenses and other liabilities	6,243	-	6,243
	<u>96,724</u>	<u>-</u>	<u>96,724</u>

----- As at June 30, 2024 -----			
At amortised cost	At fair value through profit or loss	Total	
(Rupees in '000')			
Financial assets			
Balances with banks	404,151	-	404,151
Investments	-	1,779,501	1,779,501
Dividend receivable	677	-	677
Receivable against sale of investments	184,561	-	184,561
Advances, deposits and profit receivable	50,664	-	50,664
	<u>640,053</u>	<u>1,779,501</u>	<u>2,419,554</u>
Financial liabilities			
Payable to Al Meezan investment Management Limited - Management Company	4,343	-	4,343
Payable to Central Depository Company of Pakistan Limited - Trustee	307	-	307
Payable to Meezan Bank Limited	57	-	57
Payable against redemption and conversion of units	411,708	-	411,708
Dividend payable	7,697	-	7,697
Accrued expenses and other liabilities	4,780	-	4,780
	<u>428,892</u>	<u>-</u>	<u>428,892</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 and regulations laid down by the SECP.

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

(i) Yield / profit rate risk

Yield / 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, 2025, the Fund is exposed to such risk on its balances held with banks, corporate sukuk certificates and GOP Ijarah sukuk certificates. 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, corporate sukuk certificates and GOP Ijarah sukuk certificates which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 12.514 million (2024: Rs. 11.563 million).

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:

As at June 30, 2025					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000')					
Financial assets					
Balances with banks	3.25% to 10.60%	640,805	-	9,056	649,861
Investments	11.18% to 14.38%	-	816,208	2,017,481	2,833,689
Dividend receivable		-	-	833	833
Advances, deposits and other receivables		-	-	30,876	30,876
		640,805	816,208	2,058,246	3,515,259
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	2,971	2,971
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	394	394
Payable to Meezan Bank Limited		-	-	275	275
Payable against purchase of investment		-	-	16,222	16,222
Payable against redemption and conversion of units		-	-	30,645	30,645
Dividend payable		-	-	39,974	39,974
Accrued expenses and other liabilities		-	-	6,243	6,243
		-	-	96,724	96,724
On-balance sheet gap (a)		640,805	816,208	1,961,522	3,418,536
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		640,805	816,208	-	-
Cumulative profit rate sensitivity gap		640,805	1,457,013	1,457,013	-

As at June 30, 2024					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000')					
Financial assets					
Balances with banks	6.75% to 19.6%	396,839	-	7,312	404,151
Investments	20.20% to 24.08%	339,286	420,223	1,019,992	1,779,501
Dividend receivable		-	-	677	677
Receivable against sale of investments		-	-	184,561	184,561
Advances, deposits and other receivables		-	-	50,664	50,664
		736,125	420,223	1,263,206	2,419,554
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	4,343	4,343
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	307	307
Payable to Meezan Bank Limited		-	-	57	57
Payable against redemption and conversion of units		-	-	411,708	411,708
Dividend payable		-	-	7,697	7,697
Accrued expenses and other liabilities		-	-	4,780	4,780
		-	-	428,892	428,892
On-balance sheet gap (a)		736,125	420,223	834,314	1,990,662
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		736,125	420,223	-	-
Cumulative profit rate sensitivity gap		736,125	1,156,348	1,156,348	-

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk on investments held by the Fund classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks and limits prescribed in the Trust Deed, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's investment in equity securities exposed to price risk as at the year end is concentrated in the sectors as disclosed in note 6.1.

In case of 1% increase / decrease in KMI All Share Index on June 30, 2025, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 20.175 million (2024: Rs. 10.200 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI All Share Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI All Share Index.

18.2 Liquidity risk

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year ended June 30, 2025.

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

As at June 30, 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	649,861	-	-	-	-	649,861
Investments	-	-	-	715,577	100,631	2,833,689
Dividend receivable	833	-	-	-	-	833
Receivable against sale of investments	-	-	-	-	-	-
Advances, deposits and profit receivable	3,782	24,262	-	-	2,832	30,876
	654,476	24,262	-	715,577	100,631	2,020,313

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	2,971	-	-	-	-	2,971
Payable to Central Depository Company of Pakistan Limited - Trustee	394	-	-	-	-	394
Payable to Meezan Bank Limited	275	-	-	-	-	275
Payable against purchase of investments	16,222	-	-	-	-	16,222
Payable against redemption and conversion of units	30,645	-	-	-	-	30,645
Dividend payable	39,974	-	-	-	-	39,974
Accrued expenses and other liabilities	5,060	742	441	-	-	6,243
	95,541	742	441	-	-	96,724

Net financial assets / (liabilities)

	558,935	23,520	(441)	715,577	100,631	2,020,313	3,418,536
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As at June 30, 2024						
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	404,151	-	-	-	-	404,151
Investments	-	-	-	659,180	100,329	1,779,501
Dividend receivable	677	-	-	-	-	677
Receivable against sale of investments	184,561	-	-	-	-	184,561
Advances, deposits and profit receivable	15,573	32,291	-	-	2,800	50,664
	604,962	32,291	-	659,180	100,329	1,022,792

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	4,343	-	-	-	-	4,343
Payable to Central Depository Company of Pakistan Limited - Trustee	307	-	-	-	-	307
Payable to Meezan Bank Limited	57	-	-	-	-	57
Payable against redemption and conversion of units	411,708	-	-	-	-	411,708
Dividend payable	7,697	-	-	-	-	7,697
Accrued expenses and other liabilities	3,579	740	461	-	-	4,780
	427,691	740	461	-	-	428,892

Net financial assets / (liabilities)

	177,271	31,551	(461)	659,180	100,329	1,022,792	1,990,662
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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 and receivable against sale of investments.

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

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

	2025		2024	
	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	649,861	649,861	404,151	404,151
Investments	2,833,689	145,662	1,779,501	294,595
Receivable against conversion of units	20,636	20,636	-	-
Dividend receivable	833	833	677	677
Receivable against sale of investments	-	-	184,561	184,561
Advances, deposits and profit receivable	41,898	13,435	50,664	26,781
	<u>3,546,917</u>	<u>830,427</u>	<u>2,419,554</u>	<u>910,765</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2025 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investment in GOP Ijarah sukuk certificates of Rs. 670.546 million (2024: Rs. 464.914 million) and profit receivables on GOP Ijarah sukuk certificates of Rs. 17.441 million (2024: Rs. 23.969 million) are not exposed to credit risk as these are guaranteed by Government of Pakistan and investment in equity securities of Rs. 2,017.481 million (2024: Rs. 1,019.992 million) are also not exposed to credit risk.

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

18.3.2 Credit quality of financial assets

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

	% of financial assets exposed to credit risk	
	2025	2024
AAA	11.62	39.64
AA+	3.29	0.38
AA	0.03	0.39
AA-	85.06	0.07
A+	-	30.23
A	-	29.29
	<u>100.00</u>	<u>100.00</u>

Ratings of sukuku (other than GOP Ijarah sukuk certificates) have been disclosed in related notes to the financial statements. GoP Ijarah Sukuku and sukuku issued by government owned entities are government guaranteed. Since, the asset of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

18.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of 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 the financial assets of the Fund as at June 30, 2025 and June 30, 2024 are unsecured and are not impaired except for corporate sukuku disclosed in note 6.2.2.1 to these financial statements.

19 FAIR VALUE MEASUREMENT

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

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

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

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, 2025 and June 30, 2024, the Fund held the following financial instruments measured at fair value:

	2025			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	(Rupees in '000')			
Shares of listed companies - 'ordinary shares'	2,017,481	-	-	2,017,481
Sukuk certificates	203,660	612,548	-	816,208
	<u>2,221,141</u>	<u>612,548</u>	<u>-</u>	<u>2,833,689</u>

	2024			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	(Rupees in '000')			
Shares of listed companies - 'ordinary shares'	1,019,992	-	-	1,019,992
Sukuk certificates	-	759,509	-	759,509
	<u>1,019,992</u>	<u>759,509</u>	<u>-</u>	<u>1,779,501</u>

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.
GOP Ijara sukuku - listed	The fair value of investments in listed GOP Ijara sukuku are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
GOP Ijara sukuku - unlisted	The fair value of investments in unlisted GOP Ijara sukuku are valued on the basis of fair value evaluated by the State Bank of Pakistan (SBP).
Corporate sukuku	The fair value of investments in corporate sukuku are valued on the basis of market price evaluated by the Mutual Funds Association of Pakistan (MUFAP).

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 has historically maintained and complied with the requirement of minimum fund size at all times.

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

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

21 UNIT HOLDING PATTERN OF THE FUND

Category	2025			2024		
	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	10,779	1,885,808	55.56	4,953	835,668	43.67
Associated Companies /						
Directors	33	450,948	13.29	1	16,568	0.87
Insurance Companies	2	2,646	0.08	1	1,929	0.10
Retirement Funds	47	725,742	21.38	16	351,286	18.36
Others	47	329,097	9.70	34	707,977	37.00
	10,908	3,394,240	100.00%	5,005	1,913,428	100.00%

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2025		2024	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Taurus Securities Limited	10.74%	Taurus Securities Limited	11%
Standard Capital Securities (Private) Limited	8.87%	Optimus Securities Limited	9%
Topline Securities Limited	6.99%	Intermarket Securities Limited	9%
KASB Securities Limited	5.26%	Standard Capital Securities (Private) Limited	7%
Fawad Yousuf Securities	4.90%	Aba Ali Habib Securities (Private) Limited	6%
Intermarket Securities Limited	4.86%	Spectrum Securities (Private) Limited	6%
Aba Ali Habib Securities (Private) Limited	4.53%	Alfalah Securities (Private) Limited	4%
Ismail Iqbal Securities (Private) Limited	4.41%	Arif Habib limited	4%
Optimus Securities Limited	3.69%	Ismail Iqbal Securities (Private) Limited	3%
NextCapital Limited	3.55%	Darson Securities Limited	3%

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Imtiaz Gadar, CFA	Chief Executive Officer	CFA / MBA	Twenty Two years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Nine years
Mr. Ahmed Hassan	Head of Equity	CFA / MBA	Eighteen years
Ms. Amreen Soorani	Head of Research	FCCA	Fifteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Eighteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA	Seventeen years
Mr. Akhtar Munir	Head of Risk Management	CFA / FRM, ACCA, FCMA & MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Sixteen years



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

- KSE Meezan Index Fund
- Meezan Asset Allocation Fund
- Meezan Financial Planning Fund of Fund
- Meezan Strategic Allocation Fund
- Meezan Dedicated Equity Fund

24 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Directors	Designation	Meeting held on				
		August 19, 2024	September 27, 2024	October 10, 2024	February 7, 2025	April 18, 2025
Mr. Irfan Siddiqui	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Ahmed Iqbal Rajani*	Non-Executive	Yes	Yes	Yes	NA	NA
Ms. Ayesha Umer*	Non-Executive	NA	NA	NA	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Imtiaz Gadar**	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes
Mr. Saad Ur Rahman Khan	Non-Executive	Yes	Yes	Yes	Yes	Yes
Ms. Shazia Khurram	Non-Executive	Yes	Yes	No	Yes	Yes
Syed Amir Ali	Non-Executive	Yes	Yes	Yes	Yes	Yes
Syed Imran Ali Shah***	Non-Executive	NA	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj***	Non-Executive	Yes	NA	NA	NA	NA

* Mr. Ahmed Iqbal Rajani resigned from the Board on January 13, 2025, and Ms. Ayesha Umer was subsequently appointed on February 3, 2025.

** Mr. Imtiaz Gadar was appointed as Chief Executive Officer on August 1, 2024.

*** Mr. Tariq Mairaj resigned from the Board on September 10, 2024, and Syed Imran Ali Shah was subsequently appointed on September 18, 2024.

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, 2025 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director



PERFORMANCE TABLE
Meezan Balanced Fund

	2025	2024	2023
Net assets (Rs. '000) (ex-distribution)	3,394,240	1,913,428	1,688,530
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	23.8078	18.3552	15.5966
Offer price per unit as at June 30, (Rs.) (ex-distribution)	24.3553	18.7700	15.9490
Highest offer price per unit (Rs.)	25.5724	22.8720	16.9640
Lowest offer price per unit (Rs.)	18.5783	15.9510	15.7470
Highest redemption price per unit (Rs.)	24.9975	22.3666	16.5891
Lowest redemption price per unit (Rs.)	18.1607	15.5985	15.3990
Distribution (%)		-	-
Interim	12.50	40.00	7.8000
Final		-	-
Date of distribution		-	-
Interim	27-Jun-25	28-Jun-25	27-Jun-23
Final		-	-
Income distribution (Rupees in '000)	117,550	321,582	81,963.0000
Growth distribution (Rupees in '000)		-	-
Total return (%)	36.60	43.38	4.87
	One Year	Two Years	Three Years
Average annual return as at June 30, 2025 (%)	36.60%	39.95%	27.12%

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 VIS & PACRA

EXPANDING FRONTIERS OF GROWTH

Meezan Asset Allocation Fund expands horizons by dynamically allocating investments across equities, fixed income and money market instruments.

MEEZAN

ASSET ALLOCATION FUND

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



FUND INFORMATION

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
Syed Amir Ali	Non-Executive Nominee Director- MBL
Syed Imran Ali Shah	Non-Executive Nominee Director- MBL

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Syed Haseeb Ahmed Shah

BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Ms. Ayesha Umer	Member
Syed Imran Ali Shah	Member

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. Al Baraka Bank Pakistan Limited
2. Bank Al Habib Limited - Islamic Banking
3. Bank Islami Pakistan Limited
4. Habib Metropolitan Bank Limited - Islamic Banking
5. Meezan Bank Limited
6. Dubai Islamic Bank Pakistan Limited



REPORT OF THE FUND MANAGER Meezan Asset Allocation Fund (MAAF)

Type of Fund

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

Objective

The objective of Meezan Asset Allocation Fund (MAAF) is to earn a potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instrument as permitted by the SECP and Shariah Advisor.

Investment Policy and Strategy

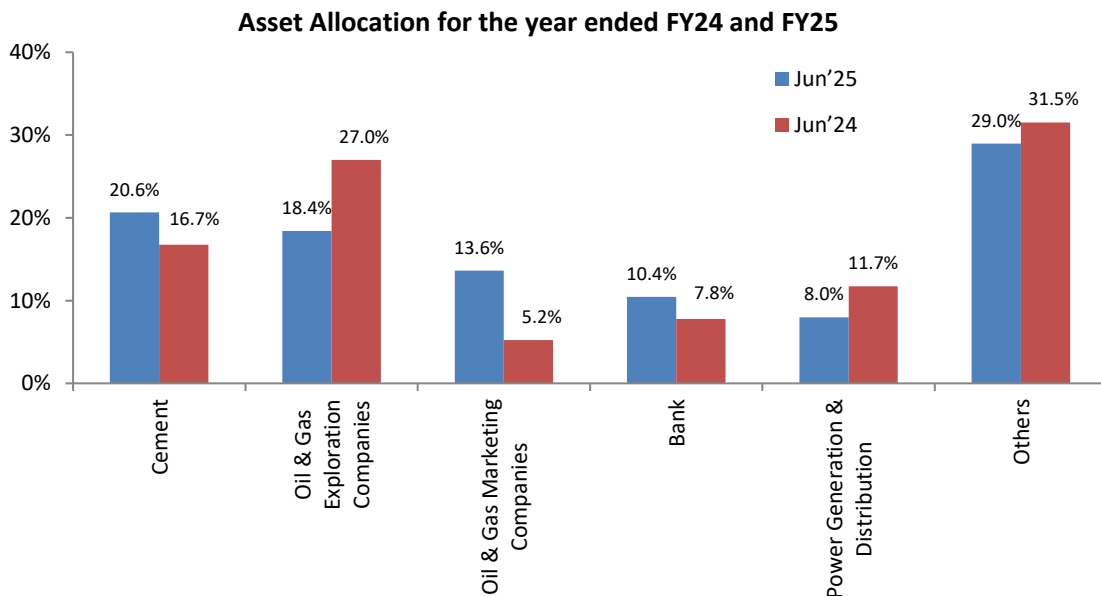
Based on the Fund Manager's outlook on asset classes, the allocation of the portfolio will actively be managed between the Equity asset classes and Fixed Income/Money Market asset classes in line with the macroeconomic view and outlook of such asset classes. For exposure to equities, this fund shall primarily be invested in Listed Islamic Equity while for exposure to Fixed Income/Money Market, the fund shall invest in Islamic Money Market and Islamic Fixed Income instruments as well as in Cash at Bank Accounts of Islamic Banks and licensed Islamic Banking windows of conventional Banks.

To comply with the regulatory limits enforced by the SECP, the fund can take a maximum exposure of up to 90% of its Net Assets in equity or fixed income; in case of an investment in REITs, a limit of 35% has been assigned by the regulator.

The fund manager looks to earn a higher than average return by actively managing the portfolio between equity and fixed income avenues in line with the movements of the stock market.

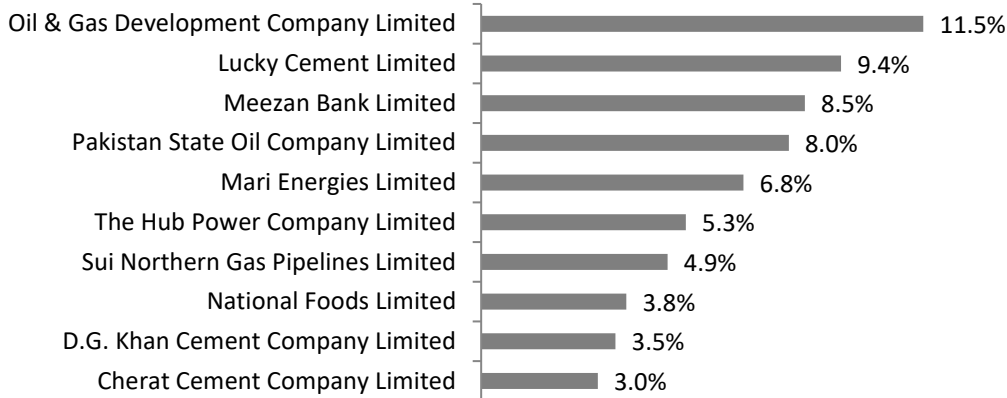
Asset Allocation

As on June 30, 2025, the fund's equity exposure was 86.81%, while 13.19% of the Net Assets was invested in bank deposits.





Top Holdings



Performance Review

During the fiscal year 2025, Meezan Asset Allocation Fund provided a positive return of 58.21% to its investors.

	MAAF	Benchmark
Net Asset Value as on June 30, 2024	60.70	26,424.26
Net Asset Value as on June 30, 2025	95.02	184,886.49
Change (Points)	34.32	58,462.23
Return During the Period - Net	58.21%	39.97%
Outperformance	18.24%	

Benchmark: Combination of KMI-30 Index, 75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on saving account of three (3) AA rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP, and 90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on saving account of three (3) AA rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP on the basis of actual proportion held by the CIS.

Meezan Asset Allocation Fund posted a total income of Rs. 216 million during FY25 as compared to total income of Rs. 190 million last year. Total income comprised of realized and unrealized income on investments of Rs. 135 million and Rs. 57 million respectively. Dividend income and profit on saving account with banks comprised of Rs. 19 million and 4 million respectively. After accounting for expenses of Rs. 23 million, the fund posted a net income of Rs. 193 million. The net assets of the Fund as at June 30, 2025 were Rs. 593 million as compared to Rs. 312 million at the end of last year depicting an increase of 90%.

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, 2025 an amount of Rs. 1 million was accrued as charity payable.



Distributions

There is an interim distribution of Rs. 1.00 per unit (2.00%) by the Fund during the year ended June 30, 2025. Total distribution made by the fund was Rs. 5 million.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size:

(As on June 30, 2025)

Range (Units)	No. of Investors
1 - 9,999	1,890
10,000 - 49,999	435
50,000 - 99,999	315
100,000 - 499,999	173
500,000 and above	159
Total	2,972

Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	5	5	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.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ASSET ALLOCATION 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 Asset Allocation 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, 2025 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 19, 2025

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

Report of the Shariah Advisor –Meezan Asset Allocation Fund (MAAF)

August 12, 2025/Safar 17, 1447 AH

Alhamdulillah, the period from July 1, 2024 to June 30, 2025 was the Ninth year of operations of Meezan Asset Allocation Fund (the “MAAF” 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, 2025 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 Asset Allocation 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, 2025**. 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, 2025) 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, 2025, 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, 2025, 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 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, 2025 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 25, 2025
Place: Karachi



INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Asset Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Asset Allocation Fund (the Fund / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, statement of movement 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, 2025, 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 the 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 (Refer notes 5 and 6 to the financial statements)	
	Balances with banks and investments constitute the most significant component of the net asset value. Balances with banks aggregated to Rs. 68.30 million and investments of the Fund amounted to Rs. 524.15 million as at June 30, 2025. The existence and proper valuation of investments and existence of balances with banks for the determination of NAV of the Fund as at June 30, 2025 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">▪ Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2025 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.



Other Information

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

Management is responsible for the preparation and fair presentation of these 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, management 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.

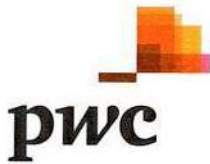
Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

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.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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, actions taken to eliminate threats or safeguards applied.

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 statements 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 Schemes and the financial statements prepared are in agreement with the books and records of the Collective Investment Schemes; and
- c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

A. F. Ferguson & Co.
Chartered Accountants
Dated: September 25, 2025
Karachi
UDIN: AR202510081bSRByPta1



**MEEZAN ASSET ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025**

Note	2025	2024
	----- (Rupees in '000) -----	
ASSETS		
Balances with banks	5 68,300	37,653
Investments	6 524,149	275,324
Receivable against conversion of units	3,619	46
Receivable against sale of investments	-	2,372
Dividend receivable	394	338
Profit receivable on savings accounts with banks	395	666
Advances, deposits and other receivables	7 6,534	3,582
Total assets	603,391	319,981
LIABILITIES		
Payable to AI Meezan Investment Management Limited - Management Company	8 497	635
Payable to Central Depository Company of Pakistan Limited - Trustee	9 110	87
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10 45	24
Payable to Meezan Bank Limited	109	35
Payable against redemption and conversion of units	3,368	-
Payable against purchase of investment	2,122	-
Dividend payable	29	1,591
Accrued expenses and other liabilities	11 4,174	5,213
Total liabilities	10,454	7,585
NET ASSETS	592,937	312,396
Unit holders' fund (as per statement attached)	592,937	312,396
Contingencies and commitments	12	
	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	6,240,023	5,146,238
	-----Rupees-----	
NET ASSET VALUE PER UNIT	95.0216	60.7038

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ASSET ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025	2024
		----- (Rupees in '000) -----	
INCOME			
Profit on savings accounts with banks		4,468	10,248
Dividend income		19,134	19,494
Net realised gain on sale of investments		134,988	92,755
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	57,114	67,044
Other income		17	-
Total income		215,721	189,541
EXPENSES			
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	6,458	5,664
Sindh sales tax on remuneration of the Management Company	8.2	969	736
Allocated expenses	8.4	266	239
Sindh sales tax on allocated expenses	8.2	40	-
Selling and marketing expenses	8.3	2,192	3,124
Sindh sales tax on selling and marketing expenses	8.2	329	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	897	729
Sindh sales tax on remuneration of the Trustee	9.2	135	95
Fees to the Securities and Exchange Commission of Pakistan	10.1	427	334
Brokerage expense		8,260	1,555
Charity expense	11.1	998	680
Auditors' remuneration	13	561	682
Printing charges		40	-
Fee and subscription charges		565	564
Bank and settlement charges		966	473
Legal and professional charges		73	-
Total expenses		23,176	14,875
Net income for the year before taxation		192,545	174,666
Taxation	15	-	-
Net income for the year after taxation		192,545	174,666
Allocation of net income for the year			
Net income for the year after taxation		192,545	174,666
Income already paid on units redeemed		(32,865)	(65,805)
		159,680	108,861
Accounting income available for distribution			
- Relating to capital gains		159,680	108,861
- Excluding capital gains		-	-
		159,680	108,861

The annexed notes from 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 ASSET ALLOCATION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024
	----- (Rupees in '000) -----	
Net income for the year after taxation	192,545	174,666
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>192,545</u>	<u>174,666</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ASSET ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	2025			2024		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Net assets at the beginning of the year	1,048,480	(736,084)	312,396	1,284,074	(830,087)	453,987
Issuance of 10,010,507 units (2024: 5,071,572 units)						
- Capital value (at net asset value per unit at the beginning of the year)	607,676	-	607,676	202,152	-	202,152
- Element of income	240,017	-	240,017	72,901	-	72,901
Total proceeds on issuance of units	847,693	-	847,693	275,053	-	275,053
Redemption of 8,916,722 units (2024: 11,314,894 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(541,279)	-	(541,279)	(451,010)	-	(451,010)
- Element of loss	(179,365)	(32,865)	(212,230)	(58,414)	(65,805)	(124,219)
Total payments on redemption of units	(720,644)	(32,865)	(753,509)	(509,424)	(65,805)	(575,229)
Total comprehensive income for the year	-	192,545	192,545	-	174,666	174,666
Distribution during the year	-	(4,637)	(4,637)	-	(14,858)	(14,858)
Refund of Capital	(1,551)	-	(1,551)	(1,223)	-	(1,223)
Net income for the year less distribution	(1,551)	187,908	186,357	(1,223)	159,808	158,585
Net assets at the end of the year	1,173,978	(581,041)	592,937	1,048,480	(736,084)	312,396
Accumulated losses brought forward						
- Realised loss		(803,128)			(825,269)	
- Unrealised income		67,044			(4,818)	
		<u>(736,084)</u>			<u>(830,087)</u>	
Accounting income available for distribution						
- Relating to capital gains		159,680			108,861	
- Excluding capital gains		-			-	
		<u>159,680</u>			<u>108,861</u>	
Distribution during the year @ Rs. 1.00 per unit declared on June 27, 2025 (2024: Rs. 3.25 per unit declared on June 28, 2024)		(4,637)			(14,858)	
Accumulated losses carried forward		<u>(581,041)</u>			<u>(736,084)</u>	
Accumulated losses carried forward						
- Realised loss		(638,155)			(803,128)	
- Unrealised income		57,114			67,044	
		<u>(581,041)</u>			<u>(736,084)</u>	
Net assets value per unit at the beginning of the year			(Rupees) 60.7038			(Rupees) 39.8599
Net assets value per unit at the end of the year			<u>95.0216</u>			<u>60.7038</u>

The annexed notes from 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 ASSET ALLOCATION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

Note	2025	2024
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	192,545	174,666
Adjustments for:		
Net unrealised appreciation on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.2 (57,114)	(67,044)
Dividend income	(19,134)	(19,494)
Profit on savings accounts with banks	(4,468)	(10,248)
	111,829	77,880
(Increase) / decrease in assets		
Investments - net	(187,217)	199,341
Advances, deposits and other receivables	(2,952)	1,500
	(190,169)	200,841
Increase / (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	(138)	(923)
Payable to Central Depository Company of Pakistan Limited - Trustee	23	1
Payable to the Securities and Exchange Commission of Pakistan (SECP)	21	(113)
Payable to Meezan Bank Limited	73	35
Accrued expenses and other liabilities	(1,037)	913
	(1,058)	(87)
Dividend received	19,077	19,872
Profit received on savings accounts with banks	4,739	10,344
	(55,582)	308,850
Net cash (used in) / generated from financing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units - net of refund of capital	842,569	274,385
Payment against redemption and conversion of units	(750,140)	(583,523)
Dividend paid	(6,199)	(13,525)
Net cash generated / (used in) from financing activities	86,229	(322,663)
Net increase/ (decrease) in cash and cash equivalents during the period	30,647	(13,813)
Cash and cash equivalents at beginning of the period	37,653	51,466
Cash and cash equivalents at end of the period	5.3 68,300	37,653

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

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

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN ASSET ALLOCATION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Asset Allocation Fund (the Fund) was established 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 November 25, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 16, 2015 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, 2021" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.3 The Fund is an open ended Shariah Compliant Asset Allocation Scheme. Units 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 listed on the Pakistan Stock Exchange Limited.

1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 31, 2024 (2024: 'AM1' dated December 31, 2024) and by PACRA dated May 15, 2025 (2024: 'AM1' dated June 21, 2024). The rating reflects the 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 in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

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, 2024. 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

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, 2025. However, these are not considered to be relevant or did 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) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and 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 with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

3.4 Critical accounting estimates and judgments

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

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

3.5 Accounting convention

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

3.6 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

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 (FVPL) 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 financial position at amortised cost.

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

4.1.3 Impairment

The fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. 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. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

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 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 the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of any duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

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

4.7 Distributions to unit holders

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

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

4.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

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

4.10 Revenue recognition

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

4.11 Treatment of Shariah non-compliant Income

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

4.12 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.

4.13 Taxation

Current

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. Provided that, 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.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

	Note	2025	2024
		(Rupees in '000)	
5 BALANCES WITH BANKS			
Balances with banks in:			
Current accounts	5.1	2,962	982
Savings accounts	5.2	65,338	36,671
		<u>68,300</u>	<u>37,653</u>
5.1	These include a balance of Rs. 802,195 (2024: 245,908) maintained with Meezan Bank Limited, a related party.		
5.2	This includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 3.25% (2024: 11.01%) per annum. Other balances in savings accounts have an expected profit ranging from 4.82% to 10.60% (2024: 8.0% to 19.51%) per annum.		
5.3 Cash and cash equivalents	Note	2025	2024
		(Rupees in '000)	
Balances with banks	5	<u>68,300</u>	<u>37,653</u>
6 INVESTMENTS			
Investment at 'fair value through profit or loss'			
Investment in Equity Securities - listed	6.1	<u>524,149</u>	<u>275,324</u>

6.1 Investments in equity securities - listed

Name of the investee company	As at July 1, 2024	Purchased during the year	Bonus / right issue / split of shares during the year	Sold during the year	As at June 30, 2025	Carrying value as at 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	Paid-up capital of investee company (with face value of investment)	Total market value of investments			
												%		
					(Number of shares)			(Rupees in '000)			%			
Automobile Assembler														
Sazgar Engineering Works Limited	2,500	5,000	-	7,500	-	-	-	-	-	-	-	-	-	-
Al-Ghazi Tractors Limited (Note 6.1.1)	-	13,000	-	13,000	-	-	-	-	-	-	-	-	-	-
Automobile Parts and Accessories														
Gandhara Tyre & Rubber Company Limited	-	175,000	-	175,000	-	-	-	-	-	-	-	-	-	-
Cement														
Attock Cement Pakistan Limited (Note 6.1.5)	100	52,000	-	32,100	20,000	5,800	5,852	52	0.99	0.01	1.12			
Cherat Cement Company Limited	59,595	245,199	-	241,500	63,294	17,933	18,374	441	3.10	0.03	3.51			
Fauji Cement Company Limited	120,000	1,959,000	-	2,079,000	-	-	-	-	-	-	-			
D.G. Khan Cement Company Limited	65,000	474,099	-	411,119	127,980	19,491	21,168	1,698	3.57	0.03	4.04			
Kohat Cement Company Limited (Note 6.1.5)	48,268	78,445	-	79,866	46,647	17,546	17,772	226	3.00	0.03	3.39			
Lucky Cement Limited (notes 6.1.1 and 6.1.2)	23,531	245,500	166,124	275,500	159,655	47,368	56,716	9,348	9.57	0.01	10.82			
Power Cement Limited	-	2,635,000	-	2,635,000	-	-	-	-	-	-	-			
Maple Leaf Cement Factory Limited	47,674	879,000	-	870,674	56,000	3,652	4,720	1,067	0.80	0.01	0.90			
									21.03	0.12	23.78			
Chemicals														
Lucky Core Industries Limited*	2,900	8,695	-	8,216	3,380	3,835	5,372	1,536	0.91	-	1.02			
Itehad Chemicals Limited	-	65,000	-	65,000	-	-	-	-	0.91	-	1.02			
Commercial Banks														
BankIslami Pakistan Limited	-	32,256	-	32,256	-	-	-	-	-	-	-			
Meezan Bank Limited (a related party)	103,798	542,900	-	493,000	153,698	38,703	51,035	12,333	8.61	0.01	9.74			
Faysal Bank Limited	-	338,000	-	166,000	172,000	9,987	11,992	2,004	2.02	0.01	2.29			
									10.63	0.02	12.03			
Engineering														
Crescent Steel and Allied Products	-	170,000	-	170,000	-	-	-	-	-	-	-			
International Steels Limited	-	50,000	-	50,000	-	-	-	-	-	-	-			
Fertilizer														
Engro Corporation Limited (Note 6.1.2 and 6.1.5)	31,515	85,000	-	116,515	-	-	-	-	-	-	-			
Engro Holding Limited	-	302,402	-	302,402	-	-	-	-	-	-	-			
Fauji Fertilizer Bin Qasim Limited	-	225,000	-	225,000	-	-	-	-	-	-	-			
Engro Fertilizers Limited	-	337,377	-	337,377	-	-	-	-	-	-	-			
Falima Fertilizer Company Limited*	-	120,000	-	117,000	3,000	280	298	18	0.05	-	0.06			
									0.05	-	0.06			
Food And Personal Care Products														
Al-Shaheer Corporation Limited	188	-	-	188	-	-	-	-	-	-	-			
Fauji Foods Limited	-	600,000	-	600,000	-	-	-	-	-	-	-			
National Foods Limited* (note 6.1.1)	-	75,000	-	5,000	70,000	20,232	22,906	2,674	3.86	-	4.37			
The Organic Meal Company Limited	112	-	-	112	-	-	-	-	-	-	-			
Treet Corporation Limited	-	668,000	-	668,000	-	-	-	-	-	-	-			
Barkat Frisian Agro Limited (note 6.1.1)	-	540,261	-	540,261	-	-	-	-	-	-	-			
									3.86	-	4.37			
Glass and Ceramics														
Ghani Glass Limited	-	150,000	-	150,000	-	-	-	-	-	-	-			
Tariq Glass Industries Limited	10,000	55,000	-	10,000	55,000	10,267	13,814	3,547	2.33	0.03	2.64			
									2.33	0.03	2.64			



Name of the investee company	As at July 1, 2024	Purchased during the year	Bonus / right shares	Sold / transfers during the year	As at June 30, 2025	Carrying value as at 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	Paid-up capital of investee company (with face value of investment)	Total market value of investments		
					(Number of shares)			(Rupees in '000)			%		
Oil And Gas Exploration Companies													
Mari Energies Limited (note 6.1.2 and 6.1.3)	11,163	297,446	64,768	242,636	130,741	39,191	41,358	2,167	6.98	0.01	7.89		
Oil and Gas Development Company Limited (note 6.1.2)	213,650	1,028,000	-	925,555	316,095	65,784	69,718	3,934	11.76	0.01	13.30		
Pakistan Petroleum Limited	231,841	764,000	-	995,841	-	-	-	-	-	-	-		
									18.74	0.02	21.19		
Oil And Gas Marketing Companies													
Attock Petroleum Limited	2,735	5,000	-	7,735	-	-	-	-	-	-	-		
Pakistan State Oil Company Limited	56,561	439,000	-	367,105	128,456	46,890	48,496	1,606	8.18	0.03	9.25		
Sui Northern Gas Pipelines Limited	99,336	960,462	-	808,000	251,798	27,912	29,387	1,475	4.96	0.04	5.61		
Sui Southern Gas Company Limited	-	1,700,000	-	1,600,000	100,000	4,250	4,279	29	0.72	0.01	0.82		
									13.86	0.08	15.68		
Miscellaneous													
Pakistan Aluminum Beverage Cans Limited (Note 6.1.5)	15,000	-	-	15,000	-	-	-	-	-	-	-		
									-	-	-		
Paper and Board													
Century Paper and Board Mills Limited	50,000	100,000	-	150,000	-	-	-	-	-	-	-		
Packages Limited	4,018	22,430	-	12,832	13,616	7,090	7,551	461	1.27	0.02	1.44		
									1.27	0.02	1.44		
Pharmaceuticals													
AGP Limited	-	145,000	-	108,000	37,000	6,859	7,066	206	1.19	0.01	1.35		
Citi Pharma Limited	-	81,000	-	47,000	34,000	3,270	2,855	(415)	0.48	0.01	0.54		
The Searle Company Limited	29,602	370,000	-	399,602	-	-	-	-	-	-	-		
Glaxosmithkline Pakistan Limited	-	30,000	-	30,000	-	-	-	-	-	-	-		
Haleon Pakistan Limited	-	42,013	-	36,035	5,978	4,673	4,402	(272)	0.74	0.01	0.84		
Highnoon Laboratories Limited	-	12,903	-	8,000	4,903	4,618	4,844	226	0.62	0.01	0.92		
									3.23	0.04	3.65		
Power Generation And Distribution													
The Hub Power Company Limited	211,797	1,293,334	-	1,271,000	234,131	31,492	32,266	774	5.44	0.02	6.16		
K-Electric Limited (note 6.1.1)	650,000	12,192,223	-	9,831,491	3,010,732	13,489	15,806	2,318	2.67	0.01	3.02		
									8.11	0.03	9.18		
Real Estate													
TPL REIT Fund I	54,000	-	-	54,000	-	-	-	-	-	-	-		
									-	-	-		
Refinery													
Attock Refinery Limited	3,000	78,000	-	66,000	15,000	10,141	10,191	50	1.72	0.01	1.94		
Pakistan Refinery Limited	25,000	-	-	25,000	-	-	-	-	-	-	-		
Energycio PK Limited	121,400	2,868,000	-	2,989,400	-	-	-	-	-	-	-		
									1.72	0.01	1.94		
Technology and Communication													
Air Link Communication Limited (Note 6.1.5)	30,000	45,000	-	75,000	-	-	-	-	-	-	-		
Supernet Limited	554,500	295,453	-	450,491	399,462	6,280	15,891	9,610	2.68	0.29	3.03		
NetSol Technologies Limited	-	15,000	-	15,000	-	-	-	-	-	-	-		
Systems Limited (Note 6.1.1)	37,609	108,090	-	145,699	-	-	-	-	-	-	-		
									2.68	0.29	3.03		
Cable & Electrical Goods													
Pak Elektron Limited	-	360,000	-	360,000	-	-	-	-	-	-	-		
									-	-	-		
Textile Composite													
Interloop Limited	91,625	-	-	91,625	-	-	-	-	-	-	-		
									-	-	-		
Total as at June 30, 2025					467,035	524,149	57,114	88.42					
Total as at June 30, 2024					208,280	275,324	67,044	88.14					

* 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 the investee company	Nominal value per share as on June 30, 2025 (Rs.)	Subdivision of share during the year	Additional shares received on account of subdivision of shares during the year
National Foods Limited	5.00	-	-
Al-Ghazi Tractors	5.00	-	-
K-Electric Limited	3.50	-	-
Lucky Cement Limited	2.00	On April 28, 2025 from Rs .10/- to Rs .2/- per share	12,756,404
Systems Limited	2.00	On June 2, 2025 from Rs .10/- to Rs .2/- per share	16,214,180
Barkat Frisian Agro Limited	1.00	-	-

6.1.2 Investments include 25,000 shares of Supernet Limited 8,100 shares of Lucky Cement Limited, 20,000 shares of Mari Energies Limited and 50,000 shares of Oil and Gas Development Company Limited, having market value of Rs. 0.995, Rs. 2.877 million, Rs. 12.538 million and Rs. 11.028 million respectively as at June 30, 2025 (June 30, 2024: 9,540 shares of Engro Corporation Limited and 140,000 shares of Oil and Gas Development Company Limited, having market value of Rs.3.174 million and Rs.18.952 million respectively) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

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

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

During the year, Mari Energies Limited (formerly Mari Petroleum Company Limited) has withheld 6,477 shares from the bonus shares issued to the Fund. The market value of bonus shares withheld amounts to Rs. 4.06 million as at June 30, 2025.

6.1.4 During the year, Engro Corporation Limited (ENGRO) has been merged with and into Engro Holdings Limited (ENGROH) (formerly known as Dawood Hercules Corporation Limited), upon sanction by the Honourable Islamabad High Court on July 18, 2024. In accordance with the Scheme of Arrangement, and in consideration for the merger in terms thereof, ENGROH will allot and issue ordinary shares of ENGROH to the ENGRO shareholders (being the members of ENGRO, other than ENGROH and its nominees, if any), based on a swap ratio of 2.24407865 ENGROH shares for each ordinary share held by them (subject to the adjustment of fractional shares), in the manner detailed in the Scheme.

As a result of the above arrangement, the Fund received 106,402 shares of Engro Holdings Limited in lieu of 47,415 shares of Engro Corporation Limited based on the ratio of DH Corp (renamed as Engro Holdings Limited) Shares to Engro Corp Shares Under the Scheme (i.e. 2.24407865).

6.1.5 On June 02, 2025, Pakistan Stock Exchange (PSX) issued a notice no PSX/N-570 regarding the recomposition exercise carried out by PSX on KMI All Share Islamic Index. In the stated notice, Attock Cement Limited, Kohat Cement Company Limited, AirLink Communication Limited, and Pakistan Aluminium Beverage Cans Limited were declared as non-compliant of the Index and hence are considered to be the non-compliant investments as at June 30, 2025. However, these shares were 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. The Fund is required to disclose the shariah non-compliant investments in accordance with the additional disclosure requirements enacted vide SECP's S.R.O.600(I)/2025 dated April 10, 2025.

	Note	2025 (Rupees in '000)	2024
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	524,149	275,324
Less: carrying value of investments	6.1	(467,035)	(208,280)
		<u>57,114</u>	<u>67,044</u>
7 ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Security deposit with:			
- Central Depository Company of Pakistan Limited (CDC)		100	100
- National Clearing Company of Pakistan Limited (NCCPL)		1,012	1,012
Advance tax	7.1	2,470	2,470
Receivable against withholding on bonus shares	7.2	2,952	-
		<u>6,534</u>	<u>3,582</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2024, withholding tax on dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on dividends amounts to Rs. 2.470 million (2024: Rs. 2.470 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2025 in the opinion of the Management Company, the amount of tax deducted at source will be refunded.

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

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

During the year ended June 30, 2020, the CISs 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, 2025, the Fund has recorded an amount of Rs. 2.952 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- MANAGEMENT COMPANY	Note	2025 (Rupees in '000)	2024
	Management remuneration payable	8.1	201	83
	Sindh sales tax payable on remuneration of the Management Company	8.2	30	11
	Sales load payable		231	66
	Sindh sales tax payable on sales load		35	9
	Selling and marketing expenses payable	8.3	-	466
			497	635

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 subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates per annum of the average annual net assets of the Fund during the year ended June 30, 2025:

Rate applicable from May 19, 2024 to June 30, 2025	Rate applicable from July 1, 2024 to May 18, 2025	Rate applicable from April 1, 2024 to June 30, 2024	Rate applicable from July 1, 2023 to March 31, 2024
2.5% of the average annual net assets of the fund	2.0% of the average annual net assets of the fund	2.0% of the average annual net assets of the fund	1.5% of the average annual net assets of the fund

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

During the year ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, introduced the management fee cap of 3% to be calculated on a per annum basis of the average daily net assets, applicable to an "Equity Scheme". This revision is effective from July 1, 2025. As at June 30, 2025 the Fund is not subject to a management fee cap.

8.2 Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of Management Company has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

Further, Sindh sales tax at the rate of 15% has also been levied on any reimbursable expenditure to the Management Company effective July 1, 2024 vide Sindh Finance Act, 2024.

8.3 In accordance with Circular 11 dated July 5, 2019 issued by the SECP with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the following rates during the year ended June 30, 2025 while keeping in view the overall return and Total Expense Ratio limit of the Fund as defined under the NBFC Regulations.

Rate applicable from January 1, 2025 to May 18, 2025	Rate applicable from August 19, 2024 to December 31, 2024	Rate applicable from July 1, 2024 to August 18, 2024	Rate applicable from April 1, 2024 to June 30, 2024	Rate applicable from July 1, 2023 to March 31, 2024
0.44% of the average annual net assets of the fund	0.8% of the average annual net assets of the fund	0.5% of the average annual net assets of the fund	0.5% of the average annual net assets of the fund	1% of the average annual net assets of the fund

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has 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 has been excluded. This amendment was effective immediately upon its release on April 10, 2025, except where a later date was explicitly approved by SECP.

8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses for registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its own discretion, has charged such expenses at the following rates during the year ended June 30, 2025, subject to total expense charged being lower than actual expense incurred:

Rate applicable from July 1, 2024 to May 18, 2025	Rate applicable from February 1, 2024 to June 30, 2024	Rate applicable from July 1, 2023 to January 31, 2024
0.07% of the average annual net assets of the fund	0.0% of the average annual net assets of the fund	0.11% of the average annual net assets of the fund

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to registrar services, accounting, operation and valuation services has been excluded. This amendment was effective immediately upon its release on April 10, 2025, except where a later date was explicitly approved by SECP.

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2025 (Rupees in '000)	2024
Trustee remuneration payable	9.1	96	77
Sindh sales tax payable on trustee remuneration	9.2	14	10
		<u>110</u>	<u>87</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	0.2% per annum of net assets.
Over Rs. 1 billion	Rs. 2 million plus 0.1% per annum of net assets exceeding Rs. 1 billion.

9.2 Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of the Trustee has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2025 (Rupees in '000)	2024
Fee payable	10.1	<u>45</u>	<u>24</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 (2024: 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	2025 (Rupees in '000)	2024
Auditor's remuneration payable		585	571
Brokerage payable		545	401
Shariah advisor fee payable		413	432
Charity payable	11.1	884	667
Withholding tax payable		755	2,475
Provision for federal excise duty on:			
- Remuneration of the Management Company	11.2	482	482
- Sales load	11.2	145	145
Capital gain tax payable		352	37
Other payable		13	3
		<u>4,174</u>	<u>5,213</u>

11.1 According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund. Accordingly, during the year ended June 30, 2025, Shariah non-compliant income amounting to Rs. 0.998 million (2024 : Rs. 0.680 million) was charged as charity expense and Rs. 0.781 million was disbursed to following charitable / welfare organisations respectively:

During the year ended June 30, 2025, Non-Shariah Compliant income amounting to Rs 0.998 million (2024: Rs 0.680 million) was charged as an expense in the books of the Fund, and Rs.0.781 million was disbursed to following charitable welfare organisations respectively:

S. No.	Charitable Organisations	Amount Rupees in '000
1	Afzaal Memorial Thalassemia Foundation	667
2	Moulana Tariq Jamil Foundation	99
3	The Hunar Foundation	15
	Total	<u>781</u>

- 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 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 0.627 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 0.10 (June 30, 2024: Rs.0.03) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2025 and June 30, 2024.

	2025	2024
	(Rupees in '000)	
13 AUDITORS' REMUNERATION		
Annual audit fee	309	226
Fee for half yearly review of condensed interim financial statements	194	101
Fee for other certifications	-	46
Out of pocket expenses and sindh sales tax	58	258
	561	631

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 5.17% (2024: 4.23%) which includes government levies which is 0.69% (2024: 0.33%) such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Asset Allocation scheme'.

During the year ended June 30, 2025, the SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the TER limit with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 8.1 of these financial statements.

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, 2025 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 16.1 Connected persons / related parties include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, other collective investment schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 16.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 16.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.
- 16.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 16.5 Allocated expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 16.6 The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

Balances as at year end	2025	2024
	(Rupees in '000)	
Al Meezan investment Management Company (Management Company)		
Remuneration payable to the Management Company	201	83
Sindh sales tax payable on remuneration of the Management Company	30	11
Sales load payable	231	66
Sindh sales tax on sales load	35	9
Selling and marketing expenses payable	-	466
Central Depository Company Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	96	77
Sindh sales tax on remuneration of the Trustee	14	10
Deposits	100	100
Meezan Bank Limited		
Sales load payable	95	31
Sindh Sales tax on sales load payable	14	4
Bank balance	28,935	7,751
Profit receivable on savings account	190	118
Investment in 153,698 shares (June,30 2024: 103,798 shares)	51,035	24,848
Shariah Advisor fee payable	413	432
National Clearing Company of Pakistan Limited		
Security deposit with National Clearing Company of Pakistan Limited	1,012	1,012
Directors and their close family members and key management personnel of the Management Company		
Investments of 4,044 units (June 30, 2024: Nil units)	384	-
Unit holders holding 10% or more of units of the Fund		
Investment of 1,586,263 units (June 30, 2024: 1,569,589 units)	150,729	95,280



Transactions during the year

	2025	2024
	(Rupees in '000)	
Al Meezan Investment Management Company (Management Company)		
Remuneration to the Management Company	6,458	5,664
Sindh sales tax on remuneration of the Management Company	969	736
Allocated expenses	266	239
Sindh Sales Tax on Allocated Expense	40	-
Selling and marketing expenses	2,192	3,124
Sindh Sales Tax on Selling and Marketing Expenses	329	-
Units issued: 359,777 units (2024: Nil units)	30,000	-
Units redeemed: 359,777 units (2024: Nil units)	30,245	-
Units issued to unitholder on behalf of the Management Company	2,266	-
Central Depository Company Pakistan Limited (Trustee)		
Remuneration of the Trustee	897	729
Sindh Sales Tax on remuneration of the Trustee	135	95
CDS charges	184	46
Meezan Bank Limited		
Profit on savings account	806	884
Purchase 542,900 shares (2024: 23,722 shares)	131,898	5,094
Sale 493,000 shares (2024: 256,607 shares)	120,842	35,717
Dividend income	4,025	3,247
Shariah Advisor fee	533	533
National Clearing Company of Pakistan Limited		
NCCPL charges	577	386
Ghandhara Tyre and Rubber Company		
Purchase 175,000 shares (2024: Nil shares)	7,631	-
Sale 175,000 shares (2024: Nil shares)	8,186	-
Engro Fertilizers Limited*		
Shares purchased: 297,377 shares (2024: 168,000 shares)	60,271	16,371
Shares sold: 297,377 shares (2024: 222,348 shares)	62,672	24,449
Dividend Income	1,088	1,184
Directors and their close family members and key management personnel of the Management Company		
Issuance of 339,089 units (2024: 148 units)	30,955	7
Redemption of 335,043 units (2024: 144 units)	31,179	8
Dividend paid	4	-
Unit holders holding 10% or more of units of the Fund		
Issuance of 16,674 units (2024: 68,287 units)	1,712	4,879
Dividend paid	1,336	4,879

* Current year balance has not been presented as the person was not classified as a related party / connected person of the Fund with effect from March 24, 2025. However, transactions with this related party till this date have been accordingly disclosed.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2025		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Balances with banks	68,300	-	68,300
Investments	-	524,149	524,149
Receivable against conversion of units	3,619	-	3,619
Dividend receivable	394	-	394
Profit receivable on saving accounts with banks	395	-	395
Deposits and other receivable	1,112	-	1,112
	<u>73,820</u>	<u>524,149</u>	<u>597,969</u>



2025		
At amortised cost	At fair value through profit or loss	Total

(Rupees in '000)

Financial liabilities

Payable to AI Meezan Investment Management Company- Management Company	497	-	497
Payable to Central Depository Company Of Pakistan Limited - Trustee	110	-	110
Payable against redemption and conversion of units	3,368	-	3,368
Payable to Meezan Bank Limited	109	-	109
Payable against purchase of investment	2,122	-	2,122
Dividend payable	29	-	29
Accrued expenses and other liabilities	1,556	-	1,556
	<u>7,791</u>	<u>-</u>	<u>7,791</u>
	<u>66,029</u>	<u>524,149</u>	<u>590,178</u>

2024		
At amortised cost	At fair value through profit or loss	Total

Rupees in '000

Financial assets

Balances with banks	37,653	-	37,653
Investments	-	275,324	275,324
Receivable against conversion of units	46	-	46
Dividend receivable	338	-	338
Receivable against sale of investments	2,372	-	2,372
Profit receivable on saving accounts with banks	666	-	666
Advances, deposits and other receivables	1,112	-	1,112
	<u>42,187</u>	<u>275,324</u>	<u>317,511</u>

Financial liabilities

Payable to AI Meezan Investment Management Company- Management Company	635	-	635
Payable to Central Depository Company Of Pakistan Limited - Trustee	87	-	87
Payable against redemption and conversion of units	-	-	-
Payable to Meezan Bank Limited	35	-	35
Dividend payable	1,591	-	1,591
Accrued expenses and other liabilities	2,071	-	2,071
	<u>4,419</u>	<u>-</u>	<u>4,419</u>

Net financial assets

	<u>37,768</u>	<u>275,324</u>	<u>313,092</u>
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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 and regulations laid down by the SECP.

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2025, 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 / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.65 million (2024: Rs. 0.37 million).

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:

2025						
Effective Yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
Rupees in '000						
Financial assets						
Balances with banks	3.25% to 10.60%	65,338	-	-	2,962	68,300
Investments		-	-	-	524,149	524,149
Receivable against conversion of units		-	-	-	3,619	3,619
Dividend receivable		-	-	-	394	394
Receivable against sale of investments		-	-	-	-	-
Profit receivable on savings accounts with banks		-	-	-	395	395
Deposits and other receivable		-	-	-	1,112	1,112
		65,338	-	-	532,631	597,969
Financial liabilities						
Payable to Al Meezan Asset Management Company - Management Company		-	-	-	497	497
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	110	110
Payable against redemption and conversion of units		-	-	-	3,368	3,368
Payable to Meezan bank Limited		-	-	-	109	109
Payable against purchase of investment		-	-	-	2,122	2,122
Dividend payable		-	-	-	29	29
Accrued expenses and other liabilities		-	-	-	1,556	1,556
		-	-	-	7,791	7,791
On-balance sheet gap (a)		65,338	-	-	524,840	590,178
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a + b)		65,338	-	-		
Cumulative profit rate sensitivity gap		65,338	65,338	65,338		

2024					
Effective Yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

Rupees in '000

Financial assets						
Balances with banks	8.00% to 19.51%	36,671	-	-	982	37,653
Investments		-	-	-	275,324	275,324
Receivable against conversion of units		-	-	-	46	46
Dividend receivable		-	-	-	338	338
Receivable against sale of investments		-	-	-	2,372	2,372
Profit receivable on savings accounts with banks		-	-	-	666	666
Advances, deposits and other receivable		-	-	-	1,112	1,112
		36,671	-	-	280,840	317,511
Financial liabilities						
Payable to Al Meezan Asset Management Company - Management Company		-	-	-	635	635
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	87	87
Payable against redemption and conversion of units		-	-	-	-	-
Payable to Meezan bank Limited		-	-	-	35	35
Dividend payable		-	-	-	1,591	1,591
Accrued expenses and other liabilities		-	-	-	2,071	2,071
		-	-	-	4,419	4,419
On-balance sheet gap (a)		<u>36,671</u>	<u>-</u>	<u>-</u>	<u>276,421</u>	<u>313,092</u>
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a + b)		<u>36,671</u>	<u>-</u>	<u>-</u>		
Cumulative profit rate sensitivity gap		<u>36,671</u>	<u>36,671</u>	<u>36,671</u>		

(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.

In case of 1% increase / decrease in KMI All Share index on June 30, 2025, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 5.241 million (2024: Rs. 2.753 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI All Share Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI All Share Index.

18.2 Liquidity risk

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

The Fund is exposed to daily 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 ended June 30, 2025.

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:

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	68,300	-	-	-	-	68,300
Investments	-	-	-	-	524,149	524,149
Receivable against conversion of units	3,619	-	-	-	-	3,619
Dividend receivable	394	-	-	-	-	394
Profit receivable on savings accounts with banks	395	-	-	-	-	395
Deposits and other receivable	-	-	-	-	1,112	1,112
	72,708	-	-	-	525,261	597,969

Financial liabilities

Payable to Al Meezan Management Company Limited- Management Company	497	-	-	-	-	497
Payable to Central Depository Company of Pakistan Limited - Trustee	110	-	-	-	-	110
Payable against redemption and conversion of units	3,368	-	-	-	-	3,368
Payable to Meezan Bank Limited	109	-	-	-	-	109
Payable against purchase of investment	2,122	-	-	-	-	2,122
Dividend payable	29	-	-	-	-	29
Accrued expenses and other liabilities	558	585	413	-	-	1,556
	6,793	585	413	-	-	5,669

Net financial assets / (liabilities)

	65,915	(585)	(413)	-	-	525,261	592,300
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2024						
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	37,653	-	-	-	-	37,653
Investments	-	-	-	-	275,324	275,324
Receivable against conversion of units	46	-	-	-	-	46
Dividend receivable	338	-	-	-	-	338
Receivable against sale of investments	2,372	-	-	-	-	2,372
Profit receivable on savings accounts with banks	666	-	-	-	-	666
Deposits and other receivable	-	-	-	-	1,112	1,112
	41,075	-	-	-	276,436	317,511

Financial liabilities

Payable to Al Meezan Management Company Limited- Management Company	635	-	-	-	-	635
Payable to Central Depository Company of Pakistan Limited - Trustee	87	-	-	-	-	87
Payable against redemption and conversion of units	-	-	-	-	-	-
Payable to Meezan Bank Limited	35	-	-	-	-	35
Dividend payable	1,591	-	-	-	-	1,591
Accrued expenses and other liabilities	1,068	571	432	-	-	2,071
	1,825	571	432	-	-	4,419

Net financial assets / (liabilities)

	39,250	(571)	(432)	-	-	276,436	313,092
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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:

	2025		2024	
	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	68,300	68,300	37,653	37,653
Investments	524,149	-	275,324	-
Receivable against conversion of units	3,619	3,619	46	46
Receivable against sale of investments	-	-	2,372	2,372
Dividend receivable	394	394	338	338
Profit receivable on savings accounts with banks	395	395	666	666
Deposits and other receivable	1,112	1,112	1,112	1,112
	597,969	73,820	317,511	42,187

The maximum exposure to credit risk before any credit enhancement as at June 30, 2025 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 profit receivable thereon. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2025	2024
AAA	42.40	20.65
AA+	55.09	58.98
AA	0.08	0.12
A+	0.00	20.25
AA-	2.43	0.00
	<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, 2025 and June 30, 2024 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 tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

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, 2025 and June 30, 2024, the Fund held the following financial instruments measured at fair values:

	2025		
	Level 1	Level 2	Level 3
Financial assets 'at fair value through profit or loss'	(Rupees in '000)		
Shares of listed companies - 'ordinary shares'	524,149	-	-

	2024		
	Level 1	Level 2	Level 3
Financial assets 'at fair value through profit or loss'	(Rupees in '000)		
Shares of listed companies - 'ordinary shares'	275,324	-	-

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 has historically maintained and complied with the requirement of minimum fund size at all times.

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

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

21 UNIT HOLDING PATTERN OF THE FUND

Category	2025			2024		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investments %	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investments %
Individuals	2,937	514,123	86.71	1,046	256,923	82.24
Public / Private Limited Companies	5	14,292	2.41	2	9,144	2.93
Retirement Funds	18	55,873	9.42	5	41,856	13.40
Others	12	8,649	1.46	1	4,474	1.43
	<u>2,972</u>	<u>592,937</u>	<u>100</u>	<u>1,054</u>	<u>312,396</u>	<u>100</u>

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2025		2024	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Standard Capital Sec (Private) Limited	10.46%	Taurus Securities Limited	10.57%
Taurus Securities Limited	8.96%	BMA Capital Management Limited	9.57%
Ismail Iqbal Securities (Private) Limited	6.15%	JS Global Capital Limited	8.94%
JS Global Capital Limited	5.35%	Topline Securities Limited	5.89%
Aba Ali Habib Securities (Pvt) Limited	4.89%	Optimus Capital Management (Private) Limited	4.51%
Next Capital Limited	4.82%	Arif Habib Limited	4.38%
Chase Securities Pakistan (Pvt.) Limited	4.42%	Standard Capital Securities (Private) Limited	4.35%
AKJK Capital Private Limited	4.22%	Ismail Iqbal Sec (Private) Limited	4.16%
Rafiq Securities	4.16%	Darson Securities Limited	3.74%
Fawad Yousuf Securities	3.97%	Multiline Securities Limited	3.24%

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

23.1	Name	Designation	Qualifications	Overall experience
	Mr. Imtiaz Gadar, CFA	Chief Executive Officer	CFA / MBA	Twenty Two years
	Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Nine years
	Mr. Ahmed Hassan	Head of Equity	CFA / MBA	Eighteen years
	Ms. Amreen Soorani	Head of Research	FCCA	Fifteen years
	Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Eighteen years
	Mr. Asif Imtiaz	VP Investments	CFA / MBA	Seventeen years
	Mr. Akhtar Munir	Head of Risk Management	CFA / FRM, ACCA, FCMA & MBA	Twelve years
	Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Sixteen years

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

- Meezan Balanced Fund;
- KSE Meezan Index Fund;
- Meezan Financial Planning Fund of Fund;
- Meezan Strategic Allocation Fund;
- Meezan Strategic Allocation Fund-II;
- Meezan Strategic Allocation Fund-III; and
- Meezan Dedicated Equity Fund.

24 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Directors	Designation	Meeting held on				
		August 19, 2024	September 27, 2024	October 10, 2024	February 07, 2025	April 18, 2025
Mr. Irfan Siddiqui	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Ahmed Iqbal Rajani*	Non-Executive	Yes	Yes	Yes	N/A	N/A
Ms. Ayesha Umer*	Non-Executive	N/A	N/A	N/A	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Imtiaz Gadar**	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes
Mr. Saad Ur Rahman Khan	Non-Executive	Yes	Yes	Yes	Yes	Yes
Ms. Shazia Khurram	Non-Executive	Yes	Yes	No	Yes	Yes
Syed Amir Ali	Non-Executive	Yes	Yes	Yes	Yes	Yes
Syed Imran Ali Shah***	Non-Executive	N/A	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj***	Non-Executive	Yes	N/A	N/A	N/A	N/A

* Mr. Ahmed Iqbal Rajani resigned from the Board on January 13, 2025, and Ms. Ayesha Umer was subsequently appointed on February 3, 2025

** Mr. Imtiaz Gadar was appointed as Chief Executive Officer on August 1, 2024.

*** Mr. Tariq Mairaj resigned from the Board on September 10, 2024, and Syed Imran Ali Shah was subsequently appointed on September 18, 2024.

25 GENERAL

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

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on August 18, 2025.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



PERFORMANCE TABLE

Meezan Asset Allocation Fund

	2025	2024	2023
Net assets (Rs. '000) (ex-distribution)	592,937	312,396	453,987
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	95.0216	60.7038	39.8599
Offer price per unit as at June 30, (Rs.) (ex-distribution)	98.2998	62.7616	41.2111
Highest offer price per unit (Rs.)	98.9576	66.6224	43.7888
Lowest offer price per unit (Rs.)	60.3763	41.2082	38.6005
Highest redemption price per unit (Rs.)	95.6575	64.4380	42.3531
Lowest redemption price per unit (Rs.)	58.3628	39.8571	37.3349
Distribution (%)		-	-
Interim	2.00%	6.50%	0.58%
Final		-	-
Date of distribution		-	-
Interim	27-Jun-25	28-Jun-24	27-Jun-23
Final		-	-
Income distribution (Rupees in '000)	4637	14,858	3286
Growth distribution (Rupees in '000)		-	-
Total return (%)	58.21	60.44	0.35
	One Year	Two Years	Three Years
Average annual return as at June 30, 2025 (%)	58.21%	59.32%	36.57%

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

ADAPTIVE CONSTELLATIONS OF VALUE

The Meezan Dynamic Asset Allocation Fund, through its Dividend Yield Plan, creates a horizon of consistent value.

MEEZAN

DYNAMIC ASSET ALLOCATION FUND

The Investment Objective of Meezan Dividend Yield Plan (MDYP) is to provide competitive returns through investments in dividend yielding Shariah Compliant equity securities, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instrument as permitted by the SECP and Shariah Advisor.



FUND INFORMATION

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
Syed Amir Ali	Non-Executive Nominee Director- MBL
Syed Imran Ali Shah	Non-Executive Nominee Director- MBL

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Syed Haseeb Ahmed Shah

BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Ms. Ayesha Umer	Member
Syed Imran Ali Shah	Member

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

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

SHARIAH AUDITORS

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

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. Al Baraka Bank Pakistan Limited
2. Meezan Bank Limited
3. UBL Ameen - Islamic Banking
4. Habib Bank Limited - Islamic Banking



REPORT OF THE FUND MANAGER Meezan Dividend Yield Plan (MDYP) (Managed under Meezan Dynamic Asset Allocation Fund – MDAAF)

Type of Fund

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

Objective

The Investment Objective of Meezan Dividend Yield Plan (MDYP) is to provide competitive returns through investments in dividend yielding Shariah Compliant equity securities, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instrument as permitted by the SECP and Shariah Advisor.

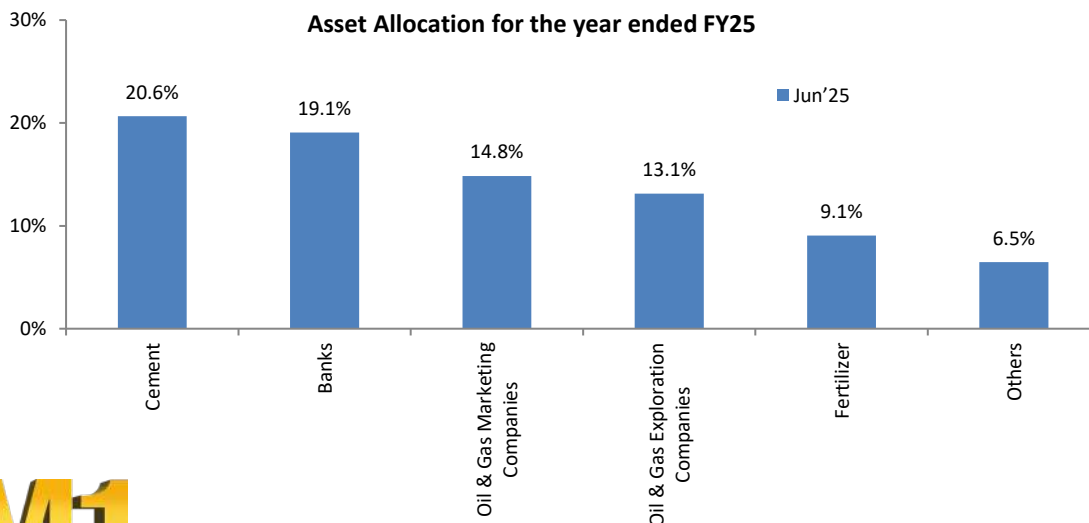
Investment Policy and Strategy

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

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

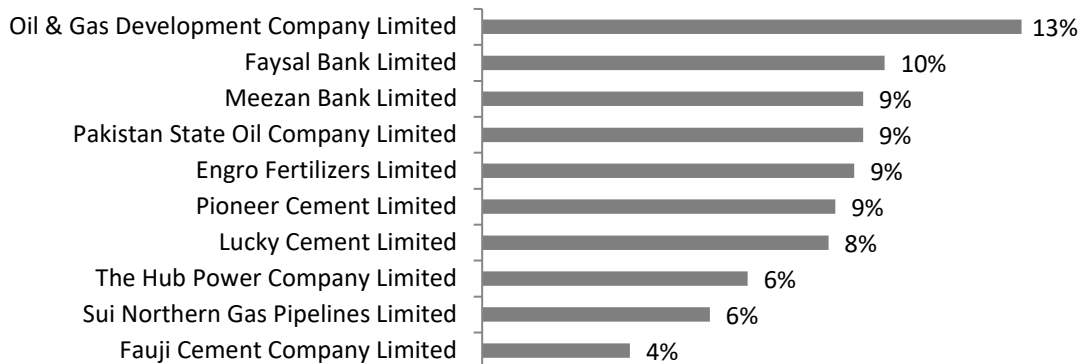
Asset Allocation

As on June 30, 2025, the fund's equity exposure was 83.23%, while 16.77% of the Net Assets was invested in bank deposits.





Top Holdings



Performance Review

During the fiscal year 2025, Meezan Dividend Yield Plan managed under Meezan Dynamic Asset Allocation Fund provided a positive return of 45.92% to its investors for the year ended June 30, 2025 as compared to its benchmark return of 42.53%

Launched date August 28, 2024

	MAAF	Benchmark
Net Asset Value as on August 28, 2024	50.00	
Net Asset Value as on June 30, 2025	67.82	
Change (Points)	17.82	
Return During the Period - Net	45.92%	42.53%
Outperformance	3.39%	

Benchmark: Combination of KMI-30 Index, 75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on saving account of three (3) AA rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP, and 90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on saving account of three (3) AA rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP on the basis of actual proportion held by the CIS.

Meezan Dividend Yield Plan Managed under Meezan Dynamic Asset Allocation Fund posted a total income of Rs. 77 million during FY25. Total income comprised of realized and unrealized income on investments of Rs. 42 million and Rs. 20 million respectively. Dividend income and profit on saving account with banks comprised of Rs. 13 million and 2 million respectively. After accounting for expenses of Rs. 11 million, the fund posted a net income of Rs. 66 million. The net assets of the Fund as at June 30, 2025 were Rs. 293 million. The net asset value per unit as at June 30, 2025 was Rs. 67.8166 as compared to Rs. 50.0000 per unit as on August 28, 2024.

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



Charity Statement

The Fund purifies the income earned by setting aside an amount payable by the Management Company out of the income of the Trust to charitable/ welfare organizations, in consultation with Shariah Advisor, representing income that is Haram. During the year ended June 30, 2025 an amount of Rs. 0.39 million was accrued as charity payable.

Distributions

There is an interim distribution of Rs. 5.0394 per unit (10.08%) by the Fund during the year ended June 30, 2025. Total distribution made by the fund was Rs. 5.73 million.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size:

(As on June 30, 2025)

Range (Units)	No. of Investors
1 - 9,999	219
10,000 - 49,999	168
50,000 - 99,999	144
100,000 - 499,999	79
500,000 and above	77
Total	687

Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	0	0	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 Shakra-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

MEEZAN DYNAMIC ASSET ALLOCATION 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 Dynamic Asset Allocation 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 period from August 29, 2024 to June 30, 2025 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 19, 2025

Dr. Muhammad Imran Usmani

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Korangi Industrial Area Karachi, Pakistan
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Tel: +92 21 35123225
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Dynamic Asset Allocation Fund (MDAAF)

August 12, 2025/Safar 17, 1447 AH

Alhamdulillah, the period from August 28, 2024 to June 30, 2025 was the First year of operations of Meezan Dynamic Asset Allocation Fund (the “MDAAF” 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 polices 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, 2025 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 Dynamic Asset Allocation 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, 2025**. 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, 2025) 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, 2025, 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, 2025, 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 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, 2025 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 25, 2025

Place: Karachi

INDEPENDENT AUDITOR'S REPORT
To the unit holders of Meezan Dynamic Asset Allocation Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Meezan Dynamic Asset Allocation Fund (the Fund)**, which comprise the statement of assets and liabilities as at **June 30, 2025**, and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of 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, 2025, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and Al Meezan Investment Management limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the Code) as adopted by the Institute of Chartered Accountants of Pakistan 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 matter

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 year.

This matter was 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 this matter.

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Valuation and existence of investment</p> <p>Valuation and existence of investment</p> <p>As disclosed in note 6 to the financial statements, the investments held by the Fund amounts to Rs. 248,770 million as at June 30, 2025.</p> <p>The total investment amount is the significant account balance on the statement of assets and liabilities. This is one of the main drivers of the Fund's performance and thus risk exists on this balance. The Fund invests primarily in units of mutual funds and there is a risk that these investments are incorrectly valued.</p>	<p>In this respect, we performed the following procedures:</p> <ul style="list-style-type: none"> reviewed the processes and key controls relating to existence and valuation; independently verified existence of investments in Shares through confirmation from Central Depository Company (CDC) as a trustee; tested valuation of investments in Shares held as at June 30, 2025 by verifying the average rates quoted on a widely used Pakistan Stock Exchange (PSX) rates;

S. No.	Key audit matter	How the matter was addressed in our audit
	<p>In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end.</p> <p>In view of the above, we have considered the valuation and existence of investments as a Key Audit Matter.</p>	<ul style="list-style-type: none"> • differences, if any, identified during our testing that were over our acceptable threshold were investigated further; and • evaluated the adequacy of disclosures in the financial statements.

Information other than the financial statements and auditor's report thereon

Management Company is responsible for the other information. The other information comprises the information (Directors' Report, Fund Manager Report & Trustee Report to the Unit Holders) 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 Management Company and Those Charged with Governance for the financial statements

Management Company 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 the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Company 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 are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.


Chartered Accountants

Place: Karachi

Date: September 25, 2025

UDIN: AR2025100915r9fQE3uP



**MEEZAN DYNAMIC ASSEST ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025**

		Meezan Dividend Yield Plan
		June 30, 2025
		Note (Rupees in '000)
Assets		
Balances with banks	5	40,658
Investments	6	248,770
Receivable against conversion of units		6,571
Receivable against investments		1,463
Advances, deposits and profit receivable	7	1,421
Total assets		298,884
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	8	348
Payable to Central Depository Company of Pakistan Limited - Trustee	9	47
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	19
Payable to Meezan Bank Limited		13
Payable against redemption and conversion of units		801
Dividend payable		2,182
Accrued expenses and other liabilities	11	1,999
Total liabilities		5,409
Net assets		293,475
Unit holders' fund (as per statement attached)		293,475
Contingencies and commitments	13	
Number of units in issue		4,327,476
Net asset value per unit		67.8166

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN DYNAMIC ASSEST ALLOCATION FUND
INCOME STATEMENT
FOR THE PERIOD FROM AUGUST 29, 2024 TO JUNE 30, 2025

	Note	Meezan Dividend Yield Plan For the period from August 29, 2024 to June 30, 2025 (Rupees in '000)
Income		
Profit on balances with banks		2,096
Realised gain on sale of investments		41,940
Dividend income		12,899
		<u>56,934</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	20,234
Total Income		<u>77,168</u>
Expenses		
Remuneration of AI Meezan Investment Management Limited - Management Company	8.1	2,057
Sindh Sales Tax on remuneration of the Management Company	8.2	309
Allocated expenses	8.3	130
Sindh Sales Tax on Allocated expenses		19
Selling and marketing expenses	8.4	986
Sindh Sales Tax on Selling and marketing expense		148
Remuneration of Central Depository Company of Pakistan Limited - Trustee		435
Sindh Sales Tax on remuneration of the Trustee		65
Fee to the Securities and Exchange Commission of Pakistan (SECP)		206
Brokerage expense		5,823
Charity expense		394
Auditors' remuneration	12	402
Amortisation of preliminary expenses and floatation costs		29
Bank and settlement charges		1
Fees and subscription		212
Total expenses		<u>11,217</u>
Net Income for the period before taxation		<u>65,952</u>
Taxation	15	-
Net Income for the period after taxation		<u>65,952</u>
Allocation of net income for the period		
Net income for the period after taxation		65,952
Income already paid on units redeemed		(59,525)
		<u>6,427</u>
Accounting income available for distribution		
- Relating to capital gains		6,427
- Excluding capital gains		-
		<u>6,427</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN DYNAMIC ASSEST ALLOCATION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM AUGUST 29, 2024 TO JUNE 30, 2025**

	Meezan Dividend Yield Plan
	For the period from August 29, 2024 to June 30, 2025
	(Rupees in '000)
Net Income for the period after taxation	65,952
Other comprehensive income for the period	-
Total comprehensive Income for the period	65,952

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN DYNAMIC ASSET ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE PERIOD FROM AUGUST 29, 2024 TO JUNE 30, 2025**

Meezan Dividend Yield Plan		
For the period from August 29, 2024 to June 30, 2025		
Capital value	Undistributed income	Total

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

Net assets at the beginning of the period

Issuance of 33,535,186 units

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

Total proceeds on issuance of units

1,676,759	-	1,676,759
479,578	-	479,578
2,156,337	-	2,156,337

Redemption of 29,207,710 units

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

Total payments on redemption of units

1,460,386	-	1,460,386
388,970	59,525	448,494
1,849,355	59,525	1,908,880

Total comprehensive income for the period

Distribution during the period

Refund of capital

Net income for the period less distribution

-	65,952	65,952
-	(5,731)	(5,731)
(14,203)	-	(14,203)
(14,203)	60,221	46,018

Net assets at the end of the period

292,779	696	293,475
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Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

6,427
-
6,427

Net loss for the year after taxation

Distribution during the period

@Re.0.0394 declared on Sep 04, 2024

@RS.5.00 declared on June 27, 2025

Undistributed income carried forward

(19)
(5,712)
696

Undistributed income carried forward

- Realised Loss
- Unrealised Income

(19,538)
20,234
696

(Rupees)

Net assets value per unit at the beginning of the period

Net assets value per unit at the end of the period

50.0000
67.8166

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN DYNAMIC ASSEST ALLOCATION FUND
CASH FLOW STATEMENT
FOR THE PERIOD FROM AUGUST 29, 2024 TO JUNE 30, 2025**

**Meezan
Dividend Yield
Plan**
For the period
from August 29,
2024 to June 30,
2025

	Note	(Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		65,952
Adjustments for:		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	(20,234)
		45,718
Increase in assets		
Investments - net		(229,999)
Advances, deposits and profit receivable		(1,421)
		(231,420)
Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company		348
Payable to Central Depository Company of Pakistan Limited - Trustee		47
Payable to the Securities and Exchange Commission of Pakistan (SECP)		19
Payable to Meezan Bank Limited		13
Accrued expenses and other liabilities		1,999
		2,426
Net cash used in operating activities		(183,277)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units - net of refund of capital		2,149,766
Payment against redemption and conversion of units		(1,908,079)
Dividend Paid		(17,752)
Net cash generated from financing activities		223,935
Net increase in cash and cash equivalents during the period		40,658
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	5	40,658

The annexed notes from 1 to 25 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN DYNAMIC ASSET ALLOCATION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM AUGUST 29, 2024 TO JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Dynamic Asset Allocation Fund (the Fund) was established 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 Sindh Trust Act, 2020 on May 02, 2023 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 29, 2023 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.
- 1.2 The objective of the Fund is to provide competitive returns through investments in dividend yielding Shariah Complaint equity securities, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instrument as permitted by the SECP and Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end Shariah Compliant Asset Allocation Scheme. Units 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 listed on the Pakistan Stock Exchange Limited.
- 1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 31, 2024 and by PACRA dated May 15, 2025. The rating reflects the 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.
- 1.6 Meezan Dynamic Asset Allocation Fund is an Open End Shariah Compliant Asset Allocation scheme with the provision to launch investment plans under it. The Fund shall have the following features mentioned below:

The first Investment Plan under this Scheme shall be called Meezan Dividend Yield Plan (MDYP).

Other investment plans may be launched by the Management Company (Wakeel) from time to time via Supplemental Offering Documents with the consent of Trustee and Approval of the Commission.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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 August 29, 2024.

New amendments that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Funds's financial statements other than certain additional disclosures.

- Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

3.3 Standard and amendments to IFRS that are not yet effective

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

Amendments	Effective from Accounting period beginning on or after
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
- IFRS 7 - Financial Instruments: Disclosures	July 01, 2025 /January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance 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 4.3 and 6).

3.5 Accounting convention

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

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

4.1 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 unless otherwise stated.

4.2 Cash and cash equivalents

These comprise balances with banks in saving accounts and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial assets

4.3.1 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.

4.3.2 Classification and subsequent measurement

a) Equity instruments

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

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

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

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

4.3.3 Impairment (other than debt securities)

The fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI. 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
- 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.

4.3.4 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. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

4.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

4.4 Financial liabilities

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.

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.

4.5 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.

4.6 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.

4.7 Net asset value per unit

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

4.8 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 the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges, provision for transaction costs if applicable. The sales load is payable to the Management Company / distributors.

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

4.9 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 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 period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

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

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement, on the date when the transaction takes place;
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they 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;
- Profit on saving accounts with bank is recognised on a time proportion basis using the effective yield method.

4.12 Expenses

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

4.13 Taxation

Current

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.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted 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. Provided that, 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.

4.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net profit / loss of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit has not been disclosed as, in the opinion of the Management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

		2025
		(Rupees in '000)
5	BALANCES WITH BANKS	Note
	Balances with banks in:	
	Savings accounts	5.1 <u>40,658</u>
		<u>40,658</u>
5.1	This includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 3.25% per annum. Other balances in savings accounts have an expected profit ranging from 6.0% to 10.60% per annum.	
		2025
		Note (Rupees in '000)
6	INVESTMENTS	
	Investment at 'fair value through profit or loss'	
	Listed equity securities	6.1 <u>248,770</u>

6.1 Investments in equity securities - listed

Name of the investee company	As at July 1, 2024	Purchased during the Period	Bonus / right shares	Sold during the Period	As at June 30, 2025	Carrying value as at 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	Paid-up capital of investee company (with face value of investment)	Total market value of investments						
					(Number of shares)			(Rupees in '000)			%						
Automobile Assembler																	
Millat Tractors Limited	-	18,500	-	18,500	-	-	-	-	-	-	-	-	-	-	-	-	-
Cement																	
Bestway Cement Limited	-	81,332	-	81,332	-	-	-	-	-	-	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	2,992,000	-	2,750,930	241,070	10,919	10,769	(150)	3.67	-	4.33						
Pioneer Cement Limited	-	497,813	-	385,107	112,706	23,597	25,712	2,115	8.76	-	10.34						
Lucky Cement Ltd	-	206,000	-	135,000	71,000	23,614	25,222	1,608	8.59	-	10.14						
									21.02	-	24.81						
Commercial Banks																	
Faysal Bank Limited	-	1,864,124	-	1,443,865	420,259	21,601	29,300	7,700	9.98	-	11.78						
Meezan Bank Limited (a related party of the Fund)	-	623,928	-	540,377	83,551	22,021	27,743	5,722	9.45	-	11.15						
BankIslami Pakistan Limited	-	813,000	-	813,000	-	-	-	-	-	-	-						
									19.43	-	22.93						
Fertilizer																	
Fatima Fertilizer Limited	-	709,309	-	709,309	-	-	-	-	-	-	-						
Engro Fertilizers Limited	-	1,211,002	-	1,064,960	146,042	26,284	27,104	820	9.24	-	10.90						
Engro Corp	-	248,129	-	248,129	-	-	-	-	-	-	-						
									9.24	-	10.90						
Oil And Gas Exploration Companies																	
Mari Energies Company Limited	-	99,750	-	99,750	-	-	-	-	-	-	-						
Oil and Gas Development Company	-	812,579	-	634,502	178,077	37,856	39,277	1,420	13.38	-	15.79						
Pakistan Petroleum Limited	-	598,000	-	598,000	-	-	-	-	-	-	-						
									13.38	-	15.79						
Oil And Gas Marketing Companies																	
Attock Petroleum Limited	-	10,876	-	10,876	-	-	-	-	-	-	-						
Pakistan State Oil Company Limited	-	415,481	-	342,000	73,481	27,509	27,741	233	9.45	-	11.15						
Sui Northern Gas Pipelines Limited	-	1,022,487	-	880,452	142,035	16,016	16,577	561	5.65	-	6.66						
									15.10	-	17.82						
Power Generation And Distribution																	
The Hub Power Company Limited	-	1,152,000	-	1,011,767	140,233	19,121	19,326	204	6.59	-	7.77						
									6.59	-	7.77						
PROPERTY																	
Dolmen City REIT	-	668,876	-	668,876	-	-	-	-	-	-	-						
CHEMICAL																	
Lotte Chemical Pakistan Limited	-	400,000	-	400,000	-	-	-	-	-	-	-						
INV. BANKS (INV.COS./SECURITIES COS)																	
Engro Holding Limited	-	234,819	-	234,819	-	-	-	-	-	-	-						
MISCELLANEOUS																	
Descon Oxychem Limited	-	200,000	-	200,000	-	-	-	-	-	-	-						
Total as at June 30, 2025		14,880,005		13,271,551	1,608,454	228,536	248,770	20,234	84.76	-	100.00						

* Nil figures due to rounding off



6.1.1 All shares have a nominal value of Rs.10.

	Note	As at June 30, 2025 Rupees in '000
7		
ADVANCES, DEPOSITS AND PROFIT RECEIVABLE		
Formation Cost		148
Deposit to NCCPL		1,006
Profit receivable on saving accounts with banks		267
		1,421
8		
PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED- MANAGEMENT COMPANY		
Remuneration payable to the management company	8.1	96
Sindh Sales Tax on remuneration payable to the Management Company	8.2	14
Formation Cost		187
Front end Sales load payable		44
Sindh Sales Tax payable on sales load		7
		348
8.1	As per regulation 61 of the NBFC Regulations, 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 subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2.5% of average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.	
8.2	Effective July 1, 2024, Sindh government vide Sindh Finance Act, 2024 has enhanced the rate of Sindh Sales Tax (SST) from 13% to 15% which is applicable on the remuneration of the Management Company, sales load, and on any amount of reimbursable expenditure or cost to the Management Company.	
8.3	In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).	
	The Management Company, based on its own discretion, has charged such expenses at 0.07% of the average annual net assets of the fund.	
8.4	In accordance with Circular 11 dated July 5, 2019 issued by SECP with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 0.8% (from Aug 29 to December 31, 2024) and 0.44% (from January 01 to May 18, 2025) of the average net assets of the Fund , subject to total expense charged being lower than actual expense incurred.	
9		
PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Note	As at June 30, 2025 (Rupees in '000)
Remuneration of the Trustee	9.1	41
Sindh Sales Tax payable on remuneration of the Trustee	9.2	6
		47
9.1	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of the Trust Deed at 0.2% based on the daily net assets of the Fund.	
9.2	Effective July 1, 2024, Sindh government vide Sindh Finance Act, 2024 has enhanced the rate of Sindh Sales Tax (SST) from 13% to 15% which is applicable on the remuneration of the trustee fee.	

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - SECP

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

The Fund has charged SECP Fee at the rate of 0.095% of net assets during the period.

		As at June 30, 2025 (Rupees in '000)
11	ACCRUED EXPENSES AND OTHER LIABILITIES	
	Brokerage payable	85
	Charity payable	394
	Withholding Tax Payable	870
	Capital gain tax payable	297
	IBFT Charges Payable - IBFT Redemption	11
	Other accrued exp. payable	20
	Payable to Auditors	322
		1,999
		1,999
		For the period ended June 30, 2025 (Rupees in '000)
12	AUDITORS REMUNERATION	
	Audit Fee	248
	Half yearly review	90
	Out of pocket and other including government levies	64
		402
		402

13 CONTINGENCIES AND COMMITMENTS

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

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 5.16% excluding government levies which is 0.69% such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (excluding govt. levies) prescribed under the NBFC Regulations for a collective investment scheme categorized as an Asset Allocation 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 has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2025 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 of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

16.1 Connected persons / related parties include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, other collective investment schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

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



- 16.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.
- 16.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 16.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 16.6 The details of transactions carried out by the Fund with connected persons during the period and balances with them as at period end are as follows:

Balances	As at June 30, 2025 (Rupees in '000)
Al Meezan Investment Management Company (Management Company)	
Remuneration payable to the Management Company	96
Sindh Sales Tax payable on remuneration of the Management Company	14
Formation Cost payable	187
Sales load payable	44
Sindh Sales Tax on sales load	7
Central Depository Company Pakistan Limited (Trustee)	
Remuneration payable to the Trustee	41
Sindh Sales Tax on remuneration of the Trustee	6
Meezan Bank Limited	
Bank balance	39,235
Profit receivable on savings account	88
Investment in 83,551 shares	27,743
Sales load payable	11
Sindh Sales Tax on sales load	2
Unit holders holding 10% or more of units of the Fund	
Investment of 1,028,327 units	69,738
	For the period from August 29, 2024 to June 30, 2025
Transactions during the period	(Rupees in '000)
Al Meezan Investment Management Company (Management Company)	
Remuneration to the Management Company	2,057
Sindh Sales Tax on remuneration of the Management Company	309
Allocated expenses	130
Sindh Sales Tax on Allocated expenses	19
Selling and marketing expenses	986
Sindh Sales Tax on Selling and marketing expenses	148
Central Depository Company Pakistan Limited (Trustee)	
Remuneration of the Trustee	435
Sindh Sales Tax on remuneration of the Trustee	65
Meezan Bank Limited	
Profit on savings account	1,525
Purchase 623,928 shares	151,740
Sale 540,377 shares	129,718
Dividend income	1,762
Engro Fertilizers Limited *	
Purchase 761,002 shares	166,844
Sale 523,349 shares	113,160
Dividend income	1,787
Directors and Executives of the Management Company	
Units issued: 378,383 units	25,301
Units redeemed: 378,383 units	24,654
Unit holders holding 10% or more of units of the Fund	
Purchase 1,028,327 Units	62,513
Refund of capital	2,505
Dividend paid	2,455

* Current year balance has not been presented as the person was not classified as a related party / connected person of the Fund with effect from March 24, 2025. However, transactions with this related party till this date have been accordingly disclosed.

- 16.7 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2025	
	At amortised cost	At fair value through profit or loss
	(Rupees in '000)	
Financial assets		
Balances with banks	40,658	-
Investments	-	248,770
Receivable against conversion of units	6,571	-
Advances, deposits and profit receivable	1,421	-
	48,650	248,770
Financial liabilities		
Payable to Al Meezan Investment Management Company- Management Company	348	-
Payable to Meezan Bank Limited	13	-
Payable against redemption and conversion of units	801	-
Payable to Central Depository Company Of Pakistan Limited- Trustee	47	-
Accrued expenses and other liabilities	1,999	-
Payable to Auditors	402	-
	3,610	-
	45,041	248,770

17 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.

17.1 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, 2025, 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 / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.41 million.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2025, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:

As at June 30, 2025					
Effective Yield / Profit rate (%)	Effective yield / profit rate			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

(Rupees in '000)

Financial assets

Bank balances	3.25% to 10.60%	40,658	-	-	-	40,658
Investments - at fair value through profit or loss						
- Listed equity securities		-	-	-	248,770	248,770
Receivable against conversion of units		-	-	-	6,571	6,571
Dividend receivable		-	-	-	-	-
Receivable against investments		-	-	-	1,463	1,463
Advances, deposits and profit receivables		-	-	-	1,421	1,421
		40,658	-	-	258,226	298,884

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	348	348
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	47	47
Payable to the Securities and Exchange Commission of Pakistan (SECP)		-	-	-	19	19
Payable to Meezan Bank Limited		-	-	-	13	13
Payable against redemption and conversion of units		-	-	-	801	801
Dividend Payable		-	-	-	2,182	2,182
Accrued expenses and other liabilities		-	-	-	1,999	1,999
		-	-	-	5,409	5,409

On-balance sheet gap (a)

40,658 - - 252,817 293,475

Off-balance sheet financial instruments

- - - - -

Off-balance sheet gap (b)

- - - - -

Total profit rate sensitivity gap (a + b)

40,658 - -

Cumulative profit rate sensitivity gap

40,658 - -

(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.

In case of 1% increase / decrease in KMI All Share index on June 30, 2025, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 2.488 million and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI All Share Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI All Share Index.

17.2 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.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

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

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

	2025						Total
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed maturity	
(Rupees in '000)							
Financial assets							
Bank balances	40,658	-	-	-	-	-	40,658
Investments - at fair value through profit or loss - Listed Securities	-	-	-	-	-	248,770	248,770
Receivable against conversion of units	6,571	-	-	-	-	-	6,571
Receivable against Investment	1,463	-	-	-	-	-	1,463
Dividend receivable	-	-	-	-	-	-	-
Advances, deposits and profit receivables	1,421	-	-	-	-	-	1,421
	50,114	-	-	-	-	248,770	298,884
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management	348	-	-	-	-	-	348
Payable to Central Depository Company of Pakistan Limited - Trustee	47	-	-	-	-	-	47
Payable to the Securities and Exchange Commission of Pakistan (SECP)	19	-	-	-	-	-	19
Payable to Meezan Bank Limited	13	-	-	-	-	-	13
Payable against redemption and conversion of units	801	-	-	-	-	-	801
Payable against purchase of investments	-	-	-	-	-	-	-
Dividend payable	2,182	-	-	-	-	-	2,182
Accrued expenses and other liabilities	1,999	-	-	-	-	-	1,999
	5,409	-	-	-	-	-	5,409
Net assets/ (liabilities)	44,705	-	-	-	-	248,770	293,475

17.3 Credit risk

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

	2025	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	-----Rupees in '000-----	
Balances with banks	40,658	40,658
Investments	248,770	-
Receivable against conversion of units	6,571	6,571
Receivable against investment	1,463	1,463
Advances, deposits and profit receivable	1,273	1,273
	298,736	49,966

17.3.2 Credit quality of financial assets

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

	Rating Agency	2025 (Percentage)
AAA	VIS / PACRA	96.58
A-	VIS / PACRA	3.42
		100.00%

17.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

18 FAIR VALUE MEASUREMENT

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

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

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

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, 2025 the Fund held the following financial instruments measured at fair values:

	2025		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	248,770	-	-

19 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'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 17, 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.

20 UNIT HOLDING PATTERN OF THE FUND

Category	2025		
	Number of unit holders	Investment amount	Percentage of total (%)
	(Rupees in '000)		
Individuals	686	292,380	99.63
Others	1	1,095	0.37
	687	293,475	100%

21 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall Experience
Mr. Imtiaz Gadar, CFA	Chief Executive Officer	CFA/MBA	Twenty Two Years
Mr. Muhammad Asad	Chief Investment Officer	CFA Level II/MBA	Twenty Nine Years
Mr. Ahmed Hassan	Head of Equity	CFA/MBA	Eighteen Years
Mr. Amreen Soorani	Head of Research	FCCA	Fifteen Years
Mr. Faizan Saleem	Head of Fixed Income	CFA Level II/MBA	Eighteen Years
Mr. Asif Imtiaz	VP Investments	CFA/MBA	Seventeen Years
Mr. Akhtar Munir	Head of Risk Management	CFA/FRM, ACCA, FCMA & MBA	Twelve Years
Mr. Ali Khan	Head of Product Development	CFA/FRM/MBA	Sixteen Years

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

- Meezan Balanced Fund;
- KSE Meezan Index Fund;
- Meezan Financial Planning Fund of Fund;
- Meezan Strategic Allocation Fund;
- Meezan Dedicated Equity Fund.

22 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				
		August 19, 2024	September 27, 2024	October 10, 2024	February 07, 2025	April 18, 2025
Mr. Irfan Siddiqui	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Ahmed Iqbal Rajani*	Non- Executive	Yes	Yes	Yes	N/A	N/A
Ms. Ayesha Umer*	Non- Executive	N/A	N/A	N/A	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Furqan Kudwuai	Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Imtiaz Gadar**	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes
Mr. Saad Ur Rehman Khan	Non-Executive	Yes	Yes	Yes	Yes	Yes
Ms. Shazia Khurram	Non-Executive	Yes	Yes	No	Yes	Yes
Syed Amir Ali	Non-Executive	Yes	Yes	Yes	Yes	Yes
Syed Imran Ali Shah***	Non-Executive	N/A	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj***	Non-Executive	Yes	N/A	N/A	N/A	N/A

*Mr. Ahmed Iqbal Rajani resigned from the Board on Jan 13, 2025 and Ms. Ayesha Umer was subsequently appointed on February 03, 2025.

**Mr. Imtiaz Gadar was appointed as Chief Executive Officer on August 01, 2025.

***Mr Tariq Mairaj resigned from the Board on September 10, 2024 and Syed Imran Ali Shah was subsequently appointed on September 18, 2024.

23 LIST OF TOP TEN BROKERS

Following is the list of top ten Brokers and their respective percentage of share:

Brokers	Percentage
JS Global Capital Limited	18.42
Taurus Securities Limited	16.57
Rafi Securities (Private) Limited	16.39
Next Capital Limited	11.86
Standard Capital Securities Limited	7.60
Topline Securities Limited	6.11
Arif Habib Limited	6.07
AKD Securities Limited	6.02
Dalal Securities (Private) Limited	3.49
Alfa Adhi Securities (Private) Limited	2.58



24 GENERAL

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

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 18, 2025 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 DYNAMIC ASSET ALLOCATION FUND

	2025
Net assets (Rs. '000) (ex-distribution)	293,475
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	67.8166
Offer price per unit as at June 30, (Rs.) (ex-distribution)	
Highest offer price per unit (Rs.)	73.1240
Lowest offer price per unit (Rs.)	50.0000
Highest redemption price per unit (Rs.)	71.4800
Lowest redemption price per unit (Rs.)	48.9648
Distribution (%)	
Interim	10.00
Final	-
Date of distribution	
Interim	June 27, 2025
Final	-
Income distribution (Rupees in '000)	5,731
Growth distribution (Rupees in '000)	-
Total return (%)*	45.92

One Year

Average annual return as at June 30, 2025 (%) 45.92%

** Performance start date of August 28, 2024. NAV to NAV return with Dividend reinvested.*

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