



**Al Meezan**  
Investment Management Ltd.

# CHOGOLISA

Unforeseen circumstances and volatile conditions urge prompt decision-making for both investors and mountaineers.

Height 7,665 meters,  
belongs to the range Masherbrum Karakoram





# MEEZAN FINANCIAL PLANNING FUND OF FUNDS (MFPF)

Meezan Financial Planning Fund of Funds invests in Shariah Compliant Fixed Income and Equity Mutual Funds in line with the risk tolerance of the investor and in doing so, it strives to generate returns on investment aligned with respective allocation plans.



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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## BOARD RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Mubashar Maqbool	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	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 ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Bank Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (+9221) 35156191-94 Fax: (+9221) 35156195  
E-mail: [bawaney@cyber.net.pk](mailto:bawaney@cyber.net.pk)

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



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## REPORT OF THE FUND MANAGER Meezan Financial Planning Fund of Funds (MFPF)

### Type of Fund

Open-end Shariah Compliant (Islamic) Fund of Funds Scheme.

### Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

### Strategy and Investment Policy

MFPF has sixteen Allocation Plans which allow investors to invest according to their risk tolerance levels.

#### The Aggressive Allocation Plan

This Allocation Plan is suitable for Investors having a relatively higher risk tolerance and/or wish to save for long term. It shall invest at least 65% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

#### The Moderate Allocation Plan

This Allocation Plan is suitable for Investors having a relatively moderate risk tolerance and/or wish to save for medium to long term. It shall invest at least 45% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds

#### The Conservative Allocation Plan

This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term. It shall invest at least 20% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

#### Meezan Asset Allocation Plan – I – IV (MAAP I-IV)

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a combination of KSE Meezan Index 30's performance and average 6 month Islamic bank deposits as per the following detail:

Aggressive Allocation Plan	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Moderate Allocation Plan	
Conservative Allocation Plan	
Meezan Asset Allocation Plan - I	





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## Performance Table with Benchmark

Returns - FY22	
MFPF - Aggressive	-5.35%
Benchmark	-6.88%
MFPF - Moderate	0.44%
Benchmark	-3.54%
MFPF - Conservative	4.08%
Benchmark	-0.09%
MFPF - MAAP I	-3.36%
Benchmark	-7.33%

### Aggressive Allocation Plan

The Aggressive Allocation Plan posted a total loss of Rs. 15 million in FY22 as compared to a total Income of Rs. 78 million last year. Total income comprised of realized loss on investments of Rs. 0.63 million while the unrealized loss on investments of Rs. 26 million. Dividend income and profit on saving account with banks amounted to Rs. 6 million and Rs. 0.09 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net loss of Rs. 17 million. The net assets of the Fund as at June 30, 2022 were Rs. 290 million as compared to Rs. 348 million at the end of last year depicting an decrease of 17%.

### Moderate Allocation Plan

The Moderate Allocation Plan posted a total income of Rs. 1 million in FY22 as compared to a total Income of Rs. 25 million last year. Total income comprised of realized loss on investments of Rs. 0.11 million while the unrealized loss on investments of Rs. 5 million. Dividend income and profit on saving account with banks amounted to Rs. 4 million and Rs. 0.10 million. After accounting for expenses of Rs. 1 million, the Fund posted a net Income of Rs. 0.32 million. The net assets of the Fund as at June 30, 2022 were Rs. 100 million as compared to Rs. 146 million at the end of last year depicting an decrease of 46%.

### Conservative Allocation Plan

The Conservative Allocation Plan posted a total Income of Rs. 9 million in FY22 as compared to a total Income of Rs. 20 million last year. Total income comprised of realized gain on investments of Rs. 3 million while the unrealized loss on investments of Rs. 3 million. Dividend income and profit on saving account with banks amounted to Rs. 8 million and Rs. 0.11 million respectively. After accounting for expenses of Rs. 1 million, the Fund posted a net Income of Rs. 8 million. The net assets of the Fund as at June 30, 2022 were Rs. 141 million as compared to Rs. 224 million at the end of last year depicting an decrease of 37%.

### Meezan Asset Allocation Plan – I (MAAP-I)

Meezan Asset Allocation Plan-I posted a total loss of Rs. 1 million during FY22 as compared to a total Income of Rs. 75 million last year. Total income comprised of realized loss on investments of Rs. 1 million while the unrealized loss on investments of Rs. 11 million. Dividend income and profit on saving account with banks amounted to Rs. 2 million and Rs. 0.02 million respectively. After accounting for expenses of Rs. 0.5 million, the Fund posted a net loss of Rs. 2 million. The net assets of the Fund as at June 30, 2022 were Rs. 84 million as compared to Rs. 156 million at the end of last year depicting a decrease of 46%.



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### Distributions

The Interim Pay out by the Fund during the fiscal year ended June 30, 2022 was Rs. 2.67 per unit (5.34%) and Rs. 0.40 per unit (0.80%) in Conservative Allocation Plan and Moderate Allocation Plan respectively. Total distribution made by the fund was Rs. 5 million and Rs, 1 million in Conservative Allocation Plan and Moderate allocation Plan respectively.

### SWWF Disclosure:

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by (Aggressive) amounting to Rs. 5.29 million, (Moderate) amounting to Rs. 2.70 million, (Conservative) amounting to Rs. 2 million, (MAAP - I) amounting to Rs. 8.56 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an increase in NAV of the (Aggressive) by 1.54%, (Moderate) by 1.60%, (Conservative) by 0.85%, (MAAP - I) by 5.43%. This is one-off event and is not likely to be repeated in the future.

### Breakdown of unit holdings by size

(As on June 30, 2021)

Breakdown of unit holdings by size				
Range (Units)	Aggressive	Moderate	Conservative	MAAP-I
	No. of investors			
1 - 9,999	649	403	375	46
10,000 - 49,999	27	43	34	29
50,000 - 99,999	1	4	4	2
100,000 - 499,999	1	2	3	2
500,000 and above	2	-	2	1
<b>Total</b>	<b>680</b>	<b>452</b>	<b>418</b>	<b>80</b>



**PERFORMANCE TABLE****As at June 30, 2022**

	Aggressive	Moderate	Conservative	MAAP-I
	----- (Rupees in '000) -----			
Net assets (Rs. '000)	290,366	100,059	140,839	83,519
Net assets value / redemption price per unit as at June 30 (Rs.)	74.2699	71.3832	68.5516	61.4585
Offer price per unit as at June 30 (Rs.)	75.9484	72.5931	69.3263	0
Highest offer price per unit (Rs.)	84.8404	76.5763	72.9469	0
Lowest offer price per unit (Rs.)	74.5431	71.8251	69.3211	0
Highest redemption price per unit (Rs.)	82.9654	75.3000	72.1319	69.7230
Lowest redemption price per unit (Rs.)	72.8957	70.6280	68.5466	60.0864
Distribution (%)	-	0.40	2.67	-
Dates of distribution (Interim)	-	June 30, 2022	June 30, 2022	-
Average return (%)	-0.0535	0.0044	0.0408	-0.0336

**As at June 30, 2021**

	Aggressive	Moderate	Conservative	MAAP-I
	----- (Rupees in '000) -----			
Net assets (Rs. '000)	347,903	145,984	224,352	156,245
Net assets value / redemption price per unit as at June 30 (Rs.)	78.4701	71.4694	68.4368	63.5964
Offer price per unit as at June 30 (Rs.)	80.2435	72.6808	69.2102	0
Highest offer price per unit (Rs.)	82.1541	73.7594	69.6694	0
Lowest offer price per unit (Rs.)	63.0773	60.1512	61.2858	0
Highest redemption price per unit (Rs.)	80.3385	72.5301	68.891	65.3557
Lowest redemption price per unit (Rs.)	61.6833	59.1487	60.6011	50.3438
Distribution (%)	-	-	-	-
Dates of distribution (Interim)	-	-	-	-
Average return (%)	0.2721	0.2083	0.1293	0.2725

**As at June 30, 2020**

	Aggressive	Moderate	Conservative	MAAP-I
	----- (Rupees in '000) -----			
Net assets (Rs. '000)	282,740	118,569	143,879	318,119
Net assets value / redemption price per unit as at June 30 (Rs.) (Ex Distribution)	61.6837	59.149	60.6014	49.9777
Offer price per unit as at June 30 (Rs.)	63.0777	60.1515	61.2861	0
Highest offer price per unit (Rs.)	72.5543	64.1803	61.6286	0
Lowest offer price per unit (Rs.)	51.4407	50.3956	53.3345	0
Highest redemption price per unit (Rs.)	70.9509	63.1106	60.94	51.4773
Lowest redemption price per unit (Rs.)	50.3039	49.5557	52.7386	41.3334
Distribution (%)	0.01	0.006	-	0.009
Dates of distribution (Interim)	June 30, 2020	June 30, 2020	-	June 30, 2020
Average return (%)	0.0686	0.1011	0.1096	0.0562

**As at June 30, 2019**

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-IV
	----- (Rupees in '000) -----				
Net assets (Rs. '000)	365,072	203,039	221,778	592,710	471,047
Net assets value / redemption price per unit as at June 30 (Rs.) (Ex Distribution)	58.1924	53.9707	54.2174	47.7447	46.1818
Offer price per unit as at June 30 (Rs.)	59.50754824	54.8855	55.2174	0	0
Highest offer price per unit (Rs.)	73.4891	69.4562	67.5615	0	0
Lowest offer price per unit (Rs.)	57.4911	54.8855	55.2173	0	0
Highest redemption price per unit (Rs.)	71.86500541	68.29851593	66.80657267	59.9347354	46.18181
Lowest redemption price per unit (Rs.)	56.2206491	53.97065323	54.60039887	46.80285135	46.08615
Distribution (%)	-	0.14	0.2	-	-
Dates of distribution (Interim)	-	June 28, 2019	June 28, 2019	-	-
Average return (%)	-0.172	-0.092	-0.01	-0.185	-0.015

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



**Meezan Bank**  
The Premier Islamic Bank



## Report of the *Shari'ah* Advisor – Meezan Financial Planning Fund of Funds

July 29, 2022/ Dhu Al-Hijjah 29, 1443

**Alhamdulillah**, the period from July 01, 2021 to June 30, 2022 was the Ninth year of operations of Meezan Financial Planning Fund of Funds (MFPPF) under management of Al Meezan Investment Management Limited (Al Meezan). We, Meezan Bank Limited, are the *Shari'ah* advisors of the Fund and are issuing the report in accordance with clause 6.2.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity.

In the capacity of *Shari'ah* Advisor, we have prescribed criteria and procedure to be followed in ensuring *Shari'ah* compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure *Shari'ah* compliance in line with the *Shari'ah* 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 prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of MFPPF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MFPPF by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MFPPF for the year ended June 30, 2022 have been in compliance with *Shari'ah* principles.

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

**Dr. Muhammad Imran Ashraf Usmani**  
For and on behalf of Meezan Bank  
*Shari'ah* Advisor

**Meezan Bank Ltd.**

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**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS**

**Report of the Trustee pursuant to Regulation 41(h) and Clause 9 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 Financial Planning Fund of Funds (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, 2022 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; and
- (iii) 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 14, 2022



**INDEPENDENT AUDITOR'S REPORT**

**To the Unit holders of Meezan Financial Planning Fund of Funds**

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

**Opinion**

We have audited the financial statements of Meezan Financial Planning Fund of Funds (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, 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	<b>Net Asset Value</b> (Refer notes 5 and 6 to the financial statements)	
	Investments and balances with banks constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2022 amounted to Rs 616.454 million and balances with banks aggregated to Rs 7.760 million.  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, 2022 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"><li>Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li><li>Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li><li>Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li></ul>

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### **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.

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- 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, related safeguards.

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

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

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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 21, 2022

Karachi

UDIN: AR202210081hGAeFo40g





**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2022**

		As at June 30, 2022				
		Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
<b>Assets</b>						
Balances with banks	5	1,703	4,639	834	584	7,760
Investments	6	291,075	96,280	142,740	86,359	616,454
Receivable against conversion of units		-	-	1	-	1
Profit receivable on saving accounts with banks		7	7	11	4	29
<b>Total assets</b>		<b>292,785</b>	<b>100,926</b>	<b>143,586</b>	<b>86,947</b>	<b>624,244</b>
<b>Liabilities</b>						
Payable to AI Meezan Investment Management Limited - Management Company	7	24	61	31	7	123
Payable to Central Depository Company of Pakistan Limited - Trustee	8	23	5	17	6	51
Payable to Meezan Bank Limited		1	-	-	-	1
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	66	27	42	25	160
Payable on redemption and conversion of units		1,640	35	1,260	-	2,935
Payable against purchase of investments		-	-	-	7	7
Dividend payable		-	22	149	-	171
Accrued expenses and other liabilities	10	665	717	1,248	3,383	6,013
<b>Total liabilities</b>		<b>2,419</b>	<b>867</b>	<b>2,747</b>	<b>3,428</b>	<b>9,461</b>
<b>Net assets</b>		<b>290,366</b>	<b>100,059</b>	<b>140,839</b>	<b>83,519</b>	<b>614,783</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>290,366</b>	<b>100,059</b>	<b>140,839</b>	<b>83,519</b>	<b>614,783</b>
<b>Contingencies and commitments</b>	11					
----- (Number of units) -----						
<b>Number of units in issue</b>		<b>3,909,604</b>	<b>1,401,721</b>	<b>2,054,496</b>	<b>1,358,950</b>	
----- (Rupees) -----						
<b>Net asset value per unit</b>		<b>74.2699</b>	<b>71.3832</b>	<b>68.5516</b>	<b>61.4585</b>	

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2022**

		As at June 30, 2021				
		Aggressive	Moderate	Conservative	MAAP-I	Total
		(Rupees in '000)				
<b>Assets</b>						
Balances with banks	5	6,715	265	1,158	503	8,641
Investments	6	347,785	150,037	226,644	168,374	892,840
Receivable against conversion of units		19	116	241	-	376
Profit receivable on saving accounts with banks		4	17	32	4	57
<b>Total assets</b>		<b>354,523</b>	<b>150,435</b>	<b>228,075</b>	<b>168,881</b>	<b>901,914</b>
<b>Liabilities</b>						
Payable to AI Meezan Investment Management Limited - Management Company	7	54	56	43	16	169
Payable to Central Depository Company of Pakistan Limited - Trustee	8	26	8	23	11	68
Payable to Meezan Bank Limited		16	11	5	-	32
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	64	27	33	52	176
Payable on redemption and conversion of units		378	518	930	-	1,826
Accrued expenses and other liabilities	10	6,082	3,831	2,689	12,557	25,159
<b>Total liabilities</b>		<b>6,620</b>	<b>4,451</b>	<b>3,723</b>	<b>12,636</b>	<b>27,430</b>
<b>Net assets</b>		<b>347,903</b>	<b>145,984</b>	<b>224,352</b>	<b>156,245</b>	<b>874,484</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>347,903</b>	<b>145,984</b>	<b>224,352</b>	<b>156,245</b>	<b>874,484</b>
<b>Contingencies and commitments</b>	11					
----- (Number of units) -----						
<b>Number of units in issue</b>		<b>4,433,576</b>	<b>2,042,610</b>	<b>3,278,232</b>	<b>2,456,818</b>	
----- (Rupees) -----						
<b>Net asset value per unit</b>		<b>78.4701</b>	<b>71.4694</b>	<b>68.4368</b>	<b>63.5964</b>	

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

Note	For the year ended June 30, 2022					
	Aggressive	Moderate	Conservative	MAAP-I	Total	
	(Rupees in '000)					
<b>Income</b>						
Dividend income	5,987	3,520	7,607	1,731	18,845	
Profit on saving accounts with banks	87	96	114	22	319	
Net realised (loss) / gain on sale of investments	(627)	(106)	2,610	(864)	1,013	
Other income	1	64	50	155	270	
	<u>5,448</u>	<u>3,574</u>	<u>10,381</u>	<u>1,044</u>	<u>20,447</u>	
Net unrealised (diminution) / appreciation on re-measurement of 'investments classified as financial assets at fair value through profit or loss'	6.1	(26,170)	(5,421)	(3,321)	(10,652)	(45,564)
<b>Total (loss) / income</b>		<u>(20,722)</u>	<u>(1,847)</u>	<u>7,060</u>	<u>(9,608)</u>	<u>(25,117)</u>
<b>Expenses</b>						
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	31	26	37	9	103
Sindh Sales Tax on remuneration of the Management Company	7.2	4	3	5	1	13
Allocated expenses	7.3	364	150	233	137	884
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	232	95	148	87	562
Sindh Sales Tax on remuneration of the Trustee	8.2	30	12	19	11	72
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9	66	27	42	25	160
Auditors' remuneration	12	236	100	150	96	582
Fees and subscription		123	50	78	46	297
Bank and settlement charges		7	6	3	5	21
Legal and professional charges		72	41	39	33	185
Reversal of provision for Sindh Workers' Welfare Fund	10.1	(5,233)	(2,673)	(1,963)	(8,530)	(18,399)
<b>Total expenses</b>		<u>(4,068)</u>	<u>(2,163)</u>	<u>(1,209)</u>	<u>(8,080)</u>	<u>(15,520)</u>
<b>Net (loss) / income for the year before taxation</b>		<u>(16,654)</u>	<u>316</u>	<u>8,269</u>	<u>(1,528)</u>	<u>(9,597)</u>
Taxation	14	-	-	-	-	-
<b>Net (loss) / income for the year after taxation</b>		<u>(16,654)</u>	<u>316</u>	<u>8,269</u>	<u>(1,528)</u>	<u>(9,597)</u>
<b>Allocation of net income for the year</b>						
Net income for the year after taxation		-	316	8,269	-	-
Income already paid on units redeemed		-	-	(3,401)	-	-
		<u>-</u>	<u>316</u>	<u>4,868</u>	<u>-</u>	<u>-</u>
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-	-	-	-	-
- Excluding capital gains		-	316	4,868	-	5,184
		<u>-</u>	<u>316</u>	<u>4,868</u>	<u>-</u>	<u>-</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

		For the year ended June 30, 2021					
		Aggressive	Moderate	Conservative	MAAP-I	Total	
		(Rupees in '000)					
Note							
<b>Income</b>							
	Dividend income	38	33	74	66	211	
	Profit on saving accounts with banks	139	141	191	35	506	
	Net realised gain on sale of investments	82,105	26,477	20,509	60,347	189,438	
		82,282	26,651	20,774	60,448	190,155	
	Net unrealised (diminution) / appreciation on re-measurement of 'investments classified as financial assets at fair value through profit or loss'	6.1	(4,566)	(1,309)	(971)	14,311	7,465
	<b>Total income</b>	77,716	25,342	19,803	74,759	197,620	
<b>Expenses</b>							
	Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	52	44	65	12	173
	Sindh Sales Tax on remuneration of the Management Company	7.2	7	6	8	2	23
	Allocated expenses	7.3	333	141	171	266	911
	Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	226	96	116	182	620
	Sindh Sales Tax on remuneration of the Trustee	8.2	29	12	15	24	80
	Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9	64	27	33	52	176
	Auditors' remuneration	12	199	84	101	182	566
	Fees and subscription		108	46	56	88	298
	Bank and settlement charges		3	2	2	3	10
	Legal and professional charges		93	39	46	60	238
	Provision for Sindh Workers' Welfare Fund	10.1	1,532	497	384	1,478	3,891
	<b>Total expenses</b>		2,646	994	997	2,349	6,986
	<b>Net income for the year before taxation</b>		75,070	24,348	18,806	72,410	190,634
	Taxation	14	-	-	-	-	-
	<b>Net income for the year after taxation</b>		75,070	24,348	18,806	72,410	190,634
<b>Allocation of net income for the year</b>							
	Net income for the year after taxation		75,070	24,348	18,806	72,410	190,634
	Income already paid on units redeemed		(8,074)	(7,384)	(2,948)	(39,071)	(57,477)
			66,996	16,964	15,858	33,339	133,157
<b>Accounting income available for distribution</b>							
	- Relating to capital gains		66,996	16,964	15,858	33,339	133,157
	- Excluding capital gains		-	-	-	-	-
			66,996	16,964	15,858	33,339	133,157

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**

	For the year ended June 30, 2022				Total
	Aggressive	Moderate	Conservative	MAAP-I	
	(Rupees in '000)				
<b>Net (loss) / income for the year after taxation</b>	(16,654)	316	8,269	(1,528)	(9,597)
Other comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive (loss) / income for the year</b>	<u>(16,654)</u>	<u>316</u>	<u>8,269</u>	<u>(1,528)</u>	<u>(9,597)</u>

	For the year ended June 30, 2021				Total
	Aggressive	Moderate	Conservative	MAAP-I	
	(Rupees in '000)				
<b>Net income for the year after taxation</b>	75,070	24,348	18,806	72,410	190,634
Other comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<u>75,070</u>	<u>24,348</u>	<u>18,806</u>	<u>72,410</u>	<u>190,634</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	June 30, 2022			June 30, 2022			June 30, 2022			June 30, 2022			June 30, 2022		
	Aggressive			Moderate			Conservative			MAAP-I			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees in '000)															
Net assets at the beginning of the year	249,913	97,990	347,903	81,431	64,553	145,984	151,433	72,919	224,352	62,299	93,946	156,245	545,076	329,408	874,484
<b>Issuance of units:</b>															
Aggressive: 769,503 units / Moderate: 1,088,928 units / Conservative: 1,401,714 units / MAAP I: nil															
- Capital value (at net asset value per unit at the beginning of the year)	60,383	-	60,383	77,825	-	77,825	95,929	-	95,929	-	-	-	234,137	-	234,137
- Element of income	445	-	445	1,528	-	1,528	2,672	-	2,672	-	-	-	4,645	-	4,645
Total proceeds on issuance of units	60,828	-	60,828	79,353	-	79,353	98,601	-	98,601	-	-	-	238,782	-	238,782
<b>Redemption of units:</b>															
Aggressive: 1,293,475 units / Moderate: 1,729,817 units / Conservative: 2,625,450 units / MAAP I: 1,097,868 units															
- Capital value (at net asset value per unit at the beginning of the year)	101,499	-	101,499	123,629	-	123,629	179,677	-	179,677	69,820	-	69,820	474,625	-	474,625
- Element of income	212	-	212	1,407	-	1,407	1,992	3,401	5,393	1,378	-	1,378	4,989	3,401	8,390
Total payments on redemption of units	101,711	-	101,711	125,036	-	125,036	181,669	3,401	185,070	71,198	-	71,198	479,614	3,401	483,015
Total comprehensive (loss) / income for the year	-	(16,654)	(16,654)	-	316	316	-	8,269	8,269	-	(1,528)	(1,528)	-	(9,597)	(9,597)
Interim distribution for the year ended June 30, 2022	-	-	-	-	(558)	(558)	(488)	(4,825)	(5,313)	-	-	-	(488)	(5,383)	(5,871)
Net (loss) / income for the year less distribution	-	(16,654)	(16,654)	-	(242)	(242)	(488)	3,444	2,956	-	(1,528)	(1,528)	(488)	(14,980)	(15,468)
<b>Net assets at the end of the year</b>	<b>209,030</b>	<b>81,336</b>	<b>290,366</b>	<b>35,748</b>	<b>64,311</b>	<b>100,059</b>	<b>67,877</b>	<b>72,962</b>	<b>140,839</b>	<b>(8,899)</b>	<b>92,418</b>	<b>83,519</b>	<b>303,756</b>	<b>311,027</b>	<b>614,783</b>
Undistributed income brought forward															
- Realised income		102,556			65,862			73,890			79,635			321,943	
- Unrealised (loss) / income		(4,566)			(1,309)			(971)			14,311			7,465	
		97,990			64,553			72,919			93,946			329,408	
Accounting income available for distribution															
- Relating to capital gains		-			-			-			-			-	
- Excluding capital gains		-			316			4,868			-			5,184	
		-			316			4,868			-			5,184	
Net loss for the year after taxation		(16,654)			-			-			(1,528)			(18,182)	
Distribution during the year ended June 30, 2022		-			(558)			(4,825)			-			(5,383)	
Undistributed income carried forward		81,336			64,311			72,962			92,418			311,027	
Undistributed income carried forward															
- Realised income		107,506			69,732			76,283			103,070			356,591	
- Unrealised (loss) / income		(26,170)			(5,421)			(3,321)			(10,652)			(45,564)	
		81,336			64,311			72,962			92,418			311,027	
	<b>Rupees</b>				<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>	
Net asset value per unit as at the beginning of the year		78.4701			71.4694			68.4368			63.5964			61.4585	
Net asset value per unit as at the end of the year		74.2699			71.3832			68.5516			61.4585			61.4585	

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director





**MEEZAN FINANCIAL PLANNING FUND OF FUNDS**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	June 30, 2021			June 30, 2021			June 30, 2021			June 30, 2021			June 30, 2021		
	Aggressive			Moderate			Conservative			MAAP-I			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	251,746	30,994	282,740	70,980	47,589	118,569	86,818	57,061	143,879	257,512	60,607	318,119	667,056	196,251	863,307
<b>Issuance of units:</b>															
Aggressive: 2,087,090 units / Moderate: 1,479,059 units / Conservative: 3,827,015 units / MAAP I: nil															
- Capital value (at net asset value per unit at the beginning of the year)	128,740	-	128,740	87,485	-	87,485	231,922	-	231,922	491	-	491	448,638	-	448,638
- Element of income	25,423	-	25,423	13,965	-	13,965	23,451	-	23,451	120	-	120	62,959	-	62,959
Total proceeds on issuance of units	154,163	-	154,163	101,450	-	101,450	255,373	-	255,373	611	-	611	511,597	-	511,597
<b>Redemption of units:</b>															
Aggressive: 2,237,225 units / Moderate: 1,441,026 units / Conservative: 2,922,969 units / MAAP I: 3,908,405 units															
- Capital value (at net asset value per unit at the beginning of the year)	138,000	-	138,000	85,235	-	85,235	177,137	-	177,137	195,824	-	195,824	596,196	-	596,196
- Element of income	17,996	8,074	26,070	5,764	7,384	13,148	13,621	2,948	16,569	-	39,071	39,071	37,381	57,477	94,858
Total payments on redemption of units	155,996	8,074	164,070	90,999	7,384	98,383	190,758	2,948	193,706	195,824	39,071	234,895	633,577	57,477	691,054
Total comprehensive income for the year	-	75,070	75,070	-	24,348	24,348	-	18,806	18,806	-	72,410	72,410	-	190,634	190,634
<b>Net assets at the end of the year</b>	<b>249,913</b>	<b>97,990</b>	<b>347,903</b>	<b>81,431</b>	<b>64,553</b>	<b>145,984</b>	<b>151,433</b>	<b>72,919</b>	<b>224,352</b>	<b>62,299</b>	<b>93,946</b>	<b>156,245</b>	<b>545,076</b>	<b>329,408</b>	<b>874,484</b>
Undistributed income brought forward															
- Realised income		42,079			50,810			59,029			55,354			207,272	
- Unrealised loss		(11,085)			(3,221)			(1,968)			5,253			(11,021)	
		30,994			47,589			57,061			60,607			196,251	
Accounting income available for distribution															
- Relating to capital gains	66,996			16,964			15,858			33,339			133,157		
- Excluding capital gains	-			-			-			-			-		
	66,996			16,964			15,858			33,339			133,157		
Undistributed income carried forward	97,990			47,589			72,919			93,946			329,408		
Undistributed income carried forward															
- Realised income		102,556			65,862			73,890			79,635			321,943	
- Unrealised (loss) / income		(4,566)			(1,309)			(971)			14,311			7,465	
		97,990			64,553			72,919			93,946			329,408	
	<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>		
Net asset value per unit as at the beginning of the year	61.6837			59.1490			60.6014			49.9777			63.5964		
Net asset value per unit as at the end of the year	78.4701			71.4694			68.4368			63.5964					

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

		For the year ended June 30, 2022				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	(16,654)	316	8,269	(1,528)	(9,597)	
<b>Adjustments for</b>						
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	6.1	26,170	5,421	3,321	10,652	45,564
	9,516	5,737	11,590	9,124	35,967	
<b>Decrease / (increase) in assets</b>						
Investments - net	30,540	48,336	80,583	71,363	230,822	
Profit receivable on saving accounts with banks	(3)	10	21	-	28	
	30,537	48,346	80,604	71,363	230,850	
<b>(Decrease) / increase in liabilities</b>						
Payable to AI Meezan Investment Management Limited - Management Company	(30)	5	(12)	(9)	(46)	
Payable to Central Depository Company of Pakistan Limited - Trustee	(3)	(3)	(6)	(5)	(17)	
Payable to Meezan Bank Limited	(15)	(11)	(5)	-	(31)	
Payable to the Securities and Exchange Commission of Pakistan (SECP)	2	-	9	(27)	(16)	
Accrued expenses and other liabilities	(5,417)	(3,114)	(1,441)	(9,174)	(19,146)	
	(5,463)	(3,123)	(1,455)	(9,215)	(19,256)	
<b>Net cash generated from operating activities</b>	34,590	50,960	90,739	71,272	247,561	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts against issuance and conversion of units	60,847	79,469	98,353	-	238,669	
Payments against redemption and conversion of units	(100,449)	(125,519)	(184,740)	(71,191)	(481,899)	
Dividend paid	-	(536)	(4,676)	-	(5,212)	
<b>Net cash used in financing activities</b>	(39,602)	(46,586)	(91,063)	(71,191)	(248,442)	
Net increase / (decrease) in cash and cash equivalents during the year	(5,012)	4,374	(324)	81	(881)	
Cash and cash equivalents at the beginning of the year	6,715	265	1,158	503	8,641	
<b>Cash and cash equivalents at the end of the year</b>	5	1,703	4,639	834	584	7,760

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

Note	For the year ended June 30, 2021					
	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income for the year before taxation	75,070	24,348	18,806	72,410	190,634	
<b>Adjustments for</b>						
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	6.1	4,566	1,309	971	(14,311)	(7,465)
		79,636	25,657	19,777	58,099	183,169
<b>(Increase) / decrease in assets</b>						
Investments - net	(63,142)	(30,730)	(84,083)	175,407	(2,548)	
Profit receivable on saving accounts with banks	3	(2)	(22)	8	(13)	
	(63,139)	(30,732)	(84,105)	175,415	(2,561)	
<b>Increase / (decrease) in liabilities</b>						
Payable to Al Meezan Investment Management Limited - Management Company	31	42	12	(11)	74	
Payable to Central Depository Company of Pakistan Limited - Trustee	4	1	5	2	12	
Payable to Meezan Bank Limited	13	10	3	-	26	
Payable to the Securities and Exchange Commission of Pakistan (SECP)	3	(1)	(1)	(22)	(21)	
Accrued expenses and other liabilities	1,256	409	377	1,170	3,212	
	1,307	461	396	1,139	3,303	
<b>Net cash generated from / (used in) operating activities</b>	17,804	(4,614)	(63,932)	234,653	183,911	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts against issuance and conversion of units	154,247	101,343	255,213	611	511,414	
Payments against redemption and conversion of units	(167,154)	(98,617)	(197,810)	(234,895)	(698,476)	
Dividend paid	(40)	(112)	-	(1,184)	(1,336)	
<b>Net cash (used in) / generated from financing activities</b>	(12,947)	2,614	57,403	(235,468)	(188,398)	
Net increase / (decrease) in cash and cash equivalents during the year	4,857	(2,000)	(6,529)	(815)	(4,487)	
Cash and cash equivalents at the beginning of the year	1,858	2,265	7,687	1,318	13,128	
<b>Cash and cash equivalents at the end of the year</b>	5	6,715	265	1,158	503	8,641

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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

1.1 Meezan Financial Planning Fund of Funds (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on July 27, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) 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 Fund is registered as a Notified entity under the NBFC Regulations issued through S.R.O.1203(I)/2008 on November 21, 2008. 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.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on August 16, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

1.3 The Fund is an open-end Shariah compliant Fund of Funds Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis except for Meezan Asset Allocation Plan-I (MAAP-I) in which the offer of units is discontinued after the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of SECP after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.

1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 27, 2021 (2021: 'AM1' dated December 31, 2020) and by PACRA dated June 23, 2022 (2021: 'AM1' dated June 23, 2021). The rating reflects the Fund'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 The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and Meezan Asset Allocation Plan - I by investing in Shariah compliant income, money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of the SECP. A brief description of the plans are as follows:

Aggressive Allocation Plan (Aggressive)	High risk - Long term investor This plan invests at least 65 percent of its net assets in Shariah Compliant Equity Funds and the remaining portion in Shariah Compliant Fixed Income Funds.
Moderate Allocation Plan (Moderate)	Moderate risk - Medium and long term investor This plan invests at least 45 percent of its net assets in Shariah Compliant Equity Funds and at the remaining portion in Shariah Compliant Fixed Income Funds.
Conservative Allocation Plan (Conservative)	Moderate risk - Medium and short term investor This plan invests at least 20 percent of its net assets in Shariah Compliant Equity Funds and the remaining portion in Shariah Compliant Fixed Income Funds.
Meezan Asset Allocation Plan I (MAAP-I)	Moderate risk - High return through asset allocation The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 20, 2015). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. During the year ended June 30, 2018, Meezan Asset Allocation Plan-I (MAAP-I) was reopened for investment, after completion of two years. The plan had a revised maturity date of two years from the close of the re-subscription period (i.e. November 24, 2017). During the current year, the SECP approved the extension of the plan by one year vide its letter No. SCD / AMCW / MFPEF / 137 / 2019 dated November 13, 2019. Further, after the expiry of first extension, during the current year, the SECP again approved

Each allocation plan announces separate Net Asset Value which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

## **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 (IFRSs) 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 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 or after July 1, 2021. However, these do not have any significant impact on the Fund's operations 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 accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

### **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, valuation and impairment 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 4.2 Cash and cash equivalents

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.

### 4.3 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

##### 4.3.2.1 Debt instruments

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

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

based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

##### 4.3.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

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

#### Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

##### 4.3.4 Impairment

The Fund assesses on a forward looking basis the expected credit loss (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 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.



#### 4.3.5 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.

#### 4.3.6 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.

#### 4.4 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 Unit holders' Fund

Unit holders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

#### 4.9 Issuance and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the applications are received. The offer price of each allocation plan represents the net assets value (NAV) of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the net assets value (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

#### 4.10 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.

#### **4.11 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 net assets value (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 net asset value (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.

#### **4.12 Revenue recognition**

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place;
- (ii) Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the date of book closure of the investee Fund declaring the dividend;
- (iii) Profit on balances with banks is recognised on a time proportion basis using the effective yield method; and
- (iv) 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.

#### **4.13 Expenses**

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

#### **4.14 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. 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. Moreover, super tax introduced in the Finance Act, 2022 is also not applicable on Funds (Section 4C of the Income Tax Ordinance, 2001).

#### **4.15 Earnings / (loss) per unit**

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

Earnings / (loss) per unit (EPU) 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.

#### **4.16 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 period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

## 5 BALANCES WITH BANKS

		As at June 30, 2022				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
Saving accounts	1,703	4,639	834	584	7,760	
Current accounts	-	-	-	-	-	
	<u>1,703</u>	<u>4,639</u>	<u>834</u>	<u>584</u>	<u>7,760</u>	
		As at June 30, 2021				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
Saving accounts	6,288	255	1,148	493	8,184	
Current accounts	427	10	10	10	457	
	<u>6,715</u>	<u>265</u>	<u>1,158</u>	<u>503</u>	<u>8,641</u>	

- 5.1 These include a balance of Rs. 7.028 million (2021: Rs. 7.814 million) maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.01% (2021: 2.5%) per annum. Other profit and loss sharing accounts of the Fund have expected profit rates ranging from 4.00% to 15.25% per annum (2021: 1.50% to 7.32% per annum).

## 6 INVESTMENTS

		As at June 30, 2022				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
Investments - 'at fair value through profit or loss'	<u>291,075</u>	<u>96,280</u>	<u>142,740</u>	<u>86,359</u>	<u>616,454</u>	
		As at June 30, 2021				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
Investments - 'at fair value through profit or loss'	<u>347,785</u>	<u>150,037</u>	<u>226,644</u>	<u>168,374</u>	<u>892,840</u>	

### 6.1 At fair value through profit or loss - Units of mutual Funds

Name of investee Funds	As at July 1, 2021	Purchases during the year	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised appreciation/(diminution) as at June 30, 2022	Percentage in relation to	
								Market value on the basis of Net Assets of the Fund	Total market value of investments
				(Number of units)	(Rupees in '000)			(Percentage)	
<b>Aggressive Allocation Plan</b>									
Meezan Islamic Fund	4,122,205	4,639,333	4,884,867	3,876,671	244,264	217,991	(26,273)	75.07	74.89
Meezan Islamic Income Fund	1,681,170	1,922,802	2,185,746	1,418,226	72,981	73,084	103	25.17	25.11
<b>Total as at June 30, 2022</b>					<u>317,245</u>	<u>291,075</u>	<u>(26,170)</u>	<u>100.24</u>	<u>100.00</u>
<b>Total as at June 30, 2021</b>					<u>352,351</u>	<u>347,785</u>	<u>(4,566)</u>		
<b>Moderate Allocation Plan</b>									
Meezan Islamic Fund	1,187,441	1,633,840	1,967,635	853,646	53,654	48,002	(5,652)	47.97	49.86
Meezan Islamic Income Fund	1,452,831	1,942,796	2,458,774	936,853	48,047	48,278	231	48.25	50.14
<b>Total as at June 30, 2022</b>					<u>101,701</u>	<u>96,280</u>	<u>(5,421)</u>	<u>96.22</u>	<u>100.00</u>
<b>Total as at June 30, 2021</b>					<u>151,346</u>	<u>150,037</u>	<u>(1,309)</u>		
<b>Conservative Allocation Plan</b>									
Meezan Islamic Fund	898,278	1,204,448	1,470,886	631,840	39,393	35,529	(3,864)	25.23	24.89
Meezan Islamic Income Fund	3,297,127	4,104,973	5,321,642	2,080,458	106,668	107,211	543	76.12	75.11
<b>Total as at June 30, 2022</b>					<u>146,061</u>	<u>142,740</u>	<u>(3,321)</u>	<u>101.35</u>	<u>100.00</u>
<b>Total as at June 30, 2021</b>					<u>227,615</u>	<u>226,644</u>	<u>(971)</u>		



Name of investee Funds	As at July 1, 2021	Purchases during the year	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised appreciation / (diminution) as at June 30, 2022	Percentage in relation to	
								Market value on the basis of Net Assets of the Fund	Total market value of investments
				----- (Number of units) -----			----- (Rupees in '000) -----		
							(Percentage)		

#### Meezan Asset Allocation Plan I

Al Meezan Mutual Fund	3,758,262	3,758,262	6,236,046	1,280,478	22,596	20,130	(2,466)	24.10	23.31
Meezan Islamic Fund	-	47,581	47,581	-	-	-	-	-	-
Meezan Islamic Income Fund	840,427	1,829,637	2,670,061	-	-	-	-	-	-
Meezan Daily Income Fund	-	1,987,235	1,646,745	340,490	17,024	17,024	-	20.38	19.71
Meezan Dedicated Equity Fund	1,253,414	1,253,414	1,283,329	1,223,499	57,390	49,204	(8,186)	58.91	56.98
<b>Total as at June 30, 2022</b>					<u>97,010</u>	<u>86,359</u>	<u>(10,652)</u>	<u>103.39</u>	<u>100.00</u>

#### Total as at June 30, 2021

	<u>154,063</u>	<u>168,374</u>	<u>14,311</u>
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#### Total investments in units of mutual Funds

Al Meezan Mutual Fund	3,758,262	3,758,262	6,236,046	1,280,478	22,596	20,130	(2,466)	3.27	3.27
Meezan Islamic Fund	6,207,924	7,525,202	8,370,969	5,362,157	337,310	301,522	(35,789)	49.05	48.91
Meezan Islamic Income Fund	7,271,555	9,800,208	11,612,907	4,776,027	227,695	228,573	877	37.18	37.08
Meezan Daily Income Fund	-	1,987,235	1,646,745	340,490	17,024	17,024	-	2.77	2.76
Meezan Dedicated Equity Fund	1,253,414	1,253,414	1,283,329	1,223,499	57,390	49,204	(8,186)	8.00	7.98
<b>Total as at June 30, 2022</b>					<u>662,015</u>	<u>616,453</u>	<u>(45,564)</u>	<u>100.27</u>	<u>100.00</u>

#### Total as at June 30, 2021

	<u>885,375</u>	<u>892,840</u>	<u>7,465</u>
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## 7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	As at June 30, 2022				
		Aggressive	Moderate	Conservative	MAAP-I	Total
		----- (Rupees in '000) -----				
Remuneration payable	7.1	1	1	1	-	3
Sindh Sales Tax payable on remuneration of Management Company	7.2	-	-	-	-	-
Sales load payable		10	46	3	-	59
Sindh Sales Tax payable on sales load	7.2	1	6	-	-	7
Allocated expenses payable	7.3	12	8	27	7	54
		<u>24</u>	<u>61</u>	<u>31</u>	<u>7</u>	<u>123</u>
		----- (Rupees in '000) -----				
	Note	As at June 30, 2021				
		Aggressive	Moderate	Conservative	MAAP-I	Total
		----- (Rupees in '000) -----				
Remuneration payable	7.1	4	3	8	1	16
Sindh Sales Tax payable on remuneration of Management Company	7.2	1	-	1	-	2
Sales load payable		28	35	-	-	63
Sindh Sales Tax payable on sales load	7.2	4	5	-	-	9
Allocated expenses payable	7.3	17	13	34	15	79
		<u>54</u>	<u>56</u>	<u>43</u>	<u>16</u>	<u>169</u>

**7.1** 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 1% (2021: 1%) per annum of the daily bank balance of the Fund during the year ended June 30, 2022. The remuneration is payable to the Management Company monthly in arrears.

**7.2** During the year, an amount of Rs 0.013 million (2021: Rs 0.023 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2021: 13%) and an amount of Rs. 0.015 million (2021: Rs. 0.023 million) has been paid to the Management Company which acts as a collecting agent.

**7.3** 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 0.11% of the average annual net assets of the Fund for allocation of such expenses to the Fund subject to not being higher than the actual expense (2021: 0.1% from July 1, 2020 till March 9, 2021 and 0.11% with effect from March 10, 2021).

## 8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		As at June 30, 2022				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
Remuneration payable	8.1	20	4	15	5	44
Sindh Sales Tax payable on remuneration of the Trustee	8.2	3	1	2	1	7
		<u>23</u>	<u>5</u>	<u>17</u>	<u>6</u>	<u>51</u>
		As at June 30, 2021				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
Remuneration payable	8.1	23	7	20	10	60
Sindh Sales Tax payable on remuneration of the Trustee	8.2	3	1	3	1	8
		<u>26</u>	<u>8</u>	<u>23</u>	<u>11</u>	<u>68</u>

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at 0.07% (2021: 0.07%) per annum based on the daily net assets of the Fund.

8.2 During the current year, an amount of Rs 0.072 million (2021: Rs. 0.08 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2021: 13%) and an amount of Rs. 0.073 million (2021: Rs. 0.079 million) was paid to the Trustee which acts as a collecting agent.

## 9 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).

Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% (2021: 0.02%) of net assets during the current year.

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

		As at June 30, 2022				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
Withholding tax payable		-	89	483	-	572
Capital gain tax payable		9	8	66	1	84
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.2	72	40	36	16	164
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.2	368	497	528	3,295	4,688
Shariah advisor fee payable		64	22	37	22	145
Auditors' remuneration payable		152	61	98	49	360
Printing charges payable		-	-	-	-	-
		<u>665</u>	<u>717</u>	<u>1,248</u>	<u>3,383</u>	<u>6,013</u>
		As at June 30, 2021				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
Withholding tax payable		-	409	-	93	502
Capital gain tax payable		125	69	18	327	539
Provision for Sindh Workers' Welfare Fund	10.1	5,233	2,673	1,963	8,530	18,399
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	10.2	72	40	36	16	164
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.2	368	497	528	3,295	4,688
Shariah advisor fee payable		59	24	29	33	145
Auditors' remuneration payable		132	56	68	104	360
Printing charges payable		93	63	47	159	362
		<u>6,082</u>	<u>3,831</u>	<u>2,689</u>	<u>12,557</u>	<u>25,159</u>

- 10.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual Funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual Funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual Funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual Funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

During the current year, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

- 10.2** 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 01, 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 0.44 million, Rs 0.537 million, Rs 0.564 million and Rs 3.31 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP- I respectively is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision of FED not been made, the Net Asset Value of the Fund as at June 30, 2022 would have been higher by Re. 0.11, Re 0.38, Re. 0.27 and Re.2.44 per unit in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I (2021: Re 0.10, Re 0.26, Re 0.17 and Re 1.35 per unit) respectively.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

## 12 AUDITORS' REMUNERATION

	For the year ended June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Annual audit fee	162	65	103	60	390
Half year review fee	63	30	41	28	162
Out of pocket expenses	11	5	6	8	30
	<u>236</u>	<u>100</u>	<u>150</u>	<u>96</u>	<u>582</u>
	For the year ended June 30, 2021				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Annual audit fee	144	60	72	115	391
Half year review fee	50	21	24	56	151
Out of pocket expenses	5	3	5	11	24
	<u>199</u>	<u>84</u>	<u>101</u>	<u>182</u>	<u>566</u>

### 13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2022 are:

	As at June 30, 2022			
	Aggressive	Moderate	Conservative	MAAP-I
Total Expense Ratio (TER)	0.35%	0.37%	0.36%	0.36%
Government levies	0.03%	0.03%	0.03%	0.03%

	As at June 30, 2021			
	Aggressive	Moderate	Conservative	MAAP-I
Total Expense Ratio (TER)	0.82%	0.73%	0.60%	0.90%
Government levies	0.51%	0.40%	0.27%	0.60%

The above calculated ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Fund scheme.

### 14 TAXATION

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

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. Moreover, super tax introduced in the Finance Act, 2022 is also not applicable on funds (section 4C of the Income Tax Ordinance, 2001).

### 15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

**15.1** Connected persons include AI Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives 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, AI Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

**15.2** 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. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

**15.3** 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.

**15.4** Detail of transactions with connected persons / related parties and balances with them are as follows:

Balances	As at June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
AI Meezan Investment Management Limited - Management Company					
Remuneration payable to the Management Company (Rs in '000)	1	1	1	-	3
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	-
Sales load payable (Rs in '000)	10	46	3	-	59
Sindh Sales Tax on sales load payable (Rs in '000)	1	6	-	-	7
Allocated expenses payable (Rs in '000)	12	8	27	7	54
Investment (Rs in '000)	-	-	8,882	-	8,882
Investment (Units)	-	-	129,573	-	129,573
Dividend Reinvest during the year (Rs in '000)	-	-	335	-	335



Balances	As at June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
<b>Meezan Bank Limited</b>					
Bank balance (Rs in '000)	1,440	4,396	618	574	7,028
Profit receivable (Rs in '000)	5	6	10	3	24
Sales load payable (Rs in '000)	1	-	-	-	1
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration payable to the Trustee (Rs in '000)	20	4	15	5	44
Sindh Sales Tax payable on remuneration of the Trustee (Rs in '000)	3	1	2	1	7
<b>Meezan Islamic Fund</b>					
Investment (Rs in '000)	217,991	48,002	35,529	-	301,522
Investment (Units)	3,876,671	853,646	631,840	-	5,362,157
<b>AI Meezan Mutual Fund</b>					
Investment (Rs in '000)	-	-	-	20,130	20,130
Investment (Units)	-	-	-	1,280,478	1,280,478
<b>Meezan Daily Income Fund</b>					
Investment (Rs in '000)	-	-	-	17,024	17,024
Investment (Units)	-	-	-	340,490	340,490
<b>Meezan Islamic Income Fund</b>					
Investment (Rs in '000)	73,084	48,278	107,211	-	228,573
Investment (Units)	1,418,226	936,853	2,080,458	-	4,435,537
<b>Meezan Dedicated Equity Fund</b>					
Investment (Rs in '000)	-	-	-	49,204	49,204
Investment (Units)	-	-	-	1,223,499	1,223,499
<b>Unit Holders holding 10% or more units of the Fund</b>					
Investment (Rs in '000)	187,592	-	36,365	46,477	270,434
Investment (Units)	2,525,819	-	530,483	756,229	3,812,531
<b>Balances</b>					
	As at June 30, 2021				
	Aggressive	Moderate	Conservative	MAAP-I	Total
<b>AI Meezan Investment Management Limited - Management Company</b>					
Remuneration payable to the Management Company (Rs in '000)	4	3	8	1	16
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	1	-	1	-	2
Sales load payable (Rs in '000)	28	35	-	-	63
Sindh Sales Tax payable on sales load payable (Rs in '000)	4	5	-	-	9
Allocated expenses payable (Rs in '000)	17	13	34	15	79
Investment (Rs in '000)	-	-	8,582	-	8,582
Investment (Units)	-	-	125,407	-	125,407
<b>Meezan Bank Limited</b>					
Bank balance (Rs in '000)	6,459	30	948	377	7,814
Profit receivable (Rs in '000)	4	12	32	4	52
Sales load payable (Rs in '000)	16	11	5	-	32



**Balances**

	As at June 30, 2021				
	Aggressive	Moderate	Conservative	MAAP-I	Total
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration payable to the Trustee (Rs in '000)	23	7	20	10	60
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	3	1	3	1	8
<b>Directors and Executives of the Management Company</b>					
Investment (Rs in '000)	1,505	-	8,707	-	10,212
Investment (Units)	19,185	2	127,221	-	146,408
<b>Meezan Islamic Fund</b>					
Investment (Rs in '000)	261,249	75,255	56,929	-	393,433
Investment (Units)	4,122,205	1,187,441	898,278	-	6,207,924
<b>Al Meezan Mutual Fund</b>					
Investment (Rs in '000)	-	-	-	66,321	66,321
Investment (Units)	-	-	-	3,758,262	3,758,262
<b>Meezan Islamic Income Fund</b>					
Investment (Rs in '000)	86,536	74,782	169,715	43,260	374,293
Investment (Units)	1,681,170	1,452,831	3,297,122	840,423	7,271,546
<b>Meezan Dedicated Equity Fund</b>					
Investment (Rs in '000)	-	-	-	58,793	58,793
Investment (Units)	-	-	-	1,253,414	1,253,414
<b>Unit Holders holding 10% or more units of the Fund</b>					
Investment (Rs in '000)	198,218	-	94,731	96,074	389,023
Investment (Units)	2,526,030	-	1,384,210	1,510,678	5,420,919
<b>Transactions</b>	For the year ended June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
<b>Al Meezan Investment Management Limited - Management Company</b>					
Remuneration to the Management Company (Rs in '000)	31	26	37	9	103
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	4	3	5	1	13
Allocated expenses (Rs in '000)	364	150	233	137	884
<b>Meezan Bank Limited</b>					
Profit on saving account (Rs in '000)	78	86	107	22	293
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration of the Trustee (Rs in '000)	232	95	148	87	562
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	30	12	19	11	72
<b>Unit holders holding 10% or more units of the Fund</b>					
Redeemed during the period (Rs. in '000)	-	-	60,331	48,743	109,073
Redeemed during the period (Units)	-	-	853,715	754,449	1,608,164

Transactions	For the year ended June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
<b>Directors and Executives of the Management Company</b>					
Invested during the year (Rs in '000)	6,990	237	9,233	-	16,459
Invested during the year (Units)	89,067	3,275	131,075	-	223,416
Redeemed during the year (Rs in '000)	8,430	208	7,285	-	15,923
Redeemed during the year (Units)	106,567	2,824	104,122	-	213,513
<b>Meezan Islamic Fund</b>					
Invested during the year (Rs in '000)	30,639	27,756	18,543	3,000	79,938
Invested during the year (Units)	506,155	444,917	305,731	47,581	1,304,384
Redeemed during the year (Rs in '000)	46,275	47,575	34,025	2,844	130,719
Redeemed during the year (Units)	751,688	778,713	572,170	47,581	2,150,152
<b>Meezan Daily Income Fund</b>					
Invested during the year (Rs in '000)	-	-	-	99,339	99,339
Invested during the year (Units)	-	-	-	1,986,772	1,986,772
Redeemed during the year (Rs in '000)	-	-	-	82,314	82,314
Redeemed during the year (Units)	-	-	-	1,646,282	1,646,282
Dividend received during the period (Rs. in '000)	-	-	-	1,731	1,731
<b>Al Meezan Mutual Fund</b>					
Redeemed during the year (Rs in '000)	-	-	-	41,990	41,990
Redeemed during the year (Units)	-	-	-	2,477,784	2,477,784
<b>Meezan Islamic Income Fund</b>					
Invested during the year (Rs in '000)	12,615	25,671	42,684	52,304	133,275
Invested during the year (Units)	241,624	489,959	807,839	989,214	2,528,636
Redeemed during the year (Rs in '000)	26,714	53,631	109,293	96,664	286,302
Redeemed during the year (Units)	504,568	1,005,937	2,024,508	1,829,642	5,364,655
Dividend received during the year (Rs. in '000)	5,987	3,520	7,607	-	17,114
Refund of capital during the year (Rs. in '000)	178	451	1,101	-	1,731
Dividend Reinvest during the year (Units)	5,987	3,520	7,607	-	17,115
<b>Meezan Dedicated Equity Fund</b>					
Redeemed during the year (Rs in '000)	-	-	-	1,330	1,330
Redeemed during the year (Units)	-	-	-	29,915	29,915
<b>Transactions</b>					
For the year ended June 30, 2021					
<b>Al Meezan Investment Management Limited - Management Company</b>					
Remuneration for the year (Rs in '000)	52	44	65	12	173
Sindh Sales Tax on management fee (Rs in '000)	7	6	8	2	23
Allocated expense (Rs in '000)	333	141	171	266	911

Transactions	For the year ended June 30, 2021				
	Aggressive	Moderate	Conservative	MAAP-I	Total
<b>Meezan Bank Limited</b>					
Profit on saving account (Rs in '000)	133	136	186	35	490
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration of the Trustee for the year (Rs in '000)	226	96	116	182	620
Sindh Sales Tax on trustee fee (Rs in '000)	29	12	15	24	80
<b>Directors and Executives of the Management Company</b>					
Invested during the year (Rs in '000)	43,894	137	39,787	-	83,818
Invested during the year (Units)	617,496	2,049	613,438	-	1,232,983
Amount redeemed during the year (Rs in '000)	44,555	145	39,791	-	84,491
Redeemed during the year (Units)	617,681	2,152	612,151	-	1,231,984
<b>Meezan Islamic Fund</b>					
Invested during the year (Rs. in '000)	283,230	107,984	87,219	66,200	544,634
Invested during the year (Units)	4,403,495	1,715,548	1,366,521	1,148,071	8,633,635
Redeemed during the year (Rs. in '000)	320,608	119,628	83,392	184,862	708,489
Redeemed during the year (Units)	5,115,292	1,941,046	1,348,577	3,132,666	11,537,581
<b>Meezan Sovereign Fund</b>					
Invested during the year (Rs. in '000)	-	-	-	101,785	101,785
Invested during the year (Units)	-	-	-	1,925,349	1,925,349
Redeemed during the year (Rs. in '000)	-	-	-	102,346	102,346
Redeemed during the year (Units)	-	-	-	1,925,349	1,925,349
<b>Al Meezan Mutual Fund</b>					
Invested during the year (Rs. in '000)	-	-	-	131,376	131,376
Invested during the year (Units)	-	-	-	7,452,703	7,452,703
Redeemed during the year (Rs. in '000)	-	-	-	124,208	124,208
Redeemed during the year (Units)	-	-	-	7,077,440	7,077,440
<b>Meezan Islamic Income Fund</b>					
Invested during the year (Rs. in '000)	119,121	123,287	278,431	181,009	701,848
Invested during the year (Units)	2,201,104	3,599,442	5,120,907	3,401,172	14,322,626
Redeemed during the year (Rs. in '000)	95,363	102,694	208,207	228,479	634,743
Redeemed during the year (Units)	1,746,351	3,206,209	3,812,648	4,300,785	13,065,994
Dividend received during the year (Rs. in '000)	38	33	74	19	164
Dividend received during the year (Units)	733	635	1,446	369	3,183
Refund of capital during the year (Rs. in '000)	5,342	4,617	10,477	2,670	23,106
Refund of capital during the year (Units)	103,802	89,702	203,569	51,889	448,962
<b>Meezan Dedicated Equity Fund</b>					
Redeemed during the year (Rs. in '000)	-	-	-	73,560	73,560
Redeemed during the year (Units)	-	-	-	1,695,344	1,695,344

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



## 16 FINANCIAL INSTRUMENTS BY CATEGORY

	2022			2021		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000			Rupees in '000		
<b>Financial assets</b>						
Balances with banks	7,760	-	7,760	8,641	-	8,641
Investments	-	616,454	616,454	-	892,840	892,840
Receivable against conversion of units	1	-	1	376	-	376
Profit receivable on saving accounts with banks	29	-	29	57	-	57
	<u>7,790</u>	<u>616,454</u>	<u>624,244</u>	<u>9,074</u>	<u>892,840</u>	<u>901,914</u>
<b>Financial liabilities</b>						
Payable to Al Meezan Investment Management Limited - Management Company	123	-	123	169	-	169
Payable to Central Depository Company of Pakistan Limited - Trustee	51	-	51	68	-	68
Payable to Meezan Bank Limited	1	-	1	32	-	32
Payable on redemption and conversion of units	2,935	-	2,935	1,826	-	1,826
Dividend payable	171	-	171	-	-	-
Accrued expenses and other liabilities	505	-	505	867	-	867
	<u>3,786</u>	<u>-</u>	<u>3,786</u>	<u>2,962</u>	<u>-</u>	<u>2,962</u>
Net financial assets / (liabilities)	<u>4,004</u>	<u>616,454</u>	<u>620,458</u>	<u>6,112</u>	<u>892,840</u>	<u>898,952</u>

## 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 interest rates. As of June 30, 2022, 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. 0.078 million (2021: Rs. 0.082 million).

#### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, 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 and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 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, 2022 can be determined as follows:

----- As at June 30, 2022 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Balance with banks	4.00% to 15.25%	7,760	-	-	7,760
Investments		-	-	616,454	616,454
Receivable against conversion of units		-	-	1	1
Profit receivable on saving accounts with banks		-	-	29	29
		<u>7,760</u>	<u>-</u>	<u>616,484</u>	<u>624,244</u>
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	123	123
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	51	51
Payable to Meezan Bank Limited		-	-	1	1
Payable on redemption and conversion of units		-	-	2,935	2,935
Dividend payable		-	-	171	171
Accrued expenses and other liabilities		-	-	505	505
		<u>-</u>	<u>-</u>	<u>3,786</u>	<u>3,786</u>
<b>On-balance sheet gap (a)</b>		<u>7,760</u>	<u>-</u>	<u>612,698</u>	<u>620,458</u>
<b>Off-balance sheet financial instruments</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Off-balance sheet gap (b)</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total profit rate sensitivity gap (a+b)</b>		<u>7,760</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cumulative profit rate sensitivity gap</b>		<u>7,760</u>	<u>7,760</u>	<u>7,760</u>	<u>-</u>

----- As at June 30, 2021 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Balance with banks	1.50% to 7.32%	8,184	-	457	8,641
Investments		-	-	892,840	892,840
Receivable against conversion of units		-	-	376	376
Profit receivable on saving accounts with banks		-	-	57	57
		<u>8,184</u>	<u>-</u>	<u>893,730</u>	<u>901,914</u>
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	169	169
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	68	68
Payable to Meezan Bank Limited		-	-	32	32
Payable on redemption and conversion of units		-	-	1,826	1,826
Accrued expenses and other liabilities		-	-	876	876
		<u>-</u>	<u>-</u>	<u>2,971</u>	<u>2,971</u>
<b>On-balance sheet gap (a)</b>		<u>8,184</u>	<u>-</u>	<u>890,759</u>	<u>898,943</u>
<b>Off-balance sheet financial instruments</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Off-balance sheet gap (b)</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total profit rate sensitivity gap (a+b)</b>		<u>8,184</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cumulative profit rate sensitivity gap</b>		<u>8,184</u>	<u>8,184</u>	<u>8,184</u>	<u>-</u>

### 17.1.1 Currency risk

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

### 17.1.2 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 has exposure to equity price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by the SECP from time to time.

In case of 1% increase / decrease in equity prices as at June 30, 2022 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 6.1645 million (2021: Rs. 8.928 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.

### 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 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 redemptions requests during the year.

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

	Maturity up to					2022	
	One month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	----- (Rupees in '000) -----						
<b>Financial assets</b>							
Balances with banks	7,760	-	-	-	-	-	7,760
Investments	-	-	-	-	-	616,454	616,454
Receivable against conversion of units	1	-	-	-	-	-	1
Profit receivable on saving accounts with banks	29	-	-	-	-	-	29
	7,790	-	-	-	-	616,454	624,244
<b>Financial liabilities</b>							
Payable to Al Meezan Investment Management Limited - Management Company	123	-	-	-	-	-	123
Payable to Central Depository Company of Pakistan Limited - Trustee	51	-	-	-	-	-	51
Payable to Meezan Bank Limited	1	-	-	-	-	-	1
Payable on redemption and conversion of units	2,935	-	-	-	-	-	2,935
Dividend payable	171	-	-	-	-	-	171
Accrued expenses and other liabilities	-	505	-	-	-	-	505
	3,281	505	-	-	-	-	3,786
	4,509	(505)	-	-	-	616,454	620,458

	Maturity up to					2021	
	One month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	----- (Rupees in '000) -----						
<b>Financial assets</b>							
Balances with banks	8,641	-	-	-	-	-	8,641
Investments	-	-	-	-	-	892,840	892,840
Receivable against conversion of units	376	-	-	-	-	-	376
Profit receivable on saving accounts with banks	57	-	-	-	-	-	57
	9,074	-	-	-	-	892,840	901,914
<b>Financial liabilities</b>							
Payable to Al Meezan Investment Management Limited - Management Company	169	-	-	-	-	-	169
Payable to Central Depository Company of Pakistan Limited - Trustee	68	-	-	-	-	-	68
Payable to Meezan Bank Limited	32	-	-	-	-	-	32
Payable on redemption and conversion of units	1,826	-	-	-	-	-	1,826
Accrued expenses and other liabilities	362	505	-	-	-	-	867
	2,457	505	-	-	-	-	2,962
	<u>6,617</u>	<u>(505)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>892,840</u>	<u>898,952</u>

### 17.3 Credit risk

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

	2022		2021	
	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) -----			
<b>Financial assets</b>				
Balances with banks	7,760	7,760	8,641	8,641
Investments	616,454	-	892,840	-
Receivable against conversion of units	1	1	376	376
Profit receivable on saving accounts	29	29	57	57
	<u>624,244</u>	<u>7,790</u>	<u>901,914</u>	<u>9,074</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in units of mutual funds are not exposed to credit risk.

#### 17.3.1 Credit quality of financial assets

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

	As at June 30, 2022		As at June 30, 2021	
	(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
AAA	7,028	90.57	7,357	85.15
AA+	253	3.26	818	9.47
AA	475	6.12	461	5.34
A+	4	0.05	5	0.04
	<u>7,760</u>	<u>100.00</u>	<u>8,641</u>	<u>100.00</u>

None of the financial assets were considered to be past due or impaired as on June 30, 2022.

The Fund does not have any collateral against any of the aforementioned assets.



## 18 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 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.

## 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, 2022, the Fund held the following financial instruments measured at fair values:

	2022			2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in '000)			(Rupees in '000)		
<b>Financial assets</b>						
At fair value through profit or loss	-	616,454	-	-	892,840	-
	-	616,454	-	-	882,827	-

## 20 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty two years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty six years
Mr. Taha Javed	Head of Equity	CFA / MBA	Fifteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Fifteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Eleven years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Twelve years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Thirteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Fifteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fourteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA / ACCA	Eight years

20.1 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 Balanced Fund;
- Meezan Asset Allocation Fund;
- Meezan Strategic Allocation Fund;
- Meezan Strategic Allocation Fund-II;
- Meezan Strategic Allocation Fund-III; and
- Meezan Dedicated Equity Fund.

## 21 DETAILS OF MEETINGS OF BOARD OF DIRECTORS

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 09, 2021	September 14, 2021	October 11, 2021	February 14, 2022	April 18, 2022	June 09, 2022
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	No	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Naeem	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	No	No	Yes	Yes

## 22 UNIT HOLDING PATTERN OF THE FUND

	AGGRESSIVE					
	----- As at June 30, 2022 -----			----- As at June 30, 2021 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	676	85,234	29.35	627	129,039	37.09
Retirement Funds	3	144,177	49.65	3	64,402	18.51
Others	2	60,955	20.99	2	154,462	44.40
<b>Total</b>	<b>681</b>	<b>290,366</b>	<b>100.00</b>	<b>632</b>	<b>347,903</b>	<b>100.00</b>

	MODERATE					
	----- As at June 30, 2022 -----			----- As at June 30, 2021 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	446	90,364	90.31	387	131,401	90.01
Retirement Funds	2	3,525	3.52	3	8,436	5.78
Others	4	6,170	6.17	2	6,147	4.21
<b>Total</b>	<b>452</b>	<b>100,059</b>	<b>100.00</b>	<b>392</b>	<b>145,984</b>	<b>100.00</b>

	CONSERVATIVE					
	----- As at June 30, 2022 -----			----- As at June 30, 2021 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	412	78,703	55.88	340	104,814	46.72
Associated company	1	8,883	6.31	1	8,582	3.83
Retirement Funds	4	53,145	37.72	5	110,852	49.40
Others	1	108	0.08	1	104	0.05
<b>Total</b>	<b>418</b>	<b>140,839</b>	<b>100.00</b>	<b>347</b>	<b>224,352</b>	<b>100.00</b>

	MAAP-I					
	----- As at June 30, 2021 -----			----- As at June 30, 2021 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individual	78	37,042	44.35	112	60,171	38.51
Retirement Funds	-	-	-	-	-	-
Others	2	46,477	55.65	3	96,074	61.49
<b>Total</b>	<b>80</b>	<b>83,519</b>	<b>100.00</b>	<b>115</b>	<b>156,245</b>	<b>100.00</b>

### 23 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 16, 2022.

### 24 GENERAL

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

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

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

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

\_\_\_\_\_  
Director





**Al Meezan**  
Investment Management Ltd.

# SHISPARE

There are no shortcuts to the top; be it investments or the peak of a mountain.

Height 7,611 meters,  
belongs to the range Batura Karakoram





# MEEZAN STRATEGIC ALLOCATION FUND (MSAF)

Meezan Strategic Allocation Fund is a Shariah Compliant scheme which uses active asset allocation strategy for providing competitive returns on investment. It is a unique asset allocation fund for investors who wish to benefit from the equity market and want an actively managed investment portfolio with diversification.





# 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](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## BOARD RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Mubashar Maqbool	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	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 ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Bank Al Habib Limited - Islamic Banking Habib  
Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (+9221) 35156191-94 Fax: (+9221) 35156195  
E-mail: [bawaney@cyber.net.pk](mailto:bawaney@cyber.net.pk)

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



Pure. Profit.



## REPORT OF THE FUND MANAGER Meezan Strategic Allocation Fund (MSAF)

### Type of Fund

MSAF is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

### Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

### Strategy and Investment Policy

MSAF has six Allocation Plans which allow investors to invest according to their risk tolerance levels.

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan - I	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Meezan Strategic Allocation Plan - II	
Meezan Strategic Allocation Plan - III	
Meezan Strategic Allocation Plan - IV	
Meezan Strategic Allocation Plan - V	
Meezan Strategic Allocation Plan - MCPP-III	



Pure. Profit.



### Performance Table with Benchmark

Returns - FY22	
MSAP I	-6.25%
Benchmark	-7.23%
MSAPII	-6.61%
Benchmark	-7.28%
MSAP III	-7.41%
Benchmark	-7.29%
MSAP IV	-6.78%
Benchmark	-7.29%
MSAP V	-7.52%
Benchmark	-7.26%
MCPPIII	5.13%
Benchmark	1.32%

#### Meezan Strategic Allocation Plan - I

The Meezan Strategic Allocation Plan – I posted a total loss of Rs. 27 million in FY22 as compared to total income of Rs. 210 million last year. Total loss comprised of realized and unrealized loss on investments of Rs. 11 million and Rs. 36 million respectively. Dividend income comprised of Rs. 11 million. After accounting for expenses of Rs. 1 million, the Fund posted a net loss of Rs. 29 million. The net assets of the Fund as at June 31, 2022 were Rs. 383 million as compared to Rs. 674 million at the end of last year depicting a decline of 43%.

#### Meezan Strategic Allocation Plan - II

The Meezan Strategic Allocation Plan – II posted a total loss of Rs. 22 million in FY22 as compared to total income of Rs. 111 million last year. Total loss comprised of realized and unrealized loss on investments of Rs. 5 million and Rs. 27 million respectively. Dividend income comprised of Rs. 7 million. After accounting for expenses of Rs. 1 million, the Fund posted a net loss of Rs. 23 million. The net assets of the Fund as at June 30, 2022 were Rs. 321 million as compared to Rs. 452 million at the end of last year depicting a decline of 29%.

#### Meezan Strategic Allocation Plan - III

The Meezan Strategic Allocation Plan – III posted a total loss of Rs. 17 million in FY22 as compared to total gain of Rs. 158 million last year. Total loss comprised of realized and unrealized loss on investments of Rs. 4 million and Rs. 24 million respectively. Dividend income comprised of Rs. 7 million. After accounting for expenses of Rs. 1 million, the Fund posted a net loss of Rs. 18 million. The net assets of the Fund as at June 30, 2022 were Rs. 214 million as compared to Rs. 501 million at the end of last year depicting a decline of 57%.

#### Meezan Strategic Allocation Plan - IV

The Meezan Strategic Allocation Plan – IV posted a total loss of Rs. 7 million in FY22 as compared to total income of Rs. 125 million last year. Total loss comprised of realized and unrealized loss on investments of Rs. 3 million and Rs. 10 million respectively. Dividend income comprised of Rs. 3 million. After accounting for expenses of Rs. 0.41 million, the Fund posted a net loss of Rs. 7 million. The net assets of the Fund as at June 30, 2022 were Rs. 105 million as compared to Rs. 213 million at the end of last year depicting a decline of 50%.



Pure. Profit.



### Meezan Strategic Allocation Plan - V

The Meezan Strategic Allocation Plan – V posted a total loss of Rs. 4 million in FY22 as compared to total income of Rs. 36 million last year. Total loss comprised of realized and unrealized loss on investments of Rs. 0.93 million and Rs. 5 million respectively. Dividend income comprised of Rs. 1 million. After accounting for expenses of Rs. 0.15 million, the Fund posted a net loss of Rs. 4 million. The net assets of the Fund as at June 30, 2022 were Rs. 49 million as compared to Rs. 63 million at the end of last year depicting a decline of 22%.

### Meezan Capital Preservation Plan – III

The Meezan Capital Preservation Plan – III posted a total income of Rs. 12 million in FY22 as compared to total income of Rs. 28 million last year. Total income comprised of realized and unrealized loss on investments and Rs. 0.94 million and Rs. 2 million respectively. Dividend income and profit on saving account with banks comprised of Rs. 13 million and 0.02 million respectively. After accounting for expenses of Rs. 0.63 million, the Fund posted a net income of Rs. 11 million. The net assets of the Fund as at June 30, 2022 were Rs. 196 million as compared to Rs265 million at the end of last year depicting a decline of 26%.

### Distributions

The Final Pay out by the Fund during the fiscal year ended June 30, 2022 was 3.25 per unit (6.50%) in MCPP-III. Total distribution made by the fund was Rs. 11.24 million in MCPP-III.

### SWWF Disclosure:

During the month of August 2021, provisioning against Sindh Workers’ Welfare Fund by (MSAP I) amounting to Rs. 9.93 million, (MSAP II) amounting to Rs. 2.88 million, (MSAP III) amounting to Rs. 4.34 million, (MSAP IV) amounting to Rs. 3.84 million, (MSAP V) amounting to Rs. 0.95 million, and (MCPP III) amounting to Rs. 1.57 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an increase in NAV of the (MSAP I) by 1.51%, (MSAP II) by 0.65%, (MSAP III) by 0.87%, (MSAP IV) by 2.04%, (MSAP V) by 1.51% and (MCPP III) by 0.59%. This is one-off event and is not likely to be repeated in the future.

### Breakdown of unit holdings by size

(As on June 30, 2022)

Range (Units)	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III
	No. of investo	No. of investors	No. of investors	No. of investors	No. of investors	No. of investors
1 - 9,999	83	129	59	56	25	122
10,000 - 49,999	60	38	52	41	13	37
50,000 - 99,999	11	9	12	7	3	8
100,000 - 499,999	14	4	14	4	3	9
500,000 and above	3	4	-	-	-	-
<b>Total</b>	<b>171</b>	<b>184</b>	<b>137</b>	<b>108</b>	<b>44</b>	<b>176</b>



**PERFORMANCE TABLE**

	As at June 30, 2022					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
Net assets (Rs. in '000) (ex-distribution)	382,872	321,520	214,306	104,968	49,057	195,967
Net assets value per unit as at 30 June (Rs.) (ex-distribution)	43.8853	43.3940	41.9282	43.1405	50.0124	54.3250
Highest redemption price per unit (Rs.)	49.3794	48.6618	47.4530	49.0453	56.8817	57.6128
Lowest redemption price per unit (Rs.)	42.9719	42.5360	41.0363	42.2073	48.9751	54.3250
Distribution (%)						
-Interim	-	-	-	-	-	3.25
Date of distribution						
-Interim	-	-	-	-	-	June 30, 2022
Income distribution (Rupees in '000)	-	-	-	-	-	11,241
Growth distribution (Rupees in '000)	-	-	-	-	-	-
Total return (%)	-6.25%	-6.61%	-7.41%	-6.78%	-7.52%	5.13%
Average annual return as at June 30, 2022 (%) - One Year	-6.25%	-6.61%	-7.41%	-6.78%	-7.52%	5.13%

	As at June 30, 2021					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
Net assets (Rs. in '000) (ex-distribution)	673,664	452,203	500,785	212,669	62,873	264,770
Net assets value per unit as at 30 June (Rs.) (ex-distribution)	46.8129	46.4631	45.2827	46.2775	54.0799	54.7709
Highest redemption price per unit (Rs.)	47.9702	47.5974	46.4176	47.5009	55.5351	55.0157
Lowest redemption price per unit (Rs.)	37.0938	36.8264	35.7533	36.4283	42.3562	50.8474
Distribution (%)						
-Interim	-	-	-	-	-	-
Date of distribution						
-Interim	-	-	-	-	-	-
Income distribution (Rupees in '000)	-	-	-	-	-	-
Growth distribution (Rupees in '000)	-	-	-	-	-	-
Total return (%)	26.96%	26.29%	27.13%	27.49%	28.25%	7.72%
Average annual return as at June 30, 2021 (%) - Two Year	10.36%	9.84%	9.86%	10.36%	10.37%	6.43%

	As at June 30, 2020					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
Net assets (Rs. in '000) (ex-distribution)	793,346	452,618	746,007	751,178	195,589	416,287
Net assets value per unit as at 30 June (Rs.) (ex-distribution)	36.8722	36.7897	35.6189	36.2977	42.1678	50.8475
Highest redemption price per unit (Rs.)	40.3937	43.6048	42.3907	43.1423	49.1563	55.8649
Lowest redemption price per unit (Rs.)	32.1933	31.7994	30.9811	31.388	35.9775	49.2492
Distribution (%)						
-Interim	2.50	1.75	2.00	2.00	1.50	-
Date of distribution						
-Interim	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020
Income distribution (Rupees in '000)	50,942	20,727	40,041	39,581	6,757	-
Growth distribution (Rupees in '000)	-	-	-	-	-	-
Total return (%)	7.93%	6.51%	6.73%	6.89%	6.47%	-0.69%
Average annual return as at June 30, 2020 (%) - Three Year	9.55%	8.73%	8.82%	9.20%	9.07%	4.05%

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



**Meezan Bank**  
The Premier Islamic Bank



## Report of the *Shari'ah* Advisor – Meezan Strategic Allocation Fund

July 29, 2022/ Dhu Al-Hijjah 29, 1443

**Alhamdulillah**, the period from July 1, 2021 to June 30, 2022 was the Sixth year of operations of Meezan Strategic Allocation Fund (MSAF) under management of Al Meezan Investment Management Limited (Al Meezan). We, Meezan Bank Limited, are the *Shari'ah* advisors of the Fund and are issuing the report in accordance with clause 3.7.1 of the Offering Document of the Fund. The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity.

In the capacity of *Shari'ah* Advisor, we have prescribed criteria and procedure to be followed in ensuring *Shari'ah* compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure *Shari'ah* compliance in line with the *Shari'ah* 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 prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of MSAF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MSAF by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MSAF for the year ended June 30, 2021 have been in compliance with *Shari'ah* principles.

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

**Dr. Muhammad Imran Ashraf Usmani**

For and on behalf of Meezan Bank  
*Shari'ah* Advisor

**Meezan Bank Ltd.**

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**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN STRATEGIC ALLOCATION FUND**

**Report of the Trustee pursuant to Regulation 41(h) and Clause 9 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 Strategic 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, 2022 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; and
- (iii) 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 14, 2022





**INDEPENDENT AUDITOR'S REPORT**

**To the Unit holders of Meezan Strategic Allocation Fund**

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

**Opinion**

We have audited the financial statements of Meezan Strategic Allocation Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, 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	<b>Net Asset Value</b> (Refer notes 5 and 6 to the financial statements)	
	Investments and balances with banks constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2022 amounted to Rs 1,262.953 million and balances with banks aggregated to Rs 10.124 million.  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, 2022 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"><li>▪ Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li><li>▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li><li>▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li></ul>

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### **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.

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A.F. FERGUSON & CO.

- 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, related safeguards.

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

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

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

*A.F. Ferguson & Co.*

A. F. Ferguson & Co.  
Chartered Accountants  
Dated: September 21, 2022  
Karachi  
UDIN: AR202210081GB4LMsF0a

**MEEZAN STRATEGIC ALLOCATION FUND  
 STATEMENT OF ASSETS AND LIABILITIES  
 AS AT JUNE 30, 2022**

		June 30, 2022						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
<b>Assets</b>								
Balances with banks	5	807	4,682	2,917	538	560	620	10,124
Investments	6	382,426	317,108	211,612	104,527	48,535	198,745	1,262,953
Profit receivable on savings account with banks		2	25	8	4	3	5	47
<b>Total assets</b>		<u>383,235</u>	<u>321,815</u>	<u>214,537</u>	<u>105,069</u>	<u>49,098</u>	<u>199,370</u>	<u>1,273,124</u>
<b>Liabilities</b>								
Payable to AI Meezan Investment Management Limited - Management Company	7	34	30	20	10	4	18	116
Payable to Central Depository Company of Pakistan Limited - Trustee	8	25	21	14	7	3	13	83
Payable to the Securities and Exchange Commission of Pakistan	9	108	78	71	30	11	46	344
Payable against purchase of investments		33	29	18	8	5	75	168
Dividend payable		-	-	-	-	-	1,675	1,675
Accrued expenses and other liabilities	10	163	137	108	46	18	1,576	2,048
<b>Total liabilities</b>		<u>363</u>	<u>295</u>	<u>231</u>	<u>101</u>	<u>41</u>	<u>3,403</u>	<u>4,434</u>
<b>Net assets</b>		<u>382,872</u>	<u>321,520</u>	<u>214,306</u>	<u>104,968</u>	<u>49,057</u>	<u>195,967</u>	<u>1,268,690</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>382,872</u>	<u>321,520</u>	<u>214,306</u>	<u>104,968</u>	<u>49,057</u>	<u>195,967</u>	<u>1,268,690</u>
<b>Contingencies and commitments</b>	11							
----- (Number of units) -----								
<b>Number of units in issue</b>		<u>8,724,383</u>	<u>7,409,321</u>	<u>5,111,265</u>	<u>2,433,165</u>	<u>980,896</u>	<u>3,607,311</u>	
----- (Rupees) -----								
<b>Net asset value per unit</b>		<u>43.8853</u>	<u>43.3940</u>	<u>41.9282</u>	<u>43.1405</u>	<u>50.0124</u>	<u>54.3250</u>	

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
 Director

**MEEZAN STRATEGIC ALLOCATION FUND  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2022**

		June 30, 2021						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
----- (Rupees in '000) -----								
<b>Assets</b>								
Balances with banks	5	1,136	201	51	56	1,389	859	3,692
Investments	6	683,177	455,168	505,400	216,718	63,274	265,726	2,189,463
Profit receivable on savings account with banks		5	1	-	1	3	2	12
<b>Total assets</b>		<u>684,318</u>	<u>455,370</u>	<u>505,451</u>	<u>216,775</u>	<u>64,666</u>	<u>266,587</u>	<u>2,193,167</u>
<b>Liabilities</b>								
Payable to AI Meezan Investment Management Limited - Management Company	7	69	42	46	19	7	25	208
Payable to Central Depository Company of Pakistan Limited - Trustee	8	49	31	33	15	4	17	149
Payable to the Securities and Exchange Commission of Pakistan	9	166	91	113	70	21	71	532
Payable against redemption and conversion of units		-	-	-	-	710	-	710
Accrued expenses and other liabilities	10	10,370	3,003	4,474	4,002	1,051	1,704	24,604
<b>Total liabilities</b>		<u>10,654</u>	<u>3,167</u>	<u>4,666</u>	<u>4,106</u>	<u>1,793</u>	<u>1,817</u>	<u>26,203</u>
<b>Net assets</b>		<u>673,664</u>	<u>452,203</u>	<u>500,785</u>	<u>212,669</u>	<u>62,873</u>	<u>264,770</u>	<u>2,166,964</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>673,664</u>	<u>452,203</u>	<u>500,785</u>	<u>212,669</u>	<u>62,873</u>	<u>264,770</u>	<u>2,166,964</u>
<b>Contingencies and commitments</b>	11							
----- (Number of units) -----								
<b>Number of units in issue</b>		<u>14,390,571</u>	<u>9,732,527</u>	<u>11,059,083</u>	<u>4,595,508</u>	<u>1,162,592</u>	<u>4,834,137</u>	
----- (Rupees) -----								
<b>Net asset value per unit</b>		<u>46.8129</u>	<u>46.4631</u>	<u>45.2827</u>	<u>46.2775</u>	<u>54.0799</u>	<u>54.7709</u>	

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN STRATEGIC ALLOCATION FUND  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

For the year ended June 30, 2022								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
<b>Income</b>								
Net realised loss on sale of investments	(11,715)	(5,669)	(3,960)	(3,361)	(937)	(945)	(26,587)	
Profit on savings accounts with banks	69	56	69	31	21	29	275	
Dividend income	11,056	7,635	7,235	2,814	1,079	13,392	43,211	
Other income	156	106	118	132	47	110	669	
	(434)	2,128	3,462	(384)	210	12,586	17,568	
Net unrealised diminution on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1	(36,961)	(27,219)	(24,806)	(10,544)	(5,061)	(2,028)	(106,619)
<b>Total (loss) / income</b>	<b>(37,395)</b>	<b>(25,091)</b>	<b>(21,344)</b>	<b>(10,928)</b>	<b>(4,851)</b>	<b>10,558</b>	<b>(89,051)</b>	
<b>Expenses</b>								
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	13	8	15	6	6	8	56
Sindh Sales Tax on remuneration of the Management Company	7.2	2	1	2	1	1	1	8
Allocated expenses	7.3	595	431	392	167	63	252	1,900
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	379	274	250	106	40	161	1,210
Sindh Sales Tax on remuneration of the Trustee	8.2	49	36	32	14	5	21	157
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	108	78	71	30	11	46	344
Auditors' remuneration	12	191	150	136	44	16	76	613
Fees and subscription		156	103	108	43	16	60	486
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	10.1	(9,818)	(2,806)	(4,253)	(3,804)	(940)	(1,525)	(23,146)
Bank and settlement charges		9	89	23	8	1	5	135
<b>Total expenses</b>		<b>(8,316)</b>	<b>(1,636)</b>	<b>(3,224)</b>	<b>(3,385)</b>	<b>(781)</b>	<b>(895)</b>	<b>(18,237)</b>
<b>Net (loss) / income for the year before taxation</b>		<b>(29,079)</b>	<b>(23,455)</b>	<b>(18,120)</b>	<b>(7,543)</b>	<b>(4,070)</b>	<b>11,453</b>	<b>(70,814)</b>
Taxation	14	-	-	-	-	-	-	-
<b>Net (loss) / income for the year after taxation</b>		<b>(29,079)</b>	<b>(23,455)</b>	<b>(18,120)</b>	<b>(7,543)</b>	<b>(4,070)</b>	<b>11,453</b>	<b>(70,814)</b>
<b>Allocation of net income for the year</b>								
Net income for the year after taxation		-	-	-	-	-	11,453	-
Income already paid on units redeemed		-	-	-	-	-	(1,751)	-
		-	-	-	-	-	<b>9,702</b>	-
<b>Accounting income available for distribution</b>								
- Relating to capital gains		-	-	-	-	-	-	-
- Excluding capital gains		-	-	-	-	-	9,702	-
		-	-	-	-	-	<b>9,702</b>	-

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN STRATEGIC ALLOCATION FUND  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

For the year ended June 30, 2021								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
(Rupees in '000)								
<b>Income</b>								
Net realised gain on sale of investments	173,629	111,242	125,322	95,971	25,061	21,645	552,870	
Profit on savings accounts with banks	80	47	102	66	25	87	407	
Dividend income	584	403	390	211	57	4,847	6,492	
	174,293	111,692	125,814	96,248	25,143	26,579	559,769	
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1	36,094	(705)	32,181	28,360	11,047	1,411	108,388
<b>Total income</b>		210,387	110,987	157,995	124,608	36,190	27,990	668,157
<b>Expenses</b>								
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	34	13	12	19	16	17	111
Sindh Sales Tax on remuneration of the Management Company	7.2	4	2	2	2	2	2	14
Allocated expenses	7.3	855	469	580	361	106	364	2,735
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	581	318	394	247	73	248	1,861
Sindh Sales Tax on remuneration of the Trustee	8.2	76	41	51	32	9	32	241
Annual fee to the Securities and Exchange Commission of Pakistan	9	166	91	113	71	21	71	533
Auditors' remuneration	12	169	92	121	80	23	55	540
Fees and subscription		121	66	82	51	15	53	388
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	4,167	2,196	3,132	2,475	718	543	13,231
Bank and settlement charges		27	73	31	15	11	1	158
<b>Total expenses</b>		6,200	3,361	4,518	3,353	994	1,386	19,812
<b>Net income for the year before taxation</b>		204,187	107,626	153,477	121,255	35,196	26,604	648,345
Taxation	14	-	-	-	-	-	-	-
<b>Net income for the year after taxation</b>		204,187	107,626	153,477	121,255	35,196	26,604	648,345
<b>Allocation of net income for the year</b>								
Net income for the year after taxation		204,187	107,626	153,477	121,255	35,196	26,604	648,345
Income already paid on units redeemed		(61,136)	(13,555)	(46,810)	(75,465)	(21,347)	(7,598)	(225,911)
		143,051	94,071	106,667	45,790	13,849	19,006	422,434
<b>Accounting income available for distribution</b>								
- Relating to capital gains		143,051	94,071	106,667	45,790	13,849	19,006	422,434
- Excluding capital gains		-	-	-	-	-	-	-
		143,051	94,071	106,667	45,790	13,849	19,006	422,434

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director





**MEEZAN STRATEGIC ALLOCATION FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**

For the year ended June 30, 2022							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	Total	
----- (Rupees in '000) -----							
Net (loss) / income for the year after taxation	(29,079)	(23,455)	(18,120)	(7,543)	(4,070)	11,453	(70,814)
Other comprehensive income for the year	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b>(29,079)</b>	<b>(23,455)</b>	<b>(18,120)</b>	<b>(7,543)</b>	<b>(4,070)</b>	<b>11,453</b>	<b>(70,814)</b>

For the year ended June 30, 2021							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	M CPP-III	Total	
----- (Rupees in '000) -----							
Net income for the year after taxation	204,187	107,626	153,477	121,255	35,196	26,604	648,345
Other comprehensive income for the year	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>204,187</b>	<b>107,626</b>	<b>153,477</b>	<b>121,255</b>	<b>35,196</b>	<b>26,604</b>	<b>648,345</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN STRATEGIC ALLOCATION FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

		For the year ended June 30, 2022						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		----- (Rupees in '000) -----						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
	Net (loss) / income for the year before taxation	(29,079)	(23,455)	(18,120)	(7,543)	(4,070)	11,453	(70,814)
<b>Adjustments for:</b>								
Net unrealised diminution on re-measurement of investments classified as 'financial asset at fair value through profit or loss' 6.1								
		36,961	27,219	24,806	10,544	5,061	2,028	106,619
		7,882	3,764	6,686	3,001	991	13,481	35,805
<b>Decrease / (increase) in assets</b>								
	Investments - net	263,790	110,841	268,982	101,647	9,678	64,953	819,891
	Profit receivable on savings account with banks	3	(24)	(8)	(3)	-	(3)	(35)
		263,793	110,817	268,974	101,644	9,678	64,950	819,856
<b>(Decrease) / increase in liabilities</b>								
	Payable to AI Meezan Investment Management Limited - Management Company	(35)	(12)	(26)	(9)	(3)	(7)	(92)
	Payable to Central Depository Company of Pakistan Limited - Trustee	(24)	(10)	(19)	(8)	(1)	(4)	(66)
	Payable to the Securities and Exchange Commission of Pakistan	(58)	(13)	(42)	(40)	(10)	(25)	(188)
	Payable against purchase of investments	33	29	18	8	(705)	75	(542)
	Accrued expenses and other liabilities	(10,207)	(2,866)	(4,366)	(3,956)	(1,033)	(128)	(22,556)
		(10,291)	(2,872)	(4,435)	(4,005)	(1,752)	(89)	(23,444)
	<b>Net cash (used in) / generated from operating activities</b>	<b>261,384</b>	<b>111,709</b>	<b>271,225</b>	<b>100,640</b>	<b>8,917</b>	<b>78,342</b>	<b>832,217</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
	Receipts against issuance and conversion of units	-	-	-	-	-	7,987	7,987
	Payments against redemption and conversion of units	(261,713)	(107,228)	(268,359)	(100,158)	(9,746)	(77,002)	(824,206)
	Dividend paid	-	-	-	-	-	(9,566)	(9,566)
	<b>Net cash used in financing activities</b>	<b>(261,713)</b>	<b>(107,228)</b>	<b>(268,359)</b>	<b>(100,158)</b>	<b>(9,746)</b>	<b>(78,581)</b>	<b>(825,785)</b>
	<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	<b>(329)</b>	<b>4,481</b>	<b>2,866</b>	<b>482</b>	<b>(829)</b>	<b>(239)</b>	<b>6,432</b>
	Cash and cash equivalents at the beginning of the year	1,136	201	51	56	1,389	859	3,692
	<b>Cash and cash equivalents at the end of the year</b> 5	<b>807</b>	<b>4,682</b>	<b>2,917</b>	<b>538</b>	<b>560</b>	<b>620</b>	<b>10,124</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN STRATEGIC ALLOCATION FUND  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	June 30, 2022			June 30, 2022			June 30, 2022			June 30, 2022		
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
----- (Rupees in '000) -----												
<b>Net assets at the beginning of the year</b>	1,086,918	(413,254)	673,664	753,015	(300,812)	452,203	869,206	(368,421)	500,785	660,829	(448,160)	212,669
<b>Issuance of units:</b>												
MSAP - I: nil units / MSAP - II: nil units												
MSAP - III: nil units / MSAP - IV: nil units												
MSAP - V: nil units / MCPP - III: 148,548 units												
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	-	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	-	-	-
<b>Redemption of units:</b>												
MSAP - I: 5,666,188 units / MSAP - II: 2,323,206 units												
MSAP - III: 5,947,818 units / MSAP - IV: 2,162,343 units												
MSAP - V: 181,696 units / MCPP - III: 1,375,374 units												
- Capital value (at net asset value per unit at the beginning of the year)	265,251	-	265,251	107,943	-	107,943	269,333	-	269,333	100,068	-	100,068
- Element of (loss) / income	(3,538)	-	(3,538)	(715)	-	(715)	(974)	-	(974)	90	-	90
Total payments on redemption of units	261,713	-	261,713	107,228	-	107,228	268,359	-	268,359	100,158	-	100,158
Total comprehensive (loss) / income for the year	-	(29,079)	(29,079)	-	(23,455)	(23,455)	-	(18,120)	(18,120)	-	(7,543)	(7,543)
Distribution during the year	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year less distribution	-	(29,079)	(29,079)	-	(23,455)	(23,455)	-	(18,120)	(18,120)	-	(7,543)	(7,543)
<b>Net assets at the end of the year</b>	<b>825,205</b>	<b>(442,333)</b>	<b>382,872</b>	<b>645,787</b>	<b>(324,267)</b>	<b>321,520</b>	<b>600,847</b>	<b>(386,541)</b>	<b>214,306</b>	<b>560,671</b>	<b>(455,703)</b>	<b>104,968</b>
<b>(Accumulated loss) / undistributed income brought forward</b>												
- Realised (loss) / income		(449,348)			(300,107)			(400,602)			(476,520)	
- Unrealised income / (loss)		36,094			(705)			32,181			28,360	
		(413,254)			(300,812)			(368,421)			(448,160)	
<b>Accounting income available for distribution</b>												
- Relating to capital gains		-			-			-			-	
- Excluding capital gains		-			-			-			-	
Net loss for the year after taxation		(29,079)			(23,455)			(18,120)			(7,543)	
Distribution during the year		-			-			-			-	
(Accumulated loss) / undistributed income carried forward		(442,333)			(324,267)			(386,541)			(455,703)	
<b>(Accumulated loss) / undistributed income carried forward</b>												
- Realised (loss) / income		(405,372)			(297,048)			(361,735)			(445,159)	
- Unrealised loss		(36,961)			(27,219)			(24,806)			(10,544)	
		(442,333)			(324,267)			(386,541)			(455,703)	
	<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>		<b>Rupees</b>			
Net asset value per unit at the beginning of the year	46.8129			46.4631			45.2827		46.2775			
Net asset value per unit at the end of the year	43.8853			43.3940			41.9282		43.1405			

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN STRATEGIC ALLOCATION FUND  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	June 30, 2022			June 30, 2022			June 30, 2022		
	MSAP-V			MCPPIII			Total		
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the year</b>	124,933	(62,060)	62,873	224,720	40,050	264,770	3,719,621	(1,552,657)	2,166,964
<b>Issuance of units:</b>									
MSAP - I: nil units / MSAP - II: nil units									
MSAP - III: nil units / MSAP - IV: nil units									
MSAP - V: nil units / MCPPIII: 148,548 units									
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	8,062	-	8,062	8,062	-	8,062
- Element of loss	-	-	-	(75)	-	(75)	(75)	-	(75)
Total proceeds on issuance of units	-	-	-	7,987	-	7,987	7,987	-	7,987
<b>Redemption of units:</b>									
MSAP - I: 5,666,188 units / MSAP - II: 2,323,206 units									
MSAP - III: 5,947,818 units / MSAP - IV: 2,162,343 units									
MSAP - V: 181,696 units / MCPPIII: 1,375,374 units									
- Capital value (at net asset value per unit at the beginning of the year)	9,826	-	9,826	75,330	-	75,330	827,751	-	827,751
- Element of (loss) / income	(80)	-	(80)	(79)	1,751	1,672	(5,296)	1,751	(3,545)
Total payments on redemption of units	9,746	-	9,746	75,251	1,751	77,002	822,455	1,751	824,206
Total comprehensive (loss) / income for the year	-	(4,070)	(4,070)	-	11,453	11,453	-	(70,814)	(70,814)
Distribution during the year	-	-	-	-	(11,241)	(11,241)	-	(11,241)	(11,241)
Net income for the year less distribution	-	(4,070)	(4,070)	-	212	212	-	(82,055)	(82,055)
<b>Net assets at the end of the year</b>	<b>115,187</b>	<b>(66,130)</b>	<b>49,057</b>	<b>157,456</b>	<b>38,511</b>	<b>195,967</b>	<b>2,905,153</b>	<b>(1,636,463)</b>	<b>1,268,690</b>
<b>(Accumulated loss) / undistributed income brought forward</b>									
- Realised (loss) / income		(73,107)			38,639			(1,661,045)	
- Unrealised income / (loss)		11,047			1,411			108,388	
		(62,060)			40,050			(1,552,657)	
<b>Accounting income available for distribution</b>									
- Relating to capital gains	-			-			-		
- Excluding capital gains	-			9,702			9,702		
	-			9,702			9,702		
Net loss for the year after taxation	(4,070)			-			(82,267)		
Distribution during the year	-			(11,241)			(11,241)		
(Accumulated loss) / undistributed income carried forward	(66,130)			38,511			(1,554,196)		
(Accumulated loss) / undistributed income carried forward									
- Realised (loss) / income	(61,069)			40,539			(1,529,844)		
- Unrealised loss	(5,061)			(2,028)			(106,619)		
	(66,130)			38,511			(1,636,463)		
	<b>Rupees</b>			<b>Rupees</b>					
Net asset value per unit at the beginning of the year	54.0799			54.7709					
Net asset value per unit at the end of the year	50.0124			54.3250					

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	June 30, 2021 MSAP-I			June 30, 2021 MSAP-II			June 30, 2021 MSAP-III			June 30, 2021 MSAP-IV		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the year</b>	1,349,651	(556,305)	793,346	847,501	(394,883)	452,618	1,221,095	(475,088)	746,007	1,245,128	(493,950)	751,178
<b>Redemption of units:</b>												
MSAP - I: 7,125,513 units / MSAP - II: 2,570,312 units												
MSAP - III: 9,885,047 units / MSAP - IV: 16,099,377 units												
MSAP - V: 3,475,762 units / MCPP - III: 3,352,842 units												
- Capital value (at net asset value per unit at the beginning of the year)	262,733	-	262,733	94,486	-	94,486	351,889	-	351,889	584,299	-	584,299
- Element of (income) / loss	-	61,136	61,136	-	13,555	13,555	-	46,810	46,810	-	75,465	75,465
Total payments on redemption of units	262,733	61,136	323,869	94,486	13,555	108,041	351,889	46,810	398,699	584,299	75,465	659,764
Total comprehensive income for the year	-	204,187	204,187	-	107,626	107,626	-	153,477	153,477	-	121,255	121,255
Distribution during the year	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year less distribution	-	204,187	204,187	-	107,626	107,626	-	153,477	153,477	-	121,255	121,255
<b>Net assets at the end of the year</b>	<b>1,086,918</b>	<b>(413,254)</b>	<b>673,664</b>	<b>753,015</b>	<b>(300,812)</b>	<b>452,203</b>	<b>869,206</b>	<b>(368,421)</b>	<b>500,785</b>	<b>660,829</b>	<b>(448,160)</b>	<b>212,669</b>
<b>(Accumulated loss) / undistributed income brought forward</b>												
- Realised (loss) / income		(568,973)			(382,241)			(466,242)			(483,075)	
- Unrealised income / (loss)		12,668			(12,642)			(8,846)			(10,875)	
		<u>(556,305)</u>			<u>(394,883)</u>			<u>(475,088)</u>			<u>(493,950)</u>	
<b>Accounting income available for distribution</b>												
- Relating to capital gains		143,051			94,071			106,667			45,790	
- Excluding capital gains		-			-			-			-	
		<u>143,051</u>			<u>94,071</u>			<u>106,667</u>			<u>45,790</u>	
Distribution during the year		-			-			-			-	
(Accumulated loss) / undistributed income carried forward		<u>(413,254)</u>			<u>(300,812)</u>			<u>(368,421)</u>			<u>(448,160)</u>	
<b>(Accumulated loss) / undistributed income carried forward</b>												
- Realised (loss) / income		(449,348)			(300,107)			(400,602)			(476,520)	
- Unrealised income / (loss)		36,094			(705)			32,181			28,360	
		<u>(413,254)</u>			<u>(300,812)</u>			<u>(368,421)</u>			<u>(448,160)</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>			<b>(Rupees)</b>			<b>(Rupees)</b>	
Net asset value per unit at the beginning of the year		<u>36.8722</u>			<u>36.7897</u>			<u>35.6189</u>			<u>36.2977</u>	
Net asset value per unit at the end of the year		<u>46.8129</u>			<u>46.4631</u>			<u>45.2827</u>			<u>46.2775</u>	

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director





**MEEZAN STRATEGIC ALLOCATION FUND  
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

June 30, 2021			June 30, 2021			June 30, 2021		
MSAP-V			MCPPI-III			Total		
Capital Value	Accumulated loss	Total	Capital Value	(Accumulated loss) / undistributed income	Total	Capital Value	Accumulated loss	Total
(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
271,498	(75,909)	195,589	395,243	21,044	416,287	5,330,116	(1,975,091)	3,355,025
<b>Net assets at the beginning of the year</b>								
<b>Redemption of units:</b>								
MSAP - I: 7,125,513 units / MSAP - II: 2,570,312 units								
MSAP - III: 9,885,047 units / MSAP - IV: 16,099,377 units								
MSAP - V: 3,475,762 units / MCPPI - III: 3,352,842 units								
- Capital value (at net asset value per unit at the beginning of the year)								
- Element of (income) / loss								
146,565	-	146,565	170,523	-	170,523	1,610,495	-	1,610,495
-	21,347	21,347	-	7,598	7,598	-	225,911	225,911
146,565	21,347	167,912	170,523	7,598	178,121	1,610,495	225,911	1,836,406
Total payments on redemption of units								
-	35,196	35,196	-	26,604	26,604	-	648,345	648,345
Total comprehensive income for the year								
-	-	-	-	-	-	-	-	-
Distribution during the year								
-	35,196	35,196	-	26,604	26,604	-	648,345	648,345
Net income for the year less distribution								
124,933	(62,060)	62,873	224,720	40,050	264,770	3,719,621	(1,552,657)	2,166,964
<b>Net assets at the end of the year</b>								
<b>(Accumulated loss) / undistributed income brought forward</b>								
- Realised (loss) / income								
- Unrealised income / (loss)								
	(71,074)			20,896			(1,950,709)	
	(4,835)			148			(24,382)	
	(75,909)			21,044			(1,975,091)	
<b>Accounting income available for distribution</b>								
- Relating to capital gains								
- Excluding capital gains								
	13,849			19,006			422,434	
	-			-			-	
	13,849			19,006			422,434	
Distribution during the year								
(Accumulated loss) / undistributed income carried forward								
	(62,060)			40,050			(1,552,657)	
<b>(Accumulated loss) / undistributed income carried forward</b>								
- Realised (loss) / income								
- Unrealised income / (loss)								
	(73,107)			38,639			(1,661,045)	
	11,047			1,411			108,388	
	(62,060)			40,050			(1,552,657)	
<b>Net asset value per unit at the beginning of the year</b>								
			Rupees			Rupees		
			42.1678			50.8475		
<b>Net asset value per unit at the end of the year</b>								
			54.0799			54.7709		

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN STRATEGIC ALLOCATION FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

For the year ended June 30, 2021							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
------(Rupees in '000)-----							
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net income for the year before taxation	204,187	107,626	153,477	121,255	35,196	26,604	648,345
<b>Adjustments for:</b>							
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1 (36,094)	705	(32,181)	(28,360)	(11,047)	(1,411)	(108,388)
	168,093	108,331	121,296	92,895	24,149	25,193	539,957
<b>Decrease / (increase) in assets</b>							
Investments - net	157,760	1,537	281,538	570,516	144,141	153,407	1,308,899
Receivable against sale of investments	130	-	-	-	-	490	620
Profit receivable on savings account with banks	22	11	5	8	(2)	54	98
	157,912	1,548	281,543	570,524	144,139	153,951	1,309,617
<b>Increase / (decrease) in liabilities</b>							
Payable to Al Meezan Investment Management Limited - Management Company	2	5	(17)	(46)	(15)	(11)	(82)
Payable to Central Depository Company of Pakistan Limited - Trustee	(3)	2	(16)	(33)	(8)	(10)	(68)
Payable to the Securities and Exchange Commission of Pakistan	(13)	(13)	(48)	(101)	(25)	(83)	(283)
Payable against purchase of investments	(130)	-	-	(52)	-	-	(182)
Accrued expenses and other liabilities	(2,996)	(275)	(3,202)	(3,674)	(224)	373	(9,998)
	(3,140)	(281)	(3,283)	(3,906)	(272)	269	(10,613)
<b>Net cash generated from operating activities</b>	<b>322,865</b>	<b>109,598</b>	<b>399,556</b>	<b>659,513</b>	<b>168,016</b>	<b>179,413</b>	<b>1,838,961</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Payments against redemption and conversion of units	(323,869)	(108,089)	(398,749)	(659,764)	(167,202)	(179,605)	(1,837,278)
Dividend paid	(1,493)	(1,367)	(807)	(651)	(150)	-	(4,468)
<b>Net cash used in financing activities</b>	<b>(325,362)</b>	<b>(109,456)</b>	<b>(399,556)</b>	<b>(660,415)</b>	<b>(167,352)</b>	<b>(179,605)</b>	<b>(1,841,746)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>(2,497)</b>	<b>142</b>	<b>-</b>	<b>(902)</b>	<b>664</b>	<b>(192)</b>	<b>(2,785)</b>
Cash and cash equivalents at beginning of the year	3,633	59	51	958	725	1,051	6,477
<b>Cash and cash equivalents at end of the year</b>	<b>5 1,136</b>	<b>201</b>	<b>51</b>	<b>56</b>	<b>1,389</b>	<b>859</b>	<b>3,692</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN STRATEGIC ALLOCATION FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** Meezan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on September 08, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (the NBFC Rules). The Fund is registered as a Notified entity under 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.

During the year ended June 30, 2021, the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Consequently, the Fund is now required to be registered under the Sindh Trust Act. Accordingly, on September 2, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

**1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of Equity Schemes and Fixed Income / Money Market Schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. 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.

**1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. The subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the SECP after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. However, subscription hasn't been re-opened during the current year. The units of the plan 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 27, 2021 (2021: 'AM1' dated December 31, 2020) and by PACRA dated June 23, 2022 (2021: AM1 dated June 23, 2021). 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** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Strategic Allocation Plan-I (MSAP-I), Meezan Strategic Allocation Plan-II (MSAP-II), Meezan Strategic Allocation Plan-III (MSAP-III), Meezan Strategic Allocation Plan-IV (MSAP-IV), Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPIII) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The Management may also invest in other Collective Investment Schemes available to it with prior approval of the SECP. A brief description of the plans are as follows:

Meezan Strategic Allocation Plan-I (MSAP-I)	<p><b>Medium to high risk - High return through asset allocation</b></p> <p>The allocation plan commenced its operations from October 19, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. Units are subject to front end load. An early exit fee has also been charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. December 2, 2016). However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. SCD/AMCW/AMIML/106/2021 dated October 26, 2021, the plan shall mature on December 2, 2022.</p>
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Meezan Strategic Allocation Plan-II (MSAP-II)	<p><b>Medium to high risk - High return through asset allocation</b></p> <p>This allocation plan commenced its operations from December 22, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. Units are subject to front end load. An early exit fee shall has also been charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. January 31, 2017). However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. SCD/AMCW/MSAF/224/2022 dated January 19, 2022, the plan shall mature on January 31, 2023.</p>
Meezan Strategic Allocation Plan-III (MSAP-III)	<p><b>Medium to high risk - High return through asset allocation</b></p> <p>This allocation plan commenced its operations from February 20, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 95 percent. The initial maturity of this plan was two years from the close of the subscription period (i.e. April 3, 2017). Units are subject to front end load. An early exit fee shall has also been charged in case of redemption before the completion of the initial maturity of the plan. However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. ACD/AMCW/MSAF/281/2022 dated March 18, 2022, the duration of the plan shall be for an indefinite period upon completion of initial maturity period i.e. April 3, 2022.</p>
Meezan Strategic Allocation Plan-IV (MSAP-IV)	<p><b>Medium to high risk - High return through asset allocation</b></p> <p>This allocation plan commenced its operations from April 24, 2017 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 95 percent. The initial maturity of this plan was two years from the close of the subscription period (i.e. June 30, 2017). Units are subject to front end load. An early exit fee has also been charged in case of redemption before the completion of the initial maturity of the plan. However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. SCD/AMCW/MSAF/339/2022 dated May 14, 2022, the duration of the plan shall be for an indefinite period upon completion of initial maturity period i.e. June 30, 2022.</p>
Meezan Strategic Allocation Plan-V (MSAP-V)	<p><b>Medium to high risk - High return through asset allocation</b></p> <p>This allocation plan commenced its operations from August 15, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 95 percent. Units are subject to front end load. An early exit fee shall has also been charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. October 19, 2017). However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. SCD/AMCW/MSAF/60/2021, the plan shall mature on October 19, 2022.</p>
Meezan Capital Preservation Plan-III (MCPPIII)	<p><b>Medium risk - High return through asset allocation</b></p> <p>This allocation plan commenced its operations from December 19, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 50 percent in equity schemes and up to 100 percent in money market schemes. Units are subject to front end load. An early exit fee has also been charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. February 16, 2018). However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. SCD/AMCW/MSAF/231/2022 dated February 2, 2022, the plan shall mature on February 16, 2023.</p>

Each allocation plan announces separate Net Asset Values which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

## 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 are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the approved 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 (IFRSs) 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 IFRSs, 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, 2021. However, these do not have any significant impact on the Fund's operations 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 amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

The preparation of the financial statements in conformity with the accounting and reporting standards 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 judgements that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 4.2 and 6).

#### **3.5 Accounting convention**

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

#### **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 Rupees, which is the Fund's functional and presentation currency.



#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### 4.1 Cash and cash equivalents

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.

##### 4.2 Financial instruments

###### 4.2.1 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.

###### 4.2.2 Classification and subsequent measurement

###### 4.2.2.1 Debt instruments

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

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

based on the business model of the entity.

The investments of the Fund includes investment in units of mutual funds which are categorised as puttable instruments and are mandatorily required to be classified as 'financial assets at fair value through profit or loss'.

###### 4.2.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

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

###### Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net asset value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in units of mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

###### 4.2.4 Impairment

The fund assesses on a forward looking basis the expected credit loss (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.

#### 4.2.5 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.

#### 4.2.6 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 arising on derecognition of financial assets is taken to the Income Statement.

#### 4.3 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 value 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.

#### 4.4 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.

#### 4.5 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.

#### 4.6 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.

#### 4.7 Unit holders' fund

Unit holders' fund of each allocation plan representing the units issued by each respective allocation plan separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective allocation plan's net assets.

#### 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, 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.

#### 4.9 Distribution 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.

#### 4.10 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 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.

#### 4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the 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 fund declaring the dividend; and
- Profit on savings account with banks is recognised on 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. 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.

#### 4.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) for 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.

## 5 BALANCES WITH BANKS

		June 30, 2022						
		MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
<b>Note</b>		(Rupees in '000)						
Savings accounts	5.1	807	4,682	2,917	538	560	620	10,124
		June 30, 2021						
		MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
<b>Note</b>		(Rupees in '000)						
Savings accounts	5.1	1,126	191	41	46	746	849	2,999
Current account		10	10	10	10	643	10	693
		1,136	201	51	56	1,389	859	3,692

- 5.1 This includes balance of Rs 10.042 million (2021: Rs 2.920 million) maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.01% (2021: 2.50%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 3.41% to 5.26% (2021: 2.40% to 3.86%) per annum.

## 6 INVESTMENTS

		June 30, 2022						
		MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
<b>Note</b>		(Rupees in '000)						
<b>At fair value through profit or loss</b>								
Units of open ended mutual funds	6.1	382,426	317,108	211,612	104,527	48,535	198,745	1,262,953
		June 30, 2021						
		MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
<b>Note</b>		(Rupees in '000)						
<b>At fair value through profit or loss</b>								
Units of open ended mutual funds	6.1	683,177	455,168	505,400	216,718	63,274	265,726	2,189,463

## 6.1 Units of open ended mutual funds

Name of the investee funds	As at July 1, 2021	Purchased / reinvested during the year	Redeemed during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised diminution as at June 30, 2022	Percentage in relation to	
								Net assets of the Plan	Total market value of investments
		(Number of units)			(Rupees in '000)			%	
<b>Meezan Strategic Allocation Plan - I</b>									
AI Meezan Mutual Fund	9,530,913	1,247,372	2,956,484	7,821,801	136,294	122,965	(13,329)	32.00	32.15
KSE Meezan Index Fund	70,737	-	70,737	-	-	-	-	-	-
Meezan Dedicated Equity Fund	3,396,951	722,961	916,609	3,203,303	146,516	128,824	(17,692)	34.00	33.69
Meezan Islamic Fund	2,730,593	523,279	2,412,967	840,905	53,225	47,285	(5,940)	12.00	12.36
Meezan Daily Income Fund	-	7,959,908	6,292,876	1,667,032	83,352	83,352	-	22.00	21.80
Meezan Islamic Income Fund	-	4,524,387	4,524,387	-	-	-	-	-	-
Meezan Rozana Amdani Fund	3,548,805	65,727	3,614,532	-	-	-	-	-	-
<b>Total as at June 30, 2022</b>					419,387	382,426	(36,961)	100.00	100.00
<b>Total as at June 30, 2021</b>					647,083	683,177	36,094		
<b>Meezan Strategic Allocation Plan - II</b>									
AI Meezan Mutual Fund	11,986,975	611,134	9,144,900	3,453,209	60,997	54,287	(6,710)	17.00	17.12
KSE Meezan Index Fund	159,765	518,935	296,432	382,268	24,938	24,878	(60)	8.00	7.85
Meezan Dedicated Equity Fund	396,165	678,855	156,516	918,504	39,241	36,939	(2,302)	12.00	11.65
Meezan Islamic Fund	1,579,575	2,703,369	1,999,920	2,283,024	146,525	128,378	(18,147)	40.00	40.48
Meezan Daily Income Fund	-	5,344,788	3,892,266	1,452,522	72,626	72,626	-	23.00	22.90
Meezan Islamic Income Fund	-	2,913,680	2,913,680	-	-	-	-	-	-
Meezan Rozana Amdani Fund	2,266,117	41,413	2,307,530	-	-	-	-	-	-
<b>Total as at June 30, 2022</b>					344,327	317,108	(27,219)	100.00	100.00
<b>Total as at June 30, 2021</b>					455,873	455,168	(705)		

Name of the investee funds	As at July 1, 2021	Purchased / reinvested during the year	Redeemed during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised diminution as at June 30, 2022	Percentage in relation to	
								Net assets of the Plan	Total market value of investments
				----- (Number of units) -----			----- (Rupees in '000) -----		
								----- % -----	
<b>Meezan Strategic Allocation Plan - III</b>									
AI Meezan Mutual Fund	2,701,461	611,134	630,416	2,682,179	47,506	42,166	(5,340)	20.00	19.93
KSE Meezan Index Fund	159,037	95,676	148,464	106,249	7,765	6,915	(850)	3.00	3.27
Meezan Dedicated Equity Fund	3,295,552	-	856,113	2,439,439	114,426	98,105	(16,321)	46.00	46.36
Meezan Islamic Fund	2,541,472	222,191	2,439,213	324,450	20,539	18,244	(2,295)	9.00	8.62
Meezan Daily Income Fund	-	5,097,037	4,173,389	923,648	46,182	46,182	-	22.00	21.82
Meezan Islamic Income Fund	-	2,688,979	2,688,979	-	-	-	-	-	-
Meezan Rozana Amdani Fund	2,609,764	48,418	2,658,182	-	-	-	-	-	-
<b>Total as at June 30, 2022</b>					<b>236,418</b>	<b>211,612</b>	<b>(24,806)</b>	<b>100.00</b>	<b>100.00</b>
<b>Total as at June 30, 2021</b>					<b>473,219</b>	<b>505,400</b>	<b>32,181</b>		
<b>Meezan Strategic Allocation Plan - IV</b>									
AI Meezan Mutual Fund	2,774,152	-	2,255,797	518,355	9,147	8,149	(998)	8.00	7.80
KSE Meezan Index Fund	13,635	-	-	13,635	994	887	(107)	1.00	0.85
Meezan Dedicated Equity Fund	2,371,642	489,045	995,821	1,864,866	84,437	74,998	(9,439)	71.00	71.74
Meezan Islamic Fund	22,508	395,055	417,563	-	-	-	-	-	-
Meezan Daily Income Fund	-	2,160,772	1,750,919	409,853	20,493	20,493	-	20.00	19.61
Meezan Islamic Income Fund	-	1,104,670	1,104,670	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,081,947	17,598	1,099,545	-	-	-	-	-	-
<b>Total as at June 30, 2022</b>					<b>115,071</b>	<b>104,527</b>	<b>(10,544)</b>	<b>100.00</b>	<b>100.00</b>
<b>Total as at June 30, 2021</b>					<b>188,358</b>	<b>216,718</b>	<b>28,360</b>		
<b>Meezan Strategic Allocation Plan - V</b>									
AI Meezan Mutual Fund	130,368	1,143,543	-	1,273,911	22,301	20,027	(2,274)	41.00	41.26
KSE Meezan Index Fund	28,294	-	-	28,294	2,062	1,842	(220)	4.00	3.80
Meezan Dedicated Equity Fund	898,077	-	529,365	368,712	17,295	14,828	(2,467)	31.00	30.55
Meezan Islamic Fund	26,285	23,826	35,688	14,423	911	811	(100)	2.00	1.67
Meezan Daily Income Fund	-	707,173	486,623	220,550	11,027	11,027	-	22.00	22.72
Meezan Islamic Income Fund	-	374,414	374,414	-	-	-	-	-	-
Meezan Rozana Amdani Fund	302,399	5,816	308,215	-	-	-	-	-	-
<b>Total as at June 30, 2022</b>					<b>53,596</b>	<b>48,535</b>	<b>(5,061)</b>	<b>100.00</b>	<b>100.00</b>
<b>Total as at June 30, 2021</b>					<b>52,227</b>	<b>63,274</b>	<b>11,047</b>		
<b>Meezan Capital Preservation Plan - MCPP - III</b>									
Meezan Dedicated Equity Fund	1,066,315	1,023,559	1,504,231	585,643	25,580	23,552	(2,028)	12.00	11.85
Meezan Rozana Amdani Fund	4,314,182	6,005,207	6,815,529	3,503,860	175,193	175,193	-	88.00	88.15
Meezan Sovereign Fund	-	4,798,410	4,798,410	-	-	-	-	-	-
<b>Total as at June 30, 2022</b>					<b>200,773</b>	<b>198,745</b>	<b>(2,028)</b>	<b>100.00</b>	<b>100.00</b>
<b>Total as at June 30, 2021</b>					<b>264,315</b>	<b>265,726</b>	<b>1,411</b>		
<b>Total investments in units of mutual funds</b>									
AI Meezan Mutual Fund	27,123,869	3,613,183	14,987,597	15,749,455	276,245	247,594	(28,651)	20.00	19.60
KSE Meezan Index Fund	431,468	614,611	515,633	530,446	35,759	34,522	(1,237)	3.00	2.73
Meezan Dedicated Equity Fund	11,424,702	2,914,420	4,958,655	9,380,467	427,495	377,246	(50,249)	30.00	29.88
Meezan Islamic Fund	6,900,433	3,867,720	7,305,351	3,462,802	221,200	194,718	(26,482)	15.00	15.42
Meezan Daily Income Fund	-	21,269,678	16,596,073	4,673,605	233,680	233,680	-	18.00	18.50
Meezan Islamic Income Fund	-	11,606,130	11,606,130	-	-	-	-	-	-
Meezan Rozana Amdani Fund	14,123,214	6,184,179	16,803,533	3,503,860	175,193	175,193	-	14.00	13.87
Meezan Sovereign Fund	-	4,798,410	4,798,410	-	-	-	-	-	-
<b>Total as at June 30, 2022</b>					<b>1,369,572</b>	<b>1,262,953</b>	<b>(106,619)</b>	<b>100.00</b>	<b>100.00</b>



## 7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

		June 30, 2022						
		MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
Remuneration payable	7.1	-	1	-	-	-	-	1
Sindh Sales Tax payable on remuneration of the Management Company	7.2	-	-	-	-	-	-	-
Allocated expenses payable	7.3	34	29	20	10	4	18	115
		<u>34</u>	<u>30</u>	<u>20</u>	<u>10</u>	<u>4</u>	<u>18</u>	<u>116</u>
		June 30, 2021						
		MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
Remuneration payable	7.1	1	-	-	-	1	1	3
Sindh Sales Tax payable on remuneration of the Management Company	7.2	-	-	-	-	-	-	-
Allocated expenses payable	7.3	68	42	46	19	6	24	205
		<u>69</u>	<u>42</u>	<u>46</u>	<u>19</u>	<u>7</u>	<u>25</u>	<u>208</u>

- 7.1 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 rate of 1% (2021: 1%) per annum of the daily bank balances of the Fund during the year ended June 30, 2022. The remuneration is payable to the Management Company monthly in arrears.
- 7.2 During the year, an amount of Rs 0.008 million (2021: Rs 0.014 million) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.008 million (2021: Rs 0.015 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 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 of the respective plans of the Fund during the year ended June 30, 2022, subject to total expense charged being lower than actual expense incurred:

Rate applicable from July 1, 2021 to June 30, 2022	Rate applicable from July 1, 2020 to March 9, 2021	Rate applicable from March 10, 2021 to June 30, 2021
0.11% of the average annual net assets	0.10% of the average annual net assets	0.11% of the average annual net assets

## 8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY

		June 30, 2022						
		MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
Remuneration payable	8.1	22	19	12	6	3	11	73
Sindh Sales Tax payable on remuneration of the Trustee	8.2	3	2	2	1	-	2	10
		<u>25</u>	<u>21</u>	<u>14</u>	<u>7</u>	<u>3</u>	<u>13</u>	<u>83</u>
		June 30, 2021						
		MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
Remuneration payable	8.1	43	27	29	13	4	15	131
Sindh Sales Tax payable on remuneration of the Trustee	8.2	6	4	4	2	-	2	18
		<u>49</u>	<u>31</u>	<u>33</u>	<u>15</u>	<u>4</u>	<u>17</u>	<u>149</u>

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.070% (2021: 0.070%) of the average annual net assets of the Fund.
- 8.2 During the year, an amount of Rs 0.157 million (2021: Rs 0.241 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.165 million (2021: Rs 0.247 million) was paid to the Trustee which acts as a collecting agent.

## 9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

- 9.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

		June 30, 2022						
		MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
Note		(Rupees in '000)						
	Auditors' remuneration payable	122	90	79	34	13	52	390
	Shariah advisor fee payable	41	33	24	11	5	20	134
	Capital gain tax payable	-	14	5	1	-	-	20
	Withholding tax payable	-	-	-	-	-	1,504	1,504
	Provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	-	-	-	-
10.1		<u>163</u>	<u>137</u>	<u>108</u>	<u>46</u>	<u>18</u>	<u>1,576</u>	<u>2,048</u>
		June 30, 2021						
		MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
		(Rupees in '000)						
	Auditors' remuneration payable	114	62	76	46	14	48	360
	Shariah advisor fee payable	38	28	25	15	4	20	130
	Zakat payable	-	-	-	2	-	-	2
	Printing charges payable	155	105	118	132	47	110	667
	Capital gain tax payable	245	2	2	3	46	1	299
	Provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	-	-	-	-
10.1		<u>9,818</u>	<u>2,806</u>	<u>4,253</u>	<u>3,804</u>	<u>940</u>	<u>1,525</u>	<u>23,146</u>
		<u>10,370</u>	<u>3,003</u>	<u>4,474</u>	<u>4,002</u>	<u>1,051</u>	<u>1,704</u>	<u>24,604</u>

- 10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current year, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these financial statements of the Fund.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

**12 AUDITORS' REMUNERATION**

June 30, 2022						
MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)						
Annual audit fee	136	113	98	29	11	442
Fee for half yearly review of condensed int	52	35	36	14	5	162
Out of pocket expenses	3	2	2	1	0	9
	<u>191</u>	<u>150</u>	<u>136</u>	<u>44</u>	<u>16</u>	<u>613</u>

June 30, 2021						
MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)						
Annual audit fee	122	67	87	55	16	395
Fee for half yearly review of condensed int	45	24	32	24	7	138
Out of pocket expenses	2	1	2	1	-	7
	<u>169</u>	<u>92</u>	<u>121</u>	<u>80</u>	<u>23</u>	<u>540</u>

**13 EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 and June 30, 2021 is as follows:

June 30, 2022					
MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
Total Expense Ratio (TER)	0.28%	0.30%	0.29%	0.28%	0.28%
Government levies (included in TER)	0.03%	0.03%	0.03%	0.03%	0.03%

June 30, 2021					
MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
Total Expense Ratio (TER)	0.75%	0.74%	0.80%	0.95%	0.95%
Government levies (included in TER)	0.53%	0.51%	0.58%	0.73%	0.72%

The above ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Fund of Funds' Scheme.

**14 TAXATION**

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

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.

**15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

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.

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. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

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

Balances	June 30, 2022						Total
	MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	
<b>AI Meezan Investment Management Limited - Management Company</b>							
Remuneration payable (Rs in '000)	-	1	-	-	-	-	1
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	-	-	-
Allocated expenses payable (Rs in '000)	34	29	20	10	4	18	115
<b>Meezan Bank Limited</b>							
Balances with bank (Rs in '000)	735	4,682	2,917	538	560	608	10,040
Profit receivable on savings account (Rs in '000)	2	25	8	4	3	5	47
Shariah advisor fee payable (Rs in '000)	41	33	24	11	5	20	134
<b>Central Depository Company of Pakistan Limited - Trustee</b>							
Remuneration payable (Rs in '000)	22	19	12	6	3	11	73
Sindh Sales Tax payable on remuneration of the Trustee (Rs. in '000)	3	2	2	1	-	2	10
<b>Directors and Executives of the Management Company</b>							
Investment (Rs in '000)	-	-	15,491	-	-	-	15,491
Investment (Units)	-	-	369,471	-	-	-	369,471
<b>AI Meezan Mutual Fund</b>							
Investment (Rs in '000)	122,965	54,287	42,166	8,149	20,027	-	247,594
Investment (Units)	7,821,801	3,453,209	2,682,179	518,355	1,273,911	-	15,749,455
<b>KSE Meezan Index Fund</b>							
Investment (Rs in '000)	-	24,878	6,915	887	1,842	-	34,522
Investment (Units)	-	382,268	106,249	13,635	28,294	-	530,446
<b>Meezan Dedicated Equity Fund</b>							
Investment (Rs in '000)	128,824	36,939	98,105	74,998	14,828	23,552	377,246
Investment (Units)	3,203,303	918,504	2,439,439	1,864,866	368,712	585,643	9,380,467
<b>Meezan Islamic Fund</b>							
Investment (Rs in '000)	47,285	128,378	18,244	-	811	-	194,718
Investment (Units)	840,905	2,283,024	324,450	-	14,423	-	3,462,802
<b>Meezan Daily Income Fund</b>							
Investment (Rs in '000)	83,352	72,626	46,182	20,493	11,027	-	233,680
Investment (Units)	1,667,032	1,452,522	923,648	409,853	220,550	-	4,673,605
<b>Meezan Rozana Amdani Fund</b>							
Investment (Rs in '000)	-	-	-	-	-	175,193	175,193
Investment (Units)	-	-	-	-	-	3,503,860	3,503,860
<b>Unitholders holding 10% or more units of the Fund</b>							
Investment (Rs in '000)	120,794	168,235	-	10,765	21,344	23,860	344,998
Investment (Units)	2,752,499	3,876,917	-	249,543	426,776	439,207	7,744,943
<b>AI Meezan Investment Management Limited - Management Company</b>							
Remuneration payable (Rs in '000)	1	-	-	-	1	1	3
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	-	-	-
Allocated expenses payable (Rs in '000)	68	42	46	19	6	24	205

June 30, 2021							
MSAP - I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total	
<b>Meezan Bank Limited</b>							
Balances with bank (Rs in '000)	1,066	201	51	56	1,389	848	3,611
Profit receivable on savings account (Rs in '000)	5	1	-	1	3	2	12
Shariah advisor fee payable (Rs in '000)	38	28	25	15	4	20	130
<b>Central Depository Company of Pakistan Limited - Trustee</b>							
Remuneration payable (Rs in '000)	43	27	29	13	4	15	131
Sindh Sales Tax payable on remuneration of the Trustee (Rs. in '000)	6	4	4	2	-	2	18
<b>Directors and Executives of the Management Company</b>							
Investment (Rs in '000)	-	-	16,731	-	-	-	16,731
Investment (Units)	-	-	369,471	-	-	-	369,471
<b>AI Meezan Mutual Fund</b>							
Investment (Rs in '000)	168,188	211,529	47,672	48,954	2,300	-	478,643
Investment (Units)	9,530,913	11,986,974	2,701,461	2,774,152	130,368	-	27,123,868
<b>KSE Meezan Index Fund</b>							
Investment (Rs in '000)	5,155	11,642	11,589	994	2,062	-	31,442
Investment (Units)	70,737	159,765	159,037	13,635	28,294	-	431,468
<b>Meezan Dedicated Equity Fund</b>							
Investment (Rs in '000)	159,339	18,583	154,583	111,246	42,126	50,017	535,894
Investment (Units)	3,396,951	396,165	3,295,552	2,371,642	898,077	1,066,315	11,424,702
<b>Meezan Islamic Fund</b>							
Investment (Rs in '000)	173,055	100,108	161,068	1,427	1,666	-	437,324
Investment (Units)	2,730,593	1,579,575	2,541,472	22,508	26,285	-	6,900,433
<b>Meezan Rozana Amdani Fund</b>							
Investment (Rs in '000)	177,440	113,306	130,488	54,097	15,120	215,709	706,160
Investment (Units)	3,548,805	2,266,117	2,609,764	1,081,951	302,399	4,314,182	14,123,218
<b>Unitholders holding 10% or more units of the Fund</b>							
Investment (Rs in '000)	128,852	180,134	50,964	-	17,634	-	377,584
Investment (Units)	2,752,499	3,876,917	1,125,472	-	326,070	-	8,080,958
<b>For the year ended June 30, 2022</b>							
MSAP - I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total	
<b>Transactions during the year</b>							
<b>AI Meezan Investment Management Limited - Management Company</b>							
Remuneration of the Management Company (Rs in '000)	13	8	15	6	6	8	56
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	2	1	2	1	1	1	8
Allocated expenses (Rs in '000)	595	431	392	167	63	252	1,900
<b>Meezan Bank Limited</b>							
Profit on savings accounts (Rs in '000)	69	56	69	31	21	29	275
Shariah advisor fee (Rs in '000)	90	59	58	23	9	34	273
<b>Central Depository Company of Pakistan Limited - Trustee</b>							
Remuneration of the Trustee (Rs in '000)	379	274	250	106	40	161	1,210
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	49	36	32	14	5	21	157
<b>AI Meezan Mutual Fund</b>							
Invested during the year (Rs in '000)	20,000	11,000	11,000	-	20,000	-	62,000
Invested during the year (Units)	1,247,372	611,134	611,134	-	1,143,543	-	3,613,183
Redeemed during the year (Rs in '000)	48,500	165,000	11,000	39,680	-	-	264,180
Redeemed during the year (Units)	2,956,484	9,144,900	630,416	2,255,797	-	-	14,987,597



Transactions during the year	For the year ended June 30, 2022						Total
	MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII-III	
<b>KSE Meezan Index Fund</b>							
Invested during the year (Rs in '000)	-	34,937	6,995	-	-	-	41,932
Invested during the year (Units)	-	518,935	95,676	-	-	-	614,611
Redeemed during the year (Rs in '000)	5,048	21,571	11,012	-	-	-	37,631
Redeemed during the year (Units)	70,737	296,432	148,464	-	-	-	515,633
<b>Meezan Dedicated Equity Fund</b>							
Invested during the year (Rs in '000)	30,000	28,000	-	19,902	-	44,000	121,902
Invested during the year (Units)	722,961	678,855	-	489,045	-	1,023,559	2,914,420
Redeemed during the year (Rs in '000)	39,000	7,100	38,500	43,410	23,880	64,350	216,240
Redeemed during the year (Units)	916,609	156,516	856,113	995,821	529,365	1,504,231	4,958,655
<b>Meezan Islamic Fund</b>							
Invested during the year (Rs in '000)	33,048	174,546	14,000	23,000	1,500	-	246,094
Invested during the year (Units)	523,279	2,703,369	222,191	395,055	23,826	-	3,867,720
Redeemed during the year (Rs in '000)	147,350	118,330	151,550	24,202	2,170	-	443,602
Redeemed during the year (Units)	2,412,967	1,999,920	2,439,213	417,563	35,688	-	7,305,351
<b>Meezan Daily Income Fund</b>							
Invested during the year (Rs in '000)	397,995	267,329	254,852	108,039	35,359	-	1,063,574
Invested during the year (Units)	7,959,908	5,344,788	5,097,037	2,160,772	707,173	-	21,269,678
Redeemed during the year (Rs in '000)	314,644	194,613	208,669	87,546	24,331	-	829,803
Redeemed during the year (Units)	6,292,876	3,892,266	4,173,389	1,750,919	486,623	-	16,596,073
Dividend received during the year (Rs. In '000)	7,770	5,564	4,814	1,934	791	-	20,873
<b>Meezan Islamic Income Fund</b>							
Invested during the year (Rs in '000)	240,143	154,744	142,388	58,512	19,830	-	615,617
Invested during the year (Units)	4,524,387	2,913,680	2,688,979	1,104,670	374,414	-	11,606,130
Redeemed during the year (Rs in '000)	241,279	155,719	143,037	58,803	19,928	-	618,766
Redeemed during the year (Units)	4,524,387	2,913,680	2,688,979	1,104,670	374,414	-	11,606,130
<b>Meezan Rozana Amdani Fund</b>							
Invested during the year (Rs in '000)	3,286	2,071	2,421	880	291	300,260	309,209
Invested during the year (Units)	65,727	41,413	48,418	17,598	5,816	6,005,207	6,184,179
Redeemed during the year (Rs in '000)	180,727	115,376	132,909	54,977	15,411	340,776	840,176
Redeemed during the year (Units)	3,614,532	2,307,530	2,658,182	1,099,545	308,215	6,815,529	16,803,533
Dividend received during the year (Rs. In '000)	3,286	2,071	2,421	880	288	13,392	22,338
<b>Meezan Sovereign Fund</b>							
Invested during the year (Rs in '000)	-	-	-	-	-	257,386	257,386
Invested during the year (Units)	-	-	-	-	-	4,798,410	4,798,410
Redeemed during the year (Rs in '000)	-	-	-	-	-	260,528	260,528
Redeemed during the year (Units)	-	-	-	-	-	4,798,410	4,798,410
<b>For the year ended June 30, 2021</b>							
	MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII-III	Total
<b>AI Meezan Investment Management Limited - Management Company</b>							
Remuneration of the Management Company (Rs in '000)	34	13	12	19	16	17	111
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	4	2	2	2	2	2	14
Allocated expenses (Rs in '000)	855	469	580	361	106	364	2,735
<b>Meezan Bank Limited</b>							
Profit on savings accounts (Rs in '000)	80	47	102	66	25	87	407
Shariah advisor fee (Rs in '000)	85	47	57	34	10	36	269
<b>Central Depository Company of Pakistan Limited - Trustee</b>							
Remuneration of the Trustee (Rs in '000)	581	318	394	247	73	248	1,861
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	76	41	51	32	9	32	241
<b>AI Meezan Mutual Fund</b>							
Invested during the year (Rs in '000)	188,725	274,991	89,359	62,327	6,968	-	622,370
Invested during the year (Units)	10,655,004	15,530,373	5,130,299	3,319,721	399,627	-	35,035,024
Redeemed during the year (Rs in '000)	193,018	282,088	53,474	143,378	7,639	-	679,597
Redeemed during the year (Units)	10,989,924	16,187,399	2,992,304	8,315,963	430,249	-	38,915,839

	For the year ended June 30, 2021						Total
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	
<b>KSE Meezan Index Fund</b>							
Invested during the year (Rs in '000)	5,000	26,000	16,970	5,000	2,000	-	54,970
Invested during the year (Units)	70,915	368,595	229,952	70,915	28,366	-	768,743
Redeemed during the year (Rs in '000)	320	24,811	31,452	31,775	4,033	-	92,391
Redeemed during the year (Units)	4,489	346,356	444,990	453,962	56,589	-	1,306,386
<b>Meezan Dedicated Equity Fund</b>							
Invested during the year (Rs in '000)	-	4,000	19,000	-	-	73,600	96,600
Invested during the year (Units)	-	96,045	423,194	-	-	1,617,588	2,136,827
Redeemed during the year (Rs in '000)	107,310	930	-	14,750	4,830	25,090	152,910
Redeemed during the year (Units)	2,625,619	20,355	-	318,469	103,665	551,273	3,619,381
<b>Meezan Islamic Fund</b>							
Invested during the year (Rs in '000)	287,088	163,817	189,147	45,252	7,195	-	692,499
Invested during the year (Units)	4,804,288	2,683,757	3,001,806	790,608	126,685	-	11,407,144
Redeemed during the year (Rs in '000)	459,548	255,462	552,842	430,252	128,885	-	1,826,989
Redeemed during the year (Units)	7,391,639	4,228,867	9,506,141	7,913,117	2,306,231	-	31,345,995
<b>Meezan Islamic Income Fund</b>							
Invested during the year (Rs in '000)	103,100	56,400	72,900	63,000	18,370	-	313,770
Invested during the year (Units)	1,913,152	1,067,723	1,386,262	1,202,649	350,016	-	5,919,802
Redeemed during the year (Rs in '000)	332,546	187,990	286,958	276,009	73,443	-	1,156,946
Redeemed during the year (Units)	6,111,776	3,485,499	5,365,517	5,223,379	1,387,069	-	21,573,240
<b>Meezan Rozana Amdani Fund</b>							
Invested during the year (Rs in '000)	191,830	118,706	130,858	55,728	15,670	273,463	786,255
Invested during the year (Units)	3,836,605	2,374,117	2,617,164	1,114,551	313,399	5,469,268	15,725,104
Redeemed during the year (Rs in '000)	14,390	5,400	370	1,630	550	57,754	80,094
Redeemed during the year (Units)	287,800	108,000	7,400	32,600	11,000	1,155,086	1,601,886
Dividend received during the year (Rs. In '000)	584	403	390	211	57	4,847	6,492
<b>Meezan Sovereign Fund</b>							
Invested during the year (Rs in '000)	-	-	-	-	-	51,384	51,384
Invested during the year (Units)	-	-	-	-	-	948,831	948,831
Redeemed during the year (Rs in '000)	-	-	-	-	-	490,656	490,656
Redeemed during the year (Units)	-	-	-	-	-	9,052,461	9,052,461

## 16 FINANCIAL INSTRUMENTS BY CATEGORY

### Financial assets

Balances with banks	
Investments	
Profit receivable on savings account with banks	

2022		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

10,124	-	10,124
-	1,262,953	1,262,953
47	-	47
10,171	1,262,953	1,273,124

### Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	
Payable to Central Depository Company of Pakistan Limited - Trustee	
Payable against purchase investments	
Dividend payable	
Accrued expenses and other liabilities	

2022		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

116	-	116
83	-	83
168	-	168
1,675	-	1,675
524	-	524
2,566	-	2,566

**Financial assets**

Balances with banks	3,692	-	3,692
Investments	-	2,189,463	2,189,463
Profit receivable on savings account with banks	12	-	12
	<u>3,704</u>	<u>2,189,463</u>	<u>2,193,167</u>

2021		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		
3,692	-	3,692
-	2,189,463	2,189,463
12	-	12
<u>3,704</u>	<u>2,189,463</u>	<u>2,193,167</u>

**Financial liabilities**

Payable to Al Meezan Investment Management Limited - Management Company	208	-	208
Payable to Central Depository Company of Pakistan Limited - Trustee	149	-	149
Payable against redemption and conversion of units	710	-	710
Accrued expenses and other liabilities	1,157	-	1,157
	<u>2,224</u>	<u>-</u>	<u>2,224</u>

2021		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		
208	-	208
149	-	149
710	-	710
1,157	-	1,157
<u>2,224</u>	<u>-</u>	<u>2,224</u>

## 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 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 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, 2022, 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 (loss) / income for the year and net assets of the Fund would have been higher / lower by Rs. 0.101 million (2021: Rs. 0.030 million).

#### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, the Fund did 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 and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 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, 2022 can be determined as follows:

As at June 30, 2022					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
<b>On-balance sheet financial instruments</b>					
----- (Rupees in '000) -----					
<b>Financial assets</b>					
Balances with banks	10,124	-	-	-	10,124
Investments	-	-	-	1,262,953	1,262,953
Profit receivable on savings account with banks	-	-	-	47	47
	10,124	-	-	1,263,000	1,273,124
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	116	116
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	83	83
Payable against purchase investments - net	-	-	-	168	168
Dividend payable	-	-	-	1,675	1,675
Accrued expenses and other liabilities	-	-	-	524	524
	-	-	-	2,566	2,566
<b>On-balance sheet gap</b>	<b>10,124</b>	<b>-</b>	<b>-</b>	<b>1,260,434</b>	<b>1,270,558</b>
<b>Off-balance sheet financial instruments</b>					
	-	-	-	-	-
<b>Off-balance sheet gap</b>					
	-	-	-	-	-
<b>Total profit rate sensitivity gap</b>	<b>10,124</b>	<b>-</b>	<b>-</b>		
<b>Cumulative profit rate sensitivity gap</b>	<b>10,124</b>	<b>10,124</b>	<b>10,124</b>		

As at June 30, 2021					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
<b>On-balance sheet financial instruments</b>					
----- (Rupees in '000) -----					
<b>Financial assets</b>					
Balances with banks	2,999	-	-	693	3,692
Investments	-	-	-	2,189,463	2,189,463
Profit receivable on savings account with banks	-	-	-	12	12
	2,999	-	-	2,190,168	2,193,167
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	208	208
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	149	149
Payable against redemption and conversion of units	-	-	-	710	710
Accrued expenses and other liabilities	-	-	-	1,157	1,157
	-	-	-	2,224	2,224
<b>On-balance sheet gap</b>	<b>2,999</b>	<b>-</b>	<b>-</b>	<b>2,187,944</b>	<b>2,190,943</b>
<b>Off-balance sheet financial instruments</b>					
	-	-	-	-	-
<b>Off-balance sheet gap</b>					
	-	-	-	-	-
<b>Total profit rate sensitivity gap</b>	<b>2,999</b>	<b>-</b>	<b>-</b>		
<b>Cumulative profit rate sensitivity gap</b>	<b>2,999</b>	<b>2,999</b>	<b>2,999</b>		

### (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 has exposure to price risk arising from the Fund investment in units of open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in Net Asset Value per unit of the investee funds as at June 30, 2022 with all other variables held constant, the total comprehensive income / (loss) of the Fund for the year would increase / decrease by Rs. 12.630 million (2021: Rs. 21.895 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.

## 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 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, 2008, 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 year ended June 30, 2022.

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:

	2022						Total
	Within 1 month	More than one month and upto three months	More than three months and upto 1 year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
	(Rupees in '000)						
<b>Financial assets</b>							
Balances with banks	10,124	-	-	-	-	-	10,124
Investments	-	-	-	-	-	1,262,953	1,262,953
Profit receivable on savings account with banks	47	-	-	-	-	-	47
	10,171	-	-	-	-	1,262,953	1,273,124
<b>Financial liabilities</b>							
Payable to Al Meezan Investment Management Limited - Management Company	116	-	-	-	-	-	116
Payable to Central Depository Company of Pakistan Limited - Trustee	83	-	-	-	-	-	83
Payable against purchase of investments	168	-	-	-	-	-	168
Dividend payable	1,675	-	-	-	-	-	1,675
Accrued expenses and other liabilities	-	524	-	-	-	-	524
	2,042	524	-	-	-	-	2,566
<b>Net financial assets / (liabilities)</b>	<b>8,129</b>	<b>(524)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,262,953</b>	<b>1,270,558</b>



	2021						Total
	Within 1 month	More than one month and upto three months	More than three months and upto 1 year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
(Rupees in '000)							
<b>Financial assets</b>							
Balances with banks	3,692	-	-	-	-	-	3,692
Investments	-	-	-	-	-	2,189,463	2,189,463
Profit receivable on savings account with banks	12	-	-	-	-	-	12
	3,704	-	-	-	-	2,189,463	2,193,167
<b>Financial liabilities</b>							
Payable to Al Meezan Investment Management Limited - Management Company	208	-	-	-	-	-	208
Payable to Central Depository Company of Pakistan Limited - Trustee	149	-	-	-	-	-	149
Payable against redemption and conversion of units	710	-	-	-	-	-	710
Accrued expenses and other liabilities	-	1,157	-	-	-	-	1,157
	1,067	1,157	-	-	-	-	2,224
<b>Net financial assets / (liabilities)</b>	<b>2,637</b>	<b>(1,157)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,189,463</b>	<b>2,190,943</b>

### 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. Credit risk arises from deposits with banks and financial institutions and profit receivable on bank deposits.

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:

	2022		2021	
	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	10,124	10,124	3,692	3,692
Investments	1,262,953	-	2,189,463	-
Profit receivable on savings account with banks	47	47	12	12
	<u>1,273,124</u>	<u>10,171</u>	<u>2,193,167</u>	<u>3,704</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets. Investment in units of mutual funds, however, are not exposed to credit risk and have been excluded from the above analysis.

### 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 related profit receivable thereon. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2022	2021
AAA	99.17	98.11
AA+	0.83	1.89
	<u>100.00</u>	<u>100.00</u>

### 17.3.3 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, 2022 and June 30, 2021 are unsecured and are not impaired.

## 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, 2022 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

	2022			2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in '000)			(Rupees in '000)		
<b>Financial assets ' at fair value through profit or loss'</b>						
Units of open ended mutual funds	-	1,262,953	-	-	2,189,463	-

## 19 UNITHOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 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

	MSAP - I			MSAP - I		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)		
Individual	158	175,968	45.97	232	282,534	41.93
Retirement funds	9	81,415	21.26	13	153,778	22.83
Private limited companies	3	123,604	32.28	7	221,755	32.92
Others	1	1,885	0.49	2	15,597	2.32
<b>Total</b>	<b>171</b>	<b>382,872</b>	<b>100.00</b>	<b>254</b>	<b>673,664</b>	<b>100.00</b>

	MSAP - II			MSAP - II		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)		
Individual	175	116,280	36.16	230	190,775	42.18
Retirement funds	4	76,330	23.74	5	85,951	19.01
Private limited companies	2	122,070	37.97	3	149,812	33.13
Others	3	6,841	2.13	7	25,666	5.68
<b>Total</b>	<b>184</b>	<b>321,520</b>	<b>100.00</b>	<b>245</b>	<b>452,203</b>	<b>100.00</b>

	MSAP - III			MSAP - III		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)		
Individual	133	160,458	74.87	175	362,784	72.44
Director	1	15,491	7.23	1	16,731	3.34
Retirement funds	3	38,357	17.90	5	60,842	12.15
Private limited companies	-	-	-	2	60,427	12.07
<b>Total</b>	<b>137</b>	<b>214,306</b>	<b>100.00</b>	<b>183</b>	<b>500,785</b>	<b>100.00</b>

	MSAP - IV			MSAP - IV		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)		
Individual	104	87,034	82.91	151	186,223	87.56
Retirement funds	3	16,196	15.43	3	17,374	8.17
Private limited companies	-	-	-	2	7,207	3.39
Others	1	1,738	1.66	1	1,865	0.88
<b>Total</b>	<b>108</b>	<b>104,968</b>	<b>100.00</b>	<b>157</b>	<b>212,669</b>	<b>100.00</b>

	MSAP - V			MSAP - V		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)		
Individual	40	25,549	52.08	57	34,640	55.10
Retirement funds	3	17,283	35.23	3	18,688	29.72
Private limited companies	-	-	-	1	2,812	4.47
Others	1	6,226	12.69	1	6,732	10.71
<b>Total</b>	<b>44</b>	<b>49,057</b>	<b>100.00</b>	<b>62</b>	<b>62,873</b>	<b>100.00</b>

	MCPPI - III			MCPPI - III		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
		(Rupees in '000)	(Percentage)		(Rupees in '000)	(Percentage)
Individual	165	99,918	50.99	223	144,039	54.40
Retirement funds	7	70,528	35.99	14	84,320	31.85
Others	4	25,521	13.02	10	36,411	13.75
<b>Total</b>	<b>176</b>	<b>195,967</b>	<b>100.00</b>	<b>247</b>	<b>264,770</b>	<b>100.00</b>

## 21 INVESTMENT COMMITTEE MEMBERS

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

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty Two years
Mr. Muhammad Asad	Chief Investment Officer	CFA Level II / MBA	Twenty Six years
Mr. Taha Javed	Head of Equities	CFA / MBA	Fifteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA Level II / MBA	Fifteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Eleven years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Twelve years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Thirteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Fifteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fourteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA/ACCA	Eight years

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

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

## 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 9, 2021	September 14, 2021	October 11, 2021	February 14, 2022	April 18, 2022	June 9, 2022
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	No	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Naeem	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive Officer	Yes	Yes	No	No	Yes	Yes

**23 GENERAL**

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

**24 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on August 16, 2022 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director





**Al Meezan**  
Investment Management Ltd.

# TRIVOR

Mountain climbing and investments both require risk management to reach heights.

Height 7,577 meters,  
belongs to the range Hispar Karakoram.





# **MEEZAN STRATEGIC ALLOCATION FUND-II (MSAF-II)**

Meezan Strategic Allocation Fund-II is a Shariah Compliant scheme which uses active asset allocation strategy to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income / Money Market Collective Investment Schemes and Equity based Collective Investment Schemes.



# 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](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## BOARD RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Mubashar Maqbool	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	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 ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Bank Al Habib Limited - Islamic Banking  
Meezan Bank Limited

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (+9221) 35156191-94 Fax: (+9221) 35156195  
E-mail: [bawaney@cyber.net.pk](mailto:bawaney@cyber.net.pk)

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



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## REPORT OF THE FUND MANAGER Meezan Strategic Allocation Fund – II (MSAF – II)

### Type of Fund

MSAF – II is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

### Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

### Strategy and Investment Policy

MSAF – II has two Allocation Plans which allow investors to invest according to their risk tolerance levels. These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan - MCPP-IV	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Meezan Strategic Allocation Plan - MCPP-V	
Meezan Strategic Allocation Plan - MCPP-VI	
Meezan Strategic Allocation Plan - MCPP-VII	





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### Performance Table with Benchmark

	Returns - FY22
M CPP IV	-0.79%
Benchmark	-2.21%
M CPP V	6.02%
Benchmark	1.63%
M CPP VI	9.52%
Benchmark	3.65%
M CPP VII	7.30%
Benchmark	2.62%

#### Meezan Capital Preservation Plan – IV

The Meezan Capital Preservation Plan – IV posted a total loss of Rs. 3 million in FY22. Total gain comprised of realized and unrealized loss on investments of Rs. 35 million. Dividend income and profit on saving account with banks comprised of Rs. 28 million and 0.035 million respectively. After accounting for expenses of Rs. 2.2 million, the Fund posted a net loss of Rs. 5 million. The net assets of the Fund as at June 30, 2022 were Rs. 623 million.

#### Meezan Capital Preservation Plan – V

The Meezan Capital Preservation Plan – V posted total gain of Rs. 5 million in FY22. Total loss comprised of realized and unrealized loss on investments of Rs. 1 million. Dividend income and profit on saving account with banks comprised of Rs. 5 million and 0.024 million respectively. After accounting for expenses of Rs. 0.26 million, the Fund posted a net income of Rs. 5 million. The net assets of the Fund as at June 30, 2022 were Rs. 63 million.

#### Meezan Capital Preservation Plan – VI

The Meezan Capital Preservation Plan – VI posted total gain of Rs. 7 million in FY22. Total gain comprised of realized gain on investments of Rs. 1 million. Dividend income and profit on saving account with banks comprised of Rs. 6 million and 0.034 million respectively. After accounting for expenses of Rs. 0.26 million, the Fund posted a net income of Rs. 7 million. The net assets of the Fund as at June 30, 2022 were Rs. 65 million.

#### Meezan Capital Preservation Plan – VII

The Meezan Capital Preservation Plan – VII posted total gain of Rs. 7 million in FY22. Total gain comprised of realized and unrealized loss on investments of Rs. 0.073 million. Dividend income and profit on saving account with banks comprised of Rs. 6 million and 0.037 million respectively. After accounting for expenses of Rs. 0.29 million, the Fund posted a net income of Rs. 6 million. The net assets of the Fund as at June 30, 2022 were Rs. 40 million.

#### Distributions

The Interim Pay out by the Fund during the fiscal year ended June 30, 2022 was Rs. 4.00 per unit (8.00%), Rs. 5.15 per unit (10.30%) and Rs. 4.00 per unit (8.00%), in M CPP-V, M CPP-VI & M CPP VII respectively. Total distribution made by the fund was Rs. 4 million, Rs. 6 million & Rs. 3 million in M CPP-V, M CPP-VI & M CPP-VII respectively.





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### SWWF Disclosure

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by (MCPPIV) amounting to Rs. 3.31 million, (MCPPIV) amounting to Rs. 0.63 million, (MCPPIV) amounting to Rs. 0.39 million, (MCPPIV) amounting to Rs. 0.25 million, and (MCPPIV) amounting to Rs. 0.14 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an increase in NAV of the (MCPPIV) by 0.43%, (MCPPIV) by 0.66%, (MCPPIV) by 0.44%, (MCPPIV) by 0.24%, and (MCPPIV) by 0.41%. This is one-off event and is not likely to be repeated in the future.

### Breakdown of unit holdings by size

(As on June 30, 2022)

Range (Units)	MCPPIV	MCPPIV	MCPPIV	MCPPIV
	No. of investors	No. of investors	No. of investors	No. of investors
1 - 9,999	218	77	181	170
10,000 - 49,999	64	37	21	22
50,000 - 99,999	12	2	2	2
100,000 - 499,999	19	2	1	1
500,000 and above	2	0	0	0
<b>Total</b>	<b>315</b>	<b>118</b>	<b>205</b>	<b>195</b>

**PERFORMANCE TABLE**

	June 30, 2022			
	MCPPIV	MCPPIV	MCPPIV	MCPPIV
	(Rupees in '000)			
Net assets (Rs. '000) (ex-distribution)	622,646	62,910	65,095	39,673
Net assets value / redemption price per unit (ex-distribution)				
as at June 30 (Rs.) (ex-distribution)	55.3094	53.5556	53.8257	52.7329
Highest redemption price per unit (Rs.)	57.4496	57.5774	58.9520	56.7037
Lowest redemption price per unit (Rs.)	54.4263	53.5556	53.8257	52.7329
Distribution (%)				
Interim	-	4.00	5.15	4.00
Final				
Date of distribution				
Interim	-	June 30, 2022	June 30, 2022	June 30, 2022
Final				
Income distribution (Rupees in '000)	-	4,443	5,938	2,869
Growth distribution (Rupees in '000)	-	-	-	-
Total return (%)	-0.79%	6.02%	9.52%	7.30%

	June 30, 2021				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV
	(Rupees in '000)				
Net assets (Rs. '000) (ex-distribution)	766,790	94,420	93,033	104,311	35,274
Net assets value / redemption price per unit (ex-distribution)					
as at June 30 (Rs.) (ex-distribution)	55.7516	54.2898	53.8520	52.8771	52.6736
Highest redemption price per unit (Rs.)	56.5981	54.5844	53.8520	52.8990	52.6736
Lowest redemption price per unit (Rs.)	49.7090	50.2774	50.1326	49.2086	49.0633
Distribution (%)					
Interim	-	0.20	-	-	-
Final					
Date of distribution					
Interim	-	June 30, 2021	-	-	-
Final					
Income distribution (Rupees in '000)	-	174	-	-	-
Growth distribution (Rupees in '000)	-	-	-	-	-
Total return (%)	12.24%	8.18%	7.42%	7.45%	7.36%

	June 30, 2020				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV
	(Rupees in '000)				
Net assets (Rs. '000) (ex-distribution)	1,112,385	216,363	213,480	135,604	63,871
Net assets value / redemption price per unit (ex-distribution)					
as at June 30 (Rs.) (ex-distribution)	49.6737	50.2777	50.1329	49.2089	49.0635
Highest redemption price per unit (Rs.)	56.0150	56.1642	55.9504	56.4559	55.2446
Lowest redemption price per unit (Rs.)	48.8788	48.6429	48.3177	48.2911	47.4841
Distribution (%)					
Interim	3.20	2.80	0.08	2.00	0.66
Final					
Date of distribution					
Interim	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2020
Final	-	-	-	-	-
Income distribution (Rupees in '000)	34,898	5,894	167	2,726	432
Growth distribution (Rupees in '000)	-	-	-	-	-
Total return (%)	2.30%	3.12%	0.43%	0.34%	0.81%

	June 30, 2019				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV
	(Rupees in '000)				
Net assets (Rs. '000) (ex-distribution)	1,553,048	473,907	384,026	207,412	130,724
Net assets value / redemption price per unit (ex-distribution)					
as at June 30 (Rs.) (ex-distribution)	50.1213	50.1139	49.9586	50.0391	48.9980
Highest offer price per unit (Rs.)	-	51.6771	52.1768	52.6321	51.4117
Lowest offer price per unit (Rs.)	-	51.2922	51.6003	51.6409	52.5342
Highest redemption price per unit (Rs.)	52.2966	51.4761	51.7557	51.9879	50.8117
Lowest redemption price per unit (Rs.)	49.3420	49.6104	49.5973	49.6356	48.6681
Distribution (%)					
Interim	-	-	-	-	-
Final					
Date of distribution					
Interim	-	-	-	-	-
Final					
Income distribution (Rupees in '000)	-	-	-	-	-
Growth distribution (Rupees in '000)	-	-	-	-	-
Total return (%)	0.65%	0.16%	-0.08%	0.08%	-2.00%

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



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## Report of the *Shari'ah* Advisor– Meezan Strategic Allocation Fund-II

July 29, 2022/ Dhu Al-Hijjah 29, 1443

**Alhamdulillah**, the period from July 1, 2021 to June 30, 2022 was the Third year of operation of Meezan Strategic Allocation Fund-II (MSAF-II) under management of Al Meezan Investment Management Limited (Al Meezan). The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity.

In the capacity of *Shari'ah* Advisor, I have prescribed criteria and procedure to be followed in ensuring *Shari'ah* compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure *Shari'ah* compliance in line with the *Shari'ah* 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 prescribed criteria.

In light of the above, I hereby certify that:

- i. I have reviewed and approved the modes of investments of MSAF-II in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MSAF-II by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MSAF-II for the year ended June 30, 2022 have been in compliance with *Shari'ah* principles.

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

**Dr. Muhammad Imran Ashraf Usmani**  
For and on behalf of Meezan Bank  
*Shari'ah* Advisor

**Meezan Bank Ltd.**

Head Office: Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.  
PABX: (92-21) 38103500 UAN:111-331-331 & 111-331-332 www.meezanbank.com

**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  
Fax: (92-21) 34326021 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN STRATEGIC ALLOCATION FUND – II**

**Report of the Trustee pursuant to Regulation 41(h) and Clause 9 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 Strategic Allocation Fund – II (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, 2022 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; and
- (iii) 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 14, 2022





**INDEPENDENT AUDITOR'S REPORT**

**To the Unit holders of Meezan Strategic Allocation Fund - II**

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

**Opinion**

We have audited the financial statements of Meezan Strategic Allocation Fund - II (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, 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	<b>Net Asset Value</b> (Refer notes 5 and 6 to the financial statements)	
	Investments and balances with banks constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2022 amounted to Rs 794.424 million and balances with banks aggregated to Rs 2.708 million.  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, 2022 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"><li>Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li><li>Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li><li>Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li></ul>

*Handwritten signature*

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>





### **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.

AGF



- 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, related safeguards.

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

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

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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 21, 2022  
Karachi  
UDIN: AR202210081T73bG0tBh



**MEEZAN STRATEGIC ALLOCATION FUND - II  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT AUGUST 27, 2021 AND JUNE 30, 2022**

Note	As at June 30, 2022					As at August 27, 2021	
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	M CPP - VIII	
(Rupees in '000)							
<b>Assets</b>							
Balances with banks	5	649	518	1,458	83	2,708	21
Investments	6	622,725	63,468	66,596	41,635	794,424	-
Receivable against sale of investments		-	-	-	-	-	31,646
Profit receivable on balances with banks		12	3	9	26	50	12
<b>Total assets</b>		<u>623,386</u>	<u>63,989</u>	<u>68,063</u>	<u>41,744</u>	<u>797,182</u>	<u>31,679</u>
<b>Liabilities</b>							
Payable to AI Meezan Investment Management Limited - Management Company	7	4	-	-	-	4	3
Payable to Central Depository Company of Pakistan Limited - Trustee	8	42	4	4	3	53	2
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	144	16	16	19	195	11
Payable against redemption of units		194	-	-	-	194	60
Dividend payable		-	311	2,054	592	2,957	-
Accrued expenses and other liabilities	10	356	748	894	1,457	3,455	155
		740	1,079	2,968	2,071	6,858	231
<b>Net assets</b>		<u>622,646</u>	<u>62,910</u>	<u>65,095</u>	<u>39,673</u>	<u>790,324</u>	<u>31,448</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>622,646</u>	<u>62,910</u>	<u>65,095</u>	<u>39,673</u>	<u>790,324</u>	<u>31,448</u>
<b>Contingencies and commitments</b>	11						
-----Number of units-----							
<b>Number of units in issue</b>		<u>11,257,504</u>	<u>1,174,662</u>	<u>1,209,366</u>	<u>752,347</u>		<u>628,960</u>
-----Rupees-----							
<b>Net asset value per unit</b>		<u>55.3094</u>	<u>53.5556</u>	<u>53.8257</u>	<u>52.7329</u>		<u>50.0000</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN STRATEGIC ALLOCATION FUND - II**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT AUGUST 27, 2021 AND JUNE 30, 2022**

As at June 30, 2021							
Note	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	M CPP - VIII	Total	
(Rupees in '000)							
<b>Assets</b>							
Balances with banks	5	587	754	518	349	751	2,959
Investments	6	770,586	94,642	93,190	104,349	34,706	1,097,473
Profit receivable on balances with banks		2	3	1	1	3	10
<b>Total assets</b>		<u>771,175</u>	<u>95,399</u>	<u>93,709</u>	<u>104,699</u>	<u>35,460</u>	<u>1,100,442</u>
<b>Liabilities</b>							
Payable to Al Meezan Investment Management Limited - Management Company	7	73	29	10	10	15	137
Payable to Central Depository Company of Pakistan Limited - Trustee	8	52	7	7	7	2	75
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	181	30	31	24	10	276
Payable against redemption of units		51	87	62	36	-	236
Dividend payable		-	16	-	-	-	16
Accrued expenses and other liabilities	10	4,028	810	566	311	159	5,874
		<u>4,385</u>	<u>979</u>	<u>676</u>	<u>388</u>	<u>186</u>	<u>6,614</u>
<b>Net assets</b>		<u>766,790</u>	<u>94,420</u>	<u>93,033</u>	<u>104,311</u>	<u>35,274</u>	<u>1,093,828</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>766,790</u>	<u>94,420</u>	<u>93,033</u>	<u>104,311</u>	<u>35,274</u>	<u>1,093,828</u>
<b>Contingencies and commitments</b>	11						
<b>Number of units</b>							
<b>Number of units in issue</b>		<u>13,753,675</u>	<u>1,739,188</u>	<u>1,727,570</u>	<u>1,972,703</u>	<u>669,672</u>	
<b>Rupees</b>							
<b>Net asset value per unit</b>		<u>55.7516</u>	<u>54.2898</u>	<u>53.8520</u>	<u>52.8771</u>	<u>52.6736</u>	

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

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

**MEEZAN STRATEGIC ALLOCATION FUND - II**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDED AUGUST 27, 2021 AND YEAR ENDED JUNE 30, 2022**

Note	For the year ended June 30, 2022					For the period from July 01, 2021 to August 27, 2021
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	M CPP - VIII
	(Rupees in '000)					
<b>Income</b>						
Net realised gain / (loss) on sale of investments	2,287	(429)	1,079	430	3,367	-
Dividend income	28,461	5,320	5,856	6,173	45,810	440
Profit on savings accounts with banks	35	24	34	37	130	19
Other income	219	10	8	-	237	-
	31,002	4,925	6,977	6,640	49,544	459
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	(37,110)	(565)	-	(357)	(38,032)	-
<b>Total (loss) / income</b>	<b>(6,108)</b>	<b>4,360</b>	<b>6,977</b>	<b>6,283</b>	<b>11,512</b>	<b>459</b>
<b>Expenses</b>						
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1 10	6	4	6	26	1
Sindh Sales Tax on remuneration of the Management Company	7.2 1	1	1	1	4	-
Allocated expenses	7.3 794	90	87	103	1,074	6
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1 505	57	56	65	683	4
Sindh Sales Tax on remuneration of the Trustee	8.2 66	7	7	9	89	1
Annual fee to the Securities and Exchange Commission of Pakistan	9 144	16	16	19	195	1
Auditors' remuneration	12 343	40	39	44	466	-
Fees and subscription	218	25	24	28	295	1
Bank and settlement charges	12	6	8	3	29	1
Legal and professional charges	132	16	16	18	182	3
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	10.1 (3,179)	(611)	(380)	(239)	(4,409)	(136)
<b>Total expenses</b>	<b>(954)</b>	<b>(347)</b>	<b>(122)</b>	<b>57</b>	<b>(1,366)</b>	<b>(118)</b>
<b>Net (loss) / income for the year / period before taxation</b>	<b>(5,154)</b>	<b>4,707</b>	<b>7,099</b>	<b>6,226</b>	<b>12,878</b>	<b>577</b>
Taxation	13 -	-	-	-	-	-
<b>Net (loss) / income for the year / period after taxation</b>	<b>(5,154)</b>	<b>4,707</b>	<b>7,099</b>	<b>6,226</b>	<b>12,878</b>	<b>577</b>
<b>Allocation of net income for the year / period</b>						
Net income for the year / period after taxation	-	4,707	7,099	6,226	18,032	577
Income already paid on units redeemed	-	(1,076)	(1,180)	(3,459)	(5,715)	(49)
	-	3,631	5,919	2,767	12,317	528
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-	-	1,079	430	1,509	-
- Excluding capital gains	-	3,631	4,840	2,337	10,808	528
	-	3,631	5,919	2,767	12,317	528

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN STRATEGIC ALLOCATION FUND - II**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDED AUGUST 27, 2021 AND YEAR ENDED JUNE 30, 2022**

		For the year ended June 30, 2021					
Note	MCP - IV	MCP - V	MCP - VI	MCP - VII	MCP - VIII	Total	
(Rupees in '000)							
<b>Income</b>							
Net realised gain on sale of investments	56,174	6,249	10,017	7,213	3,220	82,873	
Dividend income	10,353	5,724	2,305	2,064	757	21,203	
Profit on savings accounts with banks	66	71	32	10	14	193	
	66,593	12,044	12,354	9,287	3,991	104,269	
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	42,576	859	-	150	-	43,585	
<b>Total income</b>	109,169	12,903	12,354	9,437	3,991	147,854	
<b>Expenses</b>							
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	21	10	10	5	52	
Sindh Sales Tax on remuneration of the Management Company	7.2	3	1	1	1	7	
Allocated expenses	7.3	928	153	159	53	1,418	
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	632	105	109	36	967	
Sindh Sales Tax on remuneration of the Trustee	8.2	82	14	14	5	126	
Annual fee to the Securities and Exchange Commission of Pakistan	9	181	30	31	10	276	
Auditors' remuneration	12	301	56	56	18	478	
Fees and subscription		308	71	75	29	535	
Bank and settlement charges		10	6	3	2	27	
Legal and professional charges		35	6	7	2	55	
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	2,133	249	238	77	2,878	
<b>Total expenses</b>		4,634	701	703	238	6,819	
<b>Net income for the year before taxation</b>		104,535	12,202	11,651	8,894	3,753	141,035
Taxation	13	-	-	-	-	-	-
<b>Net income for the year after taxation</b>		104,535	12,202	11,651	8,894	3,753	141,035
<b>Allocation of net income for the year</b>							
Net income for the year after taxation		104,535	12,202	11,651	8,894	3,753	141,035
Income already paid on units redeemed		(20,941)	(5,013)	(5,182)	(1,646)	(1,324)	(34,106)
		83,594	7,189	6,469	7,248	2,429	106,929
<b>Accounting income available for distribution</b>							
- Relating to capital gains		83,594	7,108	6,469	7,248	2,429	106,848
- Excluding capital gains		-	81	-	-	-	81
		83,594	7,189	6,469	7,248	2,429	106,929

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

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



**MEEZAN STRATEGIC ALLOCATION FUND - II**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED AUGUST 27, 2021 AND YEAR ENDED JUNE 30, 2022**

	For the year ended June 30, 2022					For the period from July 01, 2021 to August 27, 2021
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
	(Rupees in '000)					
<b>Net (loss) / income for the year / period after taxation</b>	(5,154)	4,707	7,099	6,226	12,878	577
Other comprehensive income for the year / period	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the year / period</b>	<u>(5,154)</u>	<u>4,707</u>	<u>7,099</u>	<u>6,226</u>	<u>12,878</u>	<u>577</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN STRATEGIC ALLOCATION FUND - II**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED AUGUST 27, 2021 AND YEAR ENDED JUNE 30, 2022**

Note	For the year ended June 30, 2021					Total
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	
	(Rupees in '000)					
<b>Net income for the year after taxation</b>	104,535	12,202	11,651	8,894	3,753	141,035
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<u>104,535</u>	<u>12,202</u>	<u>11,651</u>	<u>8,894</u>	<u>3,753</u>	<u>141,035</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

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



**MEEZAN STRATEGIC ALLOCATION FUND - II**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE PERIOD ENDED AUGUST 27, 2021 AND YEAR ENDED JUNE 30, 2022**

	June 30, 2022			June 30, 2022			June 30, 2022			June 30, 2022			June 30, 2022			For the period from July 01, 2021 to August 27, 2021		
	MCCP - IV			MCCP - V			MCCP - VI			MCCP - VII			Total			MCCP - VIII		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Accumulated loss	Total
(Rupees in '000)																		
Net assets at the beginning of the year / period	693,203	73,587	766,790	86,523	7,897	94,420	88,017	5,016	93,033	98,911	5,400	104,311	966,654	91,900	1,058,554	36,443	(1,169)	35,274
Issuance of units:																		
MCCP - IV: nil, MCCP - V: 63,947, MCCP - VI: 56,421, MCCP - VII: 35,029 units, MCCP - VIII: 40,092 units																		
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	3,472	-	3,472	3,038	-	3,038	1,852	-	1,852	8,362	-	8,362	2,112	-	2,112
- Element of loss	-	-	-	(50)	-	(50)	(4)	-	(4)	(7)	-	(7)	(61)	-	(61)	(107)	-	(107)
<b>Total proceeds on issuance of units</b>	-	-	-	3,422	-	3,422	3,034	-	3,034	1,845	-	1,845	8,301	-	8,301	2,005	-	2,005
Redemption of units:																		
MCCP - IV: 8,640,167, MCCP - V: 2,566,546 MCCP - VI: 2,530,712, MCCP - VII: 782,985 MCCP - VIII: 632,130																		
- Capital value (at net asset value per unit at the beginning of the year / period)	139,165	-	139,165	34,120	-	34,120	30,945	-	30,945	66,381	-	66,381	270,611	-	270,611	4,256	-	4,256
- Element of (income) / loss	(175)	-	(175)	-	1,076	1,076	8	1,180	1,188	-	3,459	3,459	(167)	5,715	5,548	-	49	49
<b>Total payments on redemption of units</b>	138,990	-	138,990	34,120	1,076	35,196	30,953	1,180	32,133	66,381	3,459	69,840	270,444	5,715	276,159	4,256	49	4,305
Total comprehensive (loss) / income for the year / period	-	(5,154)	(5,154)	-	4,707	4,707	-	7,099	7,099	-	6,226	6,226	-	12,878	12,878	-	577	577
Distribution during the year / period	-	-	-	-	(4,443)	(4,443)	-	(5,938)	(5,938)	-	(2,869)	(2,869)	-	(13,250)	(13,250)	-	(2,103)	(2,103)
Net income for the year / period less distribution	-	(5,154)	(5,154)	-	264	264	-	1,161	1,161	-	3,357	3,357	-	(372)	(372)	-	(1,526)	(1,526)
<b>Net assets at the end of the year / period</b>	<b>554,213</b>	<b>68,433</b>	<b>622,646</b>	<b>55,825</b>	<b>7,085</b>	<b>62,910</b>	<b>60,098</b>	<b>4,997</b>	<b>65,095</b>	<b>34,375</b>	<b>5,298</b>	<b>39,673</b>	<b>704,511</b>	<b>85,813</b>	<b>790,324</b>	<b>34,192</b>	<b>(2,744)</b>	<b>31,448</b>
Undistributed income / (accumulated loss) brought forward																		
- Realised income / (loss)		31,011			7,038			5,016			5,250			48,315			(1,169)	
- Unrealised income		42,576			859			-			150			43,585			-	
		73,587			7,897			5,016			5,400			91,900			(1,169)	
Accounting income available for distribution																		
- Relating to capital gains		-			-			1,079			430			1,509			-	
- Excluding capital gains		-			3,631			4,840			2,337			10,808			528	
		-			3,631			5,919			2,767			12,317			528	
Net loss for the year / period		(5,154)			-			-			-			-			-	
Distribution during the year / period		-			(4,443)			(5,938)			(2,869)			(13,250)			(2,103)	
<b>Undistributed income / (accumulated loss) carried forward</b>		<b>68,433</b>			<b>7,085</b>			<b>4,997</b>			<b>5,298</b>			<b>85,813</b>			<b>(2,744)</b>	
Undistributed income / (accumulated loss) carried forward																		
- Realised income / (loss)		105,543			7,650			4,997			5,655			123,845			(2,744)	
- Unrealised loss		(37,110)			(565)			-			(357)			(38,032)			-	
		68,433			7,085			4,997			5,298			85,813			(2,744)	
Net asset value per unit as at the beginning of the year / period																		
Net asset value per unit as at the end of the year / period																		

The annexed notes 1 to 24 form an integral part of these financial statements.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND - II**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE PERIOD ENDED AUGUST 27, 2021 AND YEAR ENDED JUNE 30, 2022**

	June 30, 2021			June 30, 2021			June 30, 2021			June 30, 2021			June 30, 2021			June 30, 2021		
	MCCP - IV			MCCP - V			MCCP - VI			MCCP - VII			MCCP - VIII			Total		
	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	Undistributed income	Total	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	Accumulated loss	Total	Capital value	(Accumulated loss) / undistributed income	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the year</b>	1,122,392	(10,007)	1,112,385	215,481	882	216,363	214,933	(1,453)	213,480	137,452	(1,848)	135,604	67,469	(3,598)	63,871	1,757,727	(16,024)	1,741,703
<b>Issuance of units:</b>																		
MCCP - IV: nil, MCCP - V: 2,381																		
MCCP - VI: nil, MCCP - VII: nil, MCCP - VIII: nil																		
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	120	-	120	-	-	-	-	-	-	-	-	-	120	-	120
- Element of income	-	-	-	9	-	9	-	-	-	-	-	-	-	-	-	9	-	9
<b>Total proceeds on issuance of units</b>	-	-	-	129	-	129	-	-	-	-	-	-	-	-	-	129	-	129
<b>Redemption of units:</b>																		
MCCP - IV: 8,640,167, MCCP - V: 2,566,546																		
MCCP - VI: 2,530,712, MCCP - VII: 782,985																		
MCCP - VIII: 632,130																		
- Capital value (at net asset value per unit at the beginning of the year)	429,189	-	429,189	129,040	-	129,040	126,872	-	126,872	38,530	-	38,530	31,014	-	31,014	754,645	-	754,645
- Element of loss	-	20,941	20,941	47	5,013	5,060	44	5,182	5,226	11	1,646	1,657	12	1,324	1,336	114	34,106	34,220
<b>Total payments on redemption of units</b>	429,189	20,941	450,130	129,087	5,013	134,100	126,916	5,182	132,098	38,541	1,646	40,187	31,026	1,324	32,350	754,759	34,106	788,865
<b>Total comprehensive income for the year</b>	-	104,535	104,535	-	12,202	12,202	-	11,651	11,651	-	8,894	8,894	-	3,753	3,753	-	141,035	141,035
<b>Distribution during the year</b>	-	-	-	-	(174)	(174)	-	-	-	-	-	-	-	-	-	-	(174)	(174)
<b>Net income for the year less distribution</b>	-	104,535	104,535	-	12,028	12,028	-	11,651	11,651	-	8,894	8,894	-	3,753	3,753	-	140,861	140,861
<b>Net assets at the end of the year</b>	<b>693,203</b>	<b>73,587</b>	<b>766,790</b>	<b>86,523</b>	<b>7,897</b>	<b>94,420</b>	<b>88,017</b>	<b>5,016</b>	<b>93,033</b>	<b>98,911</b>	<b>5,400</b>	<b>104,311</b>	<b>36,443</b>	<b>(1,169)</b>	<b>35,274</b>	<b>1,003,097</b>	<b>90,731</b>	<b>1,093,828</b>
<b>(Accumulated loss) / undistributed income brought forward</b>																		
- Realised (loss) / income		(9,537)			805			(1,529)			(1,897)			(3,621)			(15,779)	
- Unrealised (loss) / income		(470)			77			76			49			23			(245)	
		(10,007)			882			(1,453)			(1,848)			(3,598)			(16,024)	
<b>Accounting income available for distribution</b>																		
- Relating to capital gains	83,594	-	83,594	7,108	-	7,108	6,469	-	6,469	7,248	-	7,248	2,429	-	2,429	106,848	-	106,848
- Excluding capital gains	-	-	-	81	-	81	-	-	-	-	-	-	-	-	-	81	-	81
	83,594	-	83,594	7,189	-	7,189	6,469	-	6,469	7,248	-	7,248	2,429	-	2,429	106,929	-	106,929
<b>Distribution during the year</b>	-	-	-	-	(174)	(174)	-	-	-	-	-	-	-	-	-	-	(174)	(174)
<b>Undistributed income / (accumulated loss) carried forward</b>																		
	73,587	-	73,587	7,897	-	7,897	5,016	-	5,016	5,400	-	5,400	(1,169)	-	(1,169)	90,731	-	90,731
<b>Undistributed income / (accumulated loss) carried forward</b>																		
- Realised income / (loss)	31,011	-	31,011	7,038	-	7,038	5,016	-	5,016	5,250	-	5,250	(1,169)	-	(1,169)	47,146	-	47,146
- Unrealised income	42,576	-	42,576	859	-	859	-	-	-	150	-	150	-	-	-	43,585	-	43,585
	73,587	-	73,587	7,897	-	7,897	5,016	-	5,016	5,400	-	5,400	(1,169)	-	(1,169)	90,731	-	90,731
			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>			<b>Rupees</b>
Net asset value per unit as at the beginning of the year			49.6737			50.2777			50.1329			49.2089			49.0635			52.6736
Net asset value per unit as at the end of the year			55.7516			54.2898			53.8520			52.8771			52.6736			

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director





**MEEZAN STRATEGIC ALLOCATION FUND - II**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED AUGUST 27, 2021 AND YEAR ENDED JUNE 30, 2022**

	For the year ended June 30, 2022					For the period from July 01, 2021 to August 27, 2021
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	M CPP - VIII
Note	(Rupees in '000)					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net (loss) / income for the year / period before taxation	(5,154)	4,707	7,099	6,226	12,878	577
<b>Adjustment for:</b>						
Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'	6.1 37,110	565	-	357	38,032	-
	31,956	5,272	7,099	6,583	50,910	577
<b>Decrease in assets</b>						
Investments - net	110,751	30,609	26,594	62,357	230,311	34,706
Receivable against sale of investments	-	-	-	-	-	(31,646)
Profit receivable on balances with banks	(10)	-	(8)	(25)	(43)	(9)
	110,741	30,609	26,586	62,332	230,268	3,051
<b>Increase / (decrease) in liabilities</b>						
Payable to AI Meezan Investment Management Limited - Management Company	(69)	(29)	(10)	(10)	(118)	(12)
Payable to Central Depository Company of Pakistan Limited - Trustee	(10)	(3)	(3)	(4)	(20)	-
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(37)	(14)	(15)	(5)	(71)	1
Accrued expenses and other liabilities	(3,672)	(62)	328	1,146	(2,260)	(4)
	(3,788)	(108)	300	1,127	(2,469)	(15)
<b>Net cash generated from operating activities</b>	<b>138,909</b>	<b>35,773</b>	<b>33,985</b>	<b>70,042</b>	<b>278,709</b>	<b>3,613</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts against issuance and conversion of units	-	3,422	3,034	1,845	8,301	2,005
Payments against redemption and conversion of units	(138,847)	(35,283)	(32,195)	(69,876)	(276,201)	(4,245)
Dividend paid	-	(4,148)	(3,884)	(2,277)	(10,309)	(2,103)
<b>Net cash used in financing activities</b>	<b>(138,847)</b>	<b>(36,009)</b>	<b>(33,045)</b>	<b>(70,308)</b>	<b>(278,209)</b>	<b>(4,343)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	<b>62</b>	<b>(236)</b>	<b>940</b>	<b>(266)</b>	<b>500</b>	<b>(730)</b>
Cash and cash equivalents at the beginning of the year	587	754	518	349	2,208	751
<b>Cash and cash equivalents at the end of the year</b>	<b>5 649</b>	<b>518</b>	<b>1,458</b>	<b>83</b>	<b>2,708</b>	<b>21</b>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND - II**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED AUGUST 27, 2021 AND YEAR ENDED JUNE 30, 2022**

For the year ended June 30, 2021						
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	Total
Note .....(Rupees in '000).....						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income for the year before taxation	104,535	12,202	11,651	8,894	3,753	141,035
<b>Adjustment for:</b>						
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss'	6.1 (42,576)	(859)	-	(150)	-	(43,585)
	61,959	11,343	11,651	8,744	3,753	97,450
<b>Decrease in assets</b>						
Investments - net	391,685	123,943	120,026	32,917	29,123	697,694
Receivable against sale of investments	1,190	3,120	-	100	-	4,410
Profit receivable on balances with banks	116	43	45	26	17	247
	392,991	127,106	120,071	33,043	29,140	702,351
<b>(Decrease) / increase in liabilities</b>						
Payable to AI Meezan Investment Management Limited - Management Company	(22)	11	(9)	(2)	(3)	(25)
Payable to Central Depository Company of Pakistan Limited - Trustee	(20)	(8)	(7)	(2)	(2)	(39)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(84)	(36)	(26)	(10)	(8)	(164)
Accrued expenses and other liabilities	(2,042)	(567)	285	(75)	8	(2,391)
	(2,168)	(600)	243	(89)	(5)	(2,619)
<b>Net cash generated from operating activities</b>	452,782	137,849	131,965	41,698	32,888	797,182
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts against issuance and conversion of units	-	129	-	-	-	129
Payments against redemption and conversion of units	(451,371)	(138,621)	(132,114)	(40,282)	(32,460)	(794,848)
Dividend paid	(2,190)	(902)	(25)	(1,242)	(16)	(4,375)
<b>Net cash used in financing activities</b>	(453,561)	(139,394)	(132,139)	(41,524)	(32,476)	(799,094)
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>						
	(779)	(1,545)	(174)	174	412	(1,912)
Cash and cash equivalents at the beginning of the year	1,366	2,299	692	175	339	4,871
<b>Cash and cash equivalents at the end of the year</b>	5 587	754	518	349	751	2,959

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - II  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED AUGUST 27, 2021 AND YEAR ENDED JUNE 30, 2022**

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

**1.1** Meezan Strategic Allocation Fund - II (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed under the Trust Act, 1882 on January 15, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 14, 2017 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 Fund is registered as a notified entity under the NBFC Regulations issued through S.R.O.1203(I)/2008 on October 10, 2016. 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.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 2, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust

**1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of Equity Schemes and Fixed Income / Money Market Schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. 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.

**1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of SECP after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unit holders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.

**1.4** 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. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.

**1.5** The Management Company has been assigned a quality rating of 'AM1' by VIS dated December 27, 2021 (2021: AM1 dated December 31, 2020) and by PACRA dated June 23, 2022 (2021: AM1 dated June 23, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

**1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Capital Preservation Plan - IV (MCP - IV), Meezan Capital Preservation Plan - V (MCP - V), Meezan Capital Preservation Plan - VI (MCP - VI), Meezan Capital Preservation Plan - VII (MCP - VII) and Meezan Capital Preservation Plan - VIII (MCP - VIII) by investing in Shariah compliant Fixed Income / Money Market and Equity Mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of the SECP. A brief description of the plans is as follows:

<p>Meezan Capital Preservation Plan - IV (MCP - IV)</p>	<p><b>Medium risk - High return through asset allocation</b> This allocation plan commenced its operations from March 06, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan was two and a half years from the close of the subscription period (i.e. April 30, 2018). However, the SECP has approved extension and in accordance with such extension granted vide its letter No. SCD/AMCW/MSAFII/97/2020 dated October 28, 2020, the plan shall mature on October 30, 2022. Units shall be subject to front end load.</p>
<p>Meezan Capital Preservation Plan - V (MCP - V)</p>	<p><b>Medium risk - High return through asset allocation</b> This allocation plan commenced its operations from May 04, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan was two and a half years from the close of the subscription period (i.e. July 6, 2018). However, the SECP has approved extension and in accordance with such extension granted vide its letter No. SCD/AMCW/MSAFII/157/2021 dated November 26, 2021, the plan shall mature on January 5, 2023. Units shall be subject to front end load.</p>

Meezan Capital Preservation Plan - VI (MCP - VI)	<p><b>Medium risk - High return through asset allocation</b></p> <p>This allocation plan commenced its operations from July 10, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan was two and a half years from the close of the subscription period (i.e. September 14, 2018). However, the SECP has approved extension and in accordance with such extension granted vide letter No. SCD/AMCW/MSAFII/270/2022 dated March 9, 2022, the plan shall now mature on March 17, 2023. Units shall be subject to front end load.</p>
Meezan Capital Preservation Plan - VII (MCP - VII)	<p><b>Medium risk - High return through asset allocation</b></p> <p>This allocation plan commenced its operations from September 26, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period (i.e. December 5, 2018). However, the SECP has approved extension and in accordance with such extension granted vide letter No. SCD/AMCW/MSAFII/338/2022 dated May 14, 2022, the plan shall now mature on June 5, 2023. Units shall be subject to front end load.</p>
Meezan Capital Preservation Plan - VIII (MCP - VIII)	<p><b>Medium risk - High return through asset allocation</b></p> <p>This allocation plan commenced its operations from December 17, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan was two and a half years from the close of the subscription period i.e. February 2019. Units shall be subject to front end load.</p>

Each allocation plan announces separate Net Asset Values which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

- 1.7 During the current year, Meezan Capital Preservation Plan - VIII (MCP - VIII) matured on August 27, 2021 as per the provisions of the offering document.

## 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 (IFRSs) 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, 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 or after July 1, 2021. However, these do not have any significant impact on the Fund's operations 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 and amended standards, interpretations and amendments that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant impact on the Fund's operations and are therefore not disclosed in these financial statements.

### 3.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards 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 judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment 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 which have been classified as 'at fair value through profit or loss' and which are measured at fair value.

### 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 Rupees, which is the Fund's functional and presentation currency.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 4.2 Cash and cash equivalents

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.

### 4.3 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

##### 4.3.2.1 Debt instruments

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

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

based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.



#### 4.3.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

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

##### Basis of valuation in the units of mutual funds

The investments of the Fund in the Collective Investment Scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their Net Asset Value (NAV) at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

#### 4.3.4 Impairment

The fund assesses on a forward looking basis the expected credit loss (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.

#### 4.3.5 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.

#### 4.3.6 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 arising 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 value 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 Unit holders' Fund

Unit holders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

#### 4.9 Issue and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the applications are received. The offer price of each allocation plan represents the Net Assets Value (NAV) of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application 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.

#### 4.10 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 year in which such distributions are declared and approved by the Board of Directors of the Management Company.

#### 4.11 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.

#### 4.12 Revenue recognition

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

#### 4.13 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.

#### 4.14 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. 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.

### 4.15 Earnings per unit

Earnings per unit is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) 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.

### 4.16 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.

## 5 BALANCES WITH BANKS

		As at 30 June, 2022					As at August 27, 2021
Note	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII	
(Rupees in '000)							
Balances with banks in:							
- Savings accounts	5.1	649	518	1,458	83	2,708	21
		As at June 30, 2021					
Note	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	Total	
(Rupees in '000)							
Balances with banks in:							
- Saving accounts	5.1	577	754	518	349	751	2,949
- Current accounts		10	-	-	-	-	10
		587	754	518	349	751	2,959

- 5.1 These include a balance of Rs 2.684 million (2021: Rs 2.939 million) maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.01% (2021: 2.5%) per annum. Other savings accounts of the Fund have an expected rate of profit of 5.26% (2021: 3.86%) per annum.

## 6 INVESTMENTS

		As at 30 June, 2022					As at August 27, 2021
Note	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII	
(Rupees in '000)							
<b>Investments - 'at fair value through profit or loss'</b>							
Units of open ended mutual funds	6.1	622,725	63,468	66,596	41,635	794,424	-

Note	As at June 30, 2021					
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	M CPP - VIII
	----- (Rupees in '000) -----					

**Investments - 'at fair value through profit or loss'**

Units of open ended mutual funds	6.1	<u>770,586</u>	<u>94,642</u>	<u>93,190</u>	<u>104,349</u>	<u>34,706</u>	<u>1,097,473</u>
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**6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds**

Name of Investee Funds	As at July 1, 2021	Purchased / reinvested during the year	Redeemed during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised appreciation/(diminution) as at June 30,	Percentage in relation to	
	(Number of units)				(Rupees in '000)			Net assets of the Plan	Total market value of investments
								(Percentage)	
<b>Meezan Capital Preservation Plan - IV</b>									
Meezan Dedicated Equity Fund	7,491,425	86,412	2,024,543	5,553,294	260,442	223,332	(37,110)	35.87	35.86
Meezan Rozana Amdani Fund	8,383,770	11,260,797	11,656,707	7,987,860	399,393	399,393	-	64.14	64.14
Meezan Sovereign Fund	-	9,205,562	9,205,562	-	-	-	-	-	-
					<u>659,835</u>	<u>622,725</u>	<u>(37,110)</u>	<u>100.01</u>	<u>100.00</u>
<b>Meezan Capital Preservation Plan - V</b>									
Meezan Dedicated Equity Fund	329,431	386,947	543,088	173,290	7,534	6,969	(565)	11.08	10.98
Meezan Rozana Amdani Fund	1,583,794	2,780,922	3,234,745	1,129,971	56,499	56,499	-	89.81	89.02
Meezan Sovereign Fund*	-	2,375,613	2,375,609	4	-	-	-	-	-
					<u>64,033</u>	<u>63,468</u>	<u>(565)</u>	<u>100.89</u>	<u>100.00</u>
<b>Meezan Capital Preservation Plan - VI</b>									
Meezan Rozana Amdani Fund	1,863,801	2,484,267	3,016,155	1,331,913	66,596	66,596	-	102.31	100.00
Meezan Sovereign Fund	-	2,417,989	2,417,989	-	-	-	-	-	-
					<u>66,596</u>	<u>66,596</u>	<u>-</u>	<u>102.31</u>	<u>100.00</u>
<b>Meezan Capital Preservation Plan - VII</b>									
Meezan Dedicated Equity Fund	181,851	198,453	316,179	64,125	2,936	2,579	(357)	6.50	6.19
Meezan Rozana Amdani Fund	1,916,378	3,161,311	4,296,570	781,119	39,056	39,056	-	98.44	93.81
Meezan Sovereign Fund	-	2,755,659	2,755,659	-	-	-	-	-	-
					<u>41,992</u>	<u>41,635</u>	<u>(357)</u>	<u>104.94</u>	<u>100.00</u>
<b>Meezan Capital Preservation Plan - VIII</b>									
Meezan Rozana Amdani Fund	694,122	8,804	702,926	-	-	-	-	-	-
					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total investments in units of mutual funds (2022)</b>									
Meezan Dedicated Equity Fund	8,002,707	671,812	2,883,810	5,790,709	270,912	232,880	(38,032)		
Meezan Rozana Amdani Fund	14,441,865	19,696,101	22,907,103	11,230,863	561,544	561,544	-		
Meezan Sovereign Fund*	-	16,754,823	16,754,819	4	-	-	-		
<b>Total as at June 30, 2022</b>					<u>832,456</u>	<u>794,424</u>	<u>(38,032)</u>		
<b>Total as at June 30, 2021</b>					<u>1,053,888</u>	<u>1,097,473</u>	<u>43,585</u>		

\*Nil due to rounding off

**7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**

Note	As at 30 June, 2022					As at August 27, 2021
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	M CPP - VIII
	----- (Rupees in '000) -----					
Remuneration payable	7.1	-	-	-	-	-
Sindh Sales Tax payable on remuneration	7.2	-	-	-	-	-
Allocated expenses payable	7.3	4	-	-	4	3
		<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>3</u>

		As at June 30, 2021					
		MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	Total
<b>Note</b>		(Rupees in '000)					
Remuneration payable	7.1	2	1	1	1	11	16
Sindh Sales Tax payable on remuneration	7.2	-	-	-	-	1	1
Allocated expenses payable	7.3	71	28	9	9	3	120
		<u>73</u>	<u>29</u>	<u>10</u>	<u>10</u>	<u>15</u>	<u>137</u>

- 7.1** 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 1% (2021: 1%) per annum of the average annual net assets of the Fund during the year ended June 30, 2022. The remuneration is payable to the Management Company monthly in arrears.
- 7.2** During the year, an amount of Rs 0.004 million (2021: Rs 0.007 million) was charged on account of sales tax on remuneration for the Management Company levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.005 million (2021: Rs 0.009 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3** 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).

Rate applicable from July 1, 2021 to June 30, 2022	Rate applicable from July 1, 2020 to March 9, 2021	Rate applicable from March 10, 2021 to June 30, 2021
0.11% of the average annual net assets of the Fund	0.10% of the average annual net assets of the Fund	0.11% of the average annual net assets of the Fund

## 8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		As at 30 June, 2022					As at August 27, 2021
		MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
<b>Note</b>		(Rupees in '000)					
Remuneration payable	8.1	37	4	4	3	48	2
Sindh Sales Tax payable on Remuneration of the Trustee	8.2	5	-	-	-	5	-
		<u>42</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>53</u>	<u>2</u>

		As at June 30, 2021					
		MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	Total
<b>Note</b>		(Rupees in '000)					
Remuneration payable	8.1	46	6	6	6	2	66
Sindh Sales Tax payable on Remuneration of the Trustee	8.2	6	1	1	1	-	9
		<u>52</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>2</u>	<u>75</u>

- 8.1** The Trustee is entitled to monthly remuneration of 0.070% (2021: 0.070%) per annum of average net assets for services rendered to the Fund under the provisions of the Trust Deed.
- 8.2** During the year, an amount of Rs 0.09 million (2021: Rs 0.126 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.073 million (2021: Rs 0.131 million) was paid to the Trustee which acts as a collecting agent.

## 9 PAYABLE TO 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) at the rate of 0.02% (2021: 0.02%) of the average annual net assets of the Fund.



**10 ACCRUED EXPENSES AND OTHER LIABILITIES**

		As at 30 June, 2022					As at August 27, 2021
		MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
<b>Note</b>		----- (Rupees in '000) -----					
	Auditors' remuneration payable	231	26	25	36	318	13
	Withholding tax payable	-	711	848	431	1,990	99
	Shariah advisor fee payable	100	10	10	12	132	6
	Provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	-	-	-
10.1		-	-	-	-	-	-
	Capital gain tax payable	25	1	11	978	1,015	13
	Zakat payable	-	-	-	-	-	24
		<u>356</u>	<u>748</u>	<u>894</u>	<u>1,457</u>	<u>3,455</u>	<u>155</u>

		As at June 30, 2021					
		MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	Total
<b>Note</b>		----- (Rupees in '000) -----					
	Auditors' remuneration payable	209	34	36	35	12	326
	Withholding tax payable	16	29	-	-	-	45
	Shariah advisor fee payable	105	13	14	13	5	150
	Printing charges payable	212	9	8	-	2	231
	Provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	-	-	-
10.1		3,179	611	380	239	136	4,545
	Capital gain tax payable	307	59	80	24	4	474
	Zakat payable	-	55	48	-	-	103
		<u>4,028</u>	<u>810</u>	<u>566</u>	<u>311</u>	<u>159</u>	<u>5,874</u>

**10.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to 2% of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various Asset Management Companies and their CISs whereby it was contested that Mutual Funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that Mutual Funds were included in the definition of Financial Institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / Mutual Funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / Mutual Funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current year, SRB through its letter dated August 12, 2021, intimated MUFAP that the Mutual Funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the funds, for the period from May 20, 2019 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

**11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

**12 AUDITORS' REMUNERATION**

	For the year ended June 30, 2022					For the period from July 01, 2021 to August 27, 2021
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
	(Rupees in '000)					
Annual audit fee	254	29	29	32	344	-
Fee for half yearly review of condensed interim financial statements	89	11	10	12	122	-
	<u>343</u>	<u>40</u>	<u>39</u>	<u>44</u>	<u>466</u>	<u>-</u>
	For the year ended June 30, 2021					
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	Total
	(Rupees in '000)					
Annual audit fee	230	43	43	32	14	362
Fee for half yearly review of condensed interim financial statements	71	13	13	15	4	116
	<u>301</u>	<u>56</u>	<u>56</u>	<u>47</u>	<u>18</u>	<u>478</u>

**13 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 MCPP - IV has incurred a net loss during the year and the management has distributed the required minimum percentage of income earned by the Plans: MCPP - V, MCPP - VI, MCPP VII, MCPP - VIII for the year ended June 30, 2022 and period ended August 27, 2021 to the unitholders 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.

**14 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2022 are;

	June 30, 2022				
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	
Total Expense Ratio (including government levies)	0.31%	0.32%	0.32%	0.32%	
Government levies	0.03%	0.03%	0.03%	0.03%	
	June 30, 2021				
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII
Total Expense Ratio (including government levies)	0.51%	0.47%	0.45%	0.45%	0.46%
Government levies	0.27%	0.19%	0.18%	0.18%	0.18%

This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a Collective Investment Scheme categorised as a Fund of Funds Scheme.

**15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

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.

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. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

Detail of transactions with connected persons / related parties and balances with them are as follows:

Balances	As at 30 June, 2022					As at August 27, 2021
	MCCP - IV	MCCP - V	MCCP - VI	MCCP - VII	Total	MCCP - VIII
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration payable to the Management Company (Rs in '000)	-	-	-	-	-	-
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	-	-
Allocated expenses payable (Rs in '000)	4	-	-	-	4	3
<b>Meezan Bank Limited</b>						
Bank balance (Rs in '000)	637	506	1,458	83	2,684	21
Profit receivable on savings accounts (Rs. in '000)	12	3	9	26	50	12
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration payable (Rs. in '000)	37	4	4	3	48	2
Sindh Sales Tax payable on remuneration of the Trustee (Rs. in '000)	5	-	-	-	5	-
<b>Directors and Executives of the Management Company</b>						
Investment (Rs in '000)	5,669	-	-	-	5,669	-
Investment (Units)	102,501	-	-	-	102,501	-
<b>Meezan Dedicated Equity Fund</b>						
Investment (Rs in '000)	223,332	6,969	-	2,579	232,880	-
Investment (Units)	5,553,294	173,290	-	64,125	5,790,709	-
<b>Meezan Rozana Amdani Fund</b>						
Investment (Rs in '000)	399,393	56,499	66,596	39,056	561,544	-
Investment (Units)	7,987,860	1,129,971	1,331,913	781,119	11,230,863	-
<b>Meezan Sovereign Fund *</b>						
Investment (Rs in '000)	-	-	-	-	-	-
Investment (Units)	-	4	-	-	4	-
<b>Unit holders holding 10% or more units of the Fund</b>						
Investment (Rs in '000)	254,632	8,740	12,504	14,654	290,530	-
Investment (Units)	4,603,771	163,202	232,300	277,892	5,277,165	-

\*Nil due to rounding off

Balances	As at June 30, 2021					
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	Total
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration payable to the Management Company (Rs in '000)	2	1	1	1	11	16
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	1	1
Allocated expenses payable (Rs in '000)	71	28	9	9	3	120
<b>Meezan Bank Limited</b>						
Bank balance (Rs in '000)	577	744	518	349	751	2,939
Profit receivable on savings accounts (Rs in '000)	2	4	1	1	3	11
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration payable (Rs in '000)	46	6	6	6	2	66
Sindh Sales Tax payable on remuneration of the Trustee (Rs in '000)	6	1	1	1	-	9
<b>Directors and Executives of the Management Company</b>						
Investment (Rs in '000)	5,715	-	-	-	-	5,715
Investment (Units)	102,501	-	-	-	-	102,501
<b>Meezan Dedicated Equity Fund</b>						
Investment (Rs in '000)	351,398	15,452	-	8,530	-	375,380
Investment (Units)	7,491,424	329,430	-	181,851	-	8,002,705
<b>Meezan Rozana Amdani Fund</b>						
Investment (Rs in '000)	419,188	79,190	93,190	95,819	34,706	722,093
Investment (Units)	8,383,764	1,583,794	1,863,802	1,916,379	694,122	14,441,861
<b>Unit holders holding 10% or more units of the Fund</b>						
Investment (Rs in '000)	188,223	-	12,510	52,196	3,371	256,300
Investment (Units)	3,376,099	-	232,300	987,119	63,996	4,659,514

Transactions during the year / period	For the year ended June 30, 2022					For the period from July 01, 2021 to August 27, 2021
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration of the Management Company (Rs in '000)	10	6	4	6	26	1
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	1	1	1	1	4	-
Allocated expenses (Rs in '000)	794	90	87	103	1,074	6
<b>Meezan Bank Limited</b>						
Profit on saving account (Rs in '000)	34	23	34	37	128	-

Transactions during the year / period	For the year ended June 30, 2022					For the period from July 01, 2021 to August 27, 2021
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration of the Trustee (Rs. in '000)	505	57	56	65	683	4
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	66	7	7	9	89	1
<b>Meezan Dedicated Equity Fund</b>						
Invested during the year / period (Rs. in '000)	4,000	16,800	-	9,000	29,800	-
Invested during the year / period (Units)	86,412	386,947	-	198,453	671,812	-
Redeemed during the year / period (Rs. in '000)	89,720	23,300	-	13,700	126,720	-
Redeemed during the year / period (Units)	2,024,543	543,088	-	316,179	2,883,810	-
<b>Meezan Sovereign Fund</b>						
Invested during the year / period (Rs. in '000)	492,845	127,777	129,998	148,148	898,768	-
Invested during the year / period (Units)	9,205,562	2,375,613	2,417,989	2,755,659	16,754,823	-
Redeemed during the year / period (Rs. in '000)	500,368	128,767	131,077	149,473	909,684	-
Redeemed during the year / period (Units)	9,205,562	2,375,609	2,417,989	2,755,659	16,754,819	-
<b>Meezan Rozana Amadani Fund</b>						
Invested during the year / period (Rs. in '000)	563,040	139,046	124,213	158,066	984,364	440
Invested during the year / period (Units)	11,260,797	2,780,922	2,484,267	3,161,311	19,687,297	8,804
Redeemed during the year / period (Rs. in '000)	582,835	161,737	150,808	214,828	1,110,208	35,146
Redeemed during the year / period (Units)	11,656,707	3,234,745	3,016,155	4,296,570	22,204,177	702,926
Dividend received during the year / period (Rs. in '000)	28,461	5,320	5,856	6,173	45,810	440
Dividend received during the year / period (Units)	569,228	106,391	117,128	123,453	916,200	8,804

Transactions during the year	For the year ended June 30, 2021					Total
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	Total
<b>AI Meezan Investment Management Limited - Management Company</b>						
Remuneration of the Management Company (Rs in '000)	21	10	10	6	5	52
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	3	1	1	1	1	7
Allocated expenses (Rs in '000)	928	153	159	125	53	1,418
<b>Meezan Bank Limited</b>						
Profit on saving account (Rs in '000)	66	71	32	10	14	193
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration of the Trustee (Rs in '000)	632	105	109	85	36	967
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	82	14	14	11	5	126
<b>Meezan Dedicated Equity Fund</b>						
Invested during the year (Rs. in '000)	449,182	30,750	-	9,100	-	489,032
Invested during the year (Units)	10,961,236	710,138	-	197,472	-	11,868,847
Redeemed during the year (Rs. in '000)	186,632	16,716	-	750	-	204,098
Redeemed during the year (Units)	4,477,210	380,708	-	15,621	-	4,873,538



For the year ended June 30, 2021					
MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	MCPP - VIII	Total
<b>Transactions during the year</b>					
<b>Meezan Cash Fund</b>					
Invested during the year (Rs. in '000)	165,000	29,000	-	-	194,000
Invested during the year (Units)	3,239,124	569,301	-	-	3,808,424
Redeemed during the year (Rs. in '000)	165,077	29,014	-	-	194,091
Redeemed during the year (Units)	3,239,124	569,301	-	-	3,808,425
<b>Meezan Sovereign Fund</b>					
Invested during the year (Rs. in '000)	352,575	146,752	25,414	20,331	555,242
Invested during the year (Units)	6,613,909	2,725,069	470,015	376,011	10,373,104
Redeemed during the year (Rs. in '000)	1,482,095	370,154	248,647	164,630	2,342,745
Redeemed during the year (Units)	27,659,202	6,948,860	4,606,308	3,036,001	14,266,344
<b>Meezan Rozana Amdani Fund</b>					
Invested during the year (Rs. in '000)	741,073	286,238	131,214	116,850	1,320,751
Invested during the year (Units)	14,821,458	5,724,751	2,624,278	2,337,000	26,415,023
Redeemed during the year (Rs. in '000)	321,885	207,048	38,024	21,031	598,658
Redeemed during the year (Units)	6,437,694	4,140,957	760,476	420,621	11,973,163
Dividend received during the year (Rs. in '000)	10,353	5,724	2,305	2,064	757
Dividend received during the year (Units)	1,035,325	114,484	46,109	41,283	15,146
					1,252,347

## 16 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2022			As at June 30, 2021		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Financial assets</b>						
Balances with banks	2,708	-	2,708	2,959	-	2,959
Investments	-	794,424	794,424	-	1,097,473	1,097,473
Profit receivable on balances with banks	50	-	50	10	-	10
	<b>2,758</b>	<b>794,424</b>	<b>797,182</b>	<b>2,969</b>	<b>1,097,473</b>	<b>1,100,442</b>
	As at June 30, 2022			As at June 30, 2021		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Financial liabilities</b>						
Payable to AI Meezan Investment Management Limited - Management Company	4	-	4	137	-	137
Payable to Central Depository Company of Pakistan Limited - Trustee	53	-	53	75	-	75
Payable against redemption of units	194	-	194	236	-	236
Dividend payable	2,957	-	2,957	16	-	16
Accrued expenses and other liabilities	450	-	450	707	-	707
	<b>3,658</b>	<b>-</b>	<b>3,658</b>	<b>1,171</b>	<b>-</b>	<b>1,171</b>

## 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 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 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, 2022, the Fund is exposed to such risk on its balances held with banks and investments in 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 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. 0.03 million (2021: Rs. 0.029 million).

#### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, the Fund did 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, 2022 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, 2022 can be determined as follows:

As at June 30, 2022					
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)-----					
<b>Financial assets</b>					
Balances with banks	5.26% - 6.01%	2,708	-	-	2,708
Investments		-	-	794,424	794,424
Profit accrued on balances with banks		-	-	50	50
		<b>2,708</b>	<b>-</b>	<b>794,474</b>	<b>797,182</b>
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	4	4
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	53	53
Payable against redemption of units		-	-	194	194
Dividend payable		-	-	2,957	2,957
Accrued expenses and other liabilities		-	-	450	450
		<b>-</b>	<b>-</b>	<b>3,658</b>	<b>3,658</b>
<b>On-balance sheet gap (a)</b>		<b>2,708</b>	<b>-</b>	<b>790,816</b>	<b>793,524</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit rate sensitivity gap (a + b)</b>		<b>2,708</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative profit rate sensitivity gap</b>		<b>2,708</b>	<b>2,708</b>	<b>2,708</b>	<b>-</b>

As at June 30, 2021					
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)-----					
<b>Financial assets</b>					
Balances with banks	2.50% - 3.86%	2,959	-	-	2,959
Investments		-	-	1,097,473	1,097,473
Profit accrued on balances with banks		-	-	10	10
		<b>2,959</b>	<b>-</b>	<b>1,097,483</b>	<b>1,100,442</b>
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	137	137
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	75	75
Payable against redemption of units		-	-	236	236
Dividend payable		-	-	16	16
Accrued expenses and other liabilities		-	-	707	707
		<b>-</b>	<b>-</b>	<b>1,171</b>	<b>1,171</b>
<b>On-balance sheet gap (a)</b>		<b>2,959</b>	<b>-</b>	<b>1,096,312</b>	<b>1,099,271</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit rate sensitivity gap (a + b)</b>		<b>2,959</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative profit rate sensitivity gap</b>		<b>2,959</b>	<b>2,959</b>	<b>2,959</b>	<b>-</b>

## (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 has exposure to price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in Net Assets Value per unit of the Investee Funds as at June 30, 2022 with all other variables held constant, the total comprehensive income of the Plan for the year would increase / decrease by Rs. 7.944 million (2021: Rs. 10.975 million) and the net assets of the Plan would increase / decrease by the same amount as a result of gains / losses on units of the mutual funds held by the Plans.

## 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 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 year ended June 30, 2022.

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

As at June 30, 2022						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						
<b>Financial assets</b>						
Balances with banks	2,708	-	-	-	-	2,708
Investments	-	-	-	-	794,424	794,424
Profit accrued on balances with banks	50	-	-	-	-	50
	<b>2,758</b>	-	-	-	<b>794,424</b>	<b>797,182</b>
<b>Financial liabilities</b>						
Payable to Al Meezan Investment Management Limited - Management Company	4	-	-	-	-	4
Payable to Central Depository Company of Pakistan Limited - Trustee	53	-	-	-	-	53
Payable against redemption of units	194	-	-	-	-	194
Dividend payable	2,957	-	-	-	-	2,957
Accrued expenses and other liabilities	-	450	-	-	-	450
	<b>3,208</b>	<b>450</b>	-	-	-	<b>3,658</b>
<b>Net financial assets / (liabilities)</b>	<b>(450)</b>	<b>(450)</b>	-	-	<b>794,424</b>	<b>793,524</b>

As at 30 June, 2021						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						
<b>Financial assets</b>						
Balances with banks	2,959	-	-	-	-	2,959
Investments	-	-	-	-	1,097,473	1,097,473
Profit accrued on balances with banks	10	-	-	-	-	10
	<b>2,969</b>	-	-	-	<b>1,097,473</b>	<b>1,100,442</b>
<b>Financial liabilities</b>						
Payable to Al Meezan Investment Management Limited - Management Company	137	-	-	-	-	137
Payable to Central Depository Company of Pakistan Limited - Trustee	75	-	-	-	-	75
Payable against redemption of units	236	-	-	-	-	236
Dividend payable	16	-	-	-	-	16
Accrued expenses and other liabilities	-	707	-	-	-	707
	<b>464</b>	<b>707</b>	-	-	-	<b>1,171</b>
<b>Net financial assets / (liabilities)</b>	<b>2,505</b>	<b>(707)</b>	-	-	<b>1,097,473</b>	<b>1,099,271</b>

### 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:

	2022		2021	
	Balance as per statement of assets and liabilities (Rupees in '000)	Maximum exposure to credit risk (Rupees in '000)	Balance as per statement of assets and liabilities (Rupees in '000)	Maximum exposure to credit risk (Rupees in '000)
Balances with banks	2,708	2,708	2,959	2,959
Investments	794,424	-	1,097,473	-
Profit receivable on balances with banks	50	50	10	10
	<u>797,182</u>	<u>2,758</u>	<u>1,100,442</u>	<u>2,969</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 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 investments in open ended mutual funds of Rs. 794.424 million (2021: Rs. 1,097.473 million) are not exposed to credit risk.

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

Bank	Amount of financial assets exposed to credit risk (Rupees in '000)		% of financial assets exposed to credit risk (Percentage)	
	2022	2021	2022	2021
AAA	2,708	2,959	100%	100%

#### 17.3.3 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, 2022 and June 30, 2021 are unsecured and are not impaired.

## 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, 2022 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

	2022			2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in '000)			(Rupees in '000)		
<b>Financial assets 'at fair value through profit or loss'</b>						
Units of open ended mutual funds	-	794,424	-	-	1,097,473	-
	-	794,424	-	-	1,097,473	-

## 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 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 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

	MCPP - IV			MCPP - IV		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)			(Rupees in '000)		
Individual	294	202,440	32.51%	372	312,692	40.78%
Director	-	-	-	1	5,715	0.75%
Retirement funds	19	374,850	60.20%	22	385,953	50.33%
Others	4	45,356	7.28%	8	62,430	8.14%
<b>Total</b>	<b>317</b>	<b>622,646</b>	<b>100.00%</b>	<b>403</b>	<b>766,790</b>	<b>100.00%</b>

	MCPP - V			MCPP - V		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)			(Rupees in '000)		
Individual	112	41,489	65.95%	174	73,469	77.81%
Retirement funds	3	12,319	19.58%	3	11,742	12.44%
Others	3	9,102	14.47%	3	9,209	9.75%
<b>Total</b>	<b>118</b>	<b>62,910</b>	<b>100.00%</b>	<b>180</b>	<b>94,420</b>	<b>100.00%</b>

	MCPP - VI			MCPP - VI		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)		%	(Rupees in '000)		%
Individual	203	54,744	84.10%	265	82,495	88.67%
Retirement funds	2	10,351	15.90%	2	10,021	10.77%
Others	-	-	0.00%	1	517	0.56%
<b>Total</b>	<b>205</b>	<b>65,095</b>	<b>100.00%</b>	<b>268</b>	<b>93,033</b>	<b>100.00%</b>

	MCPP - VII			MCPP - VII		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)		%	(Rupees in '000)		%
Individual	195	39,673	100.00%	245	102,338	98.11%
Retirement funds	-	-	-	1	1,962	1.88%
Others	-	-	-	2	11	0.01%
<b>Total</b>	<b>195</b>	<b>39,673</b>	<b>100.00%</b>	<b>248</b>	<b>104,311</b>	<b>100.00%</b>

	MCPP - VIII		
	2021		
	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)		%
Individual	242	34,867	98.85%
Retirement funds	-	-	0.00%
Others	1	407	1.15%
<b>Total</b>	<b>243</b>	<b>35,274</b>	<b>100.00%</b>

- 20.1 During the current year, Meezan Capital Preservation Plan - VIII (MCPP - VIII) matured on August 27, 2021 as per the provisions of the offering document and hence all units were redeemed on maturity.

## 21 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualifications	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty Two years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Six years
Mr. Taha Javed	Head of Equities	CFA / MBA	Fifteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Fifteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Eleven years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Twelve years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Thirteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Fifteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fourteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA / ACCA	Eight 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;
- Meezan Dedicated Equity Fund;
- KSE Meezan Index Fund;
- Meezan Asset Allocation Fund;
- Meezan Financial Planning Fund of Fund;
- Meezan Strategic Allocation Fund; and;
- Meezan Strategic Allocation Fund - III.

**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 09, 2021	September 14, 2021	October 11, 2021	February 14, 2022	April 18, 2022	June 09, 2022
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive Officer	Yes	Yes	No	No	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	No	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Naeem	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes

**23 GENERAL**

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

**24 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on August 16, 2022 by the Board of Directors of the Management Company.

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

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

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

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

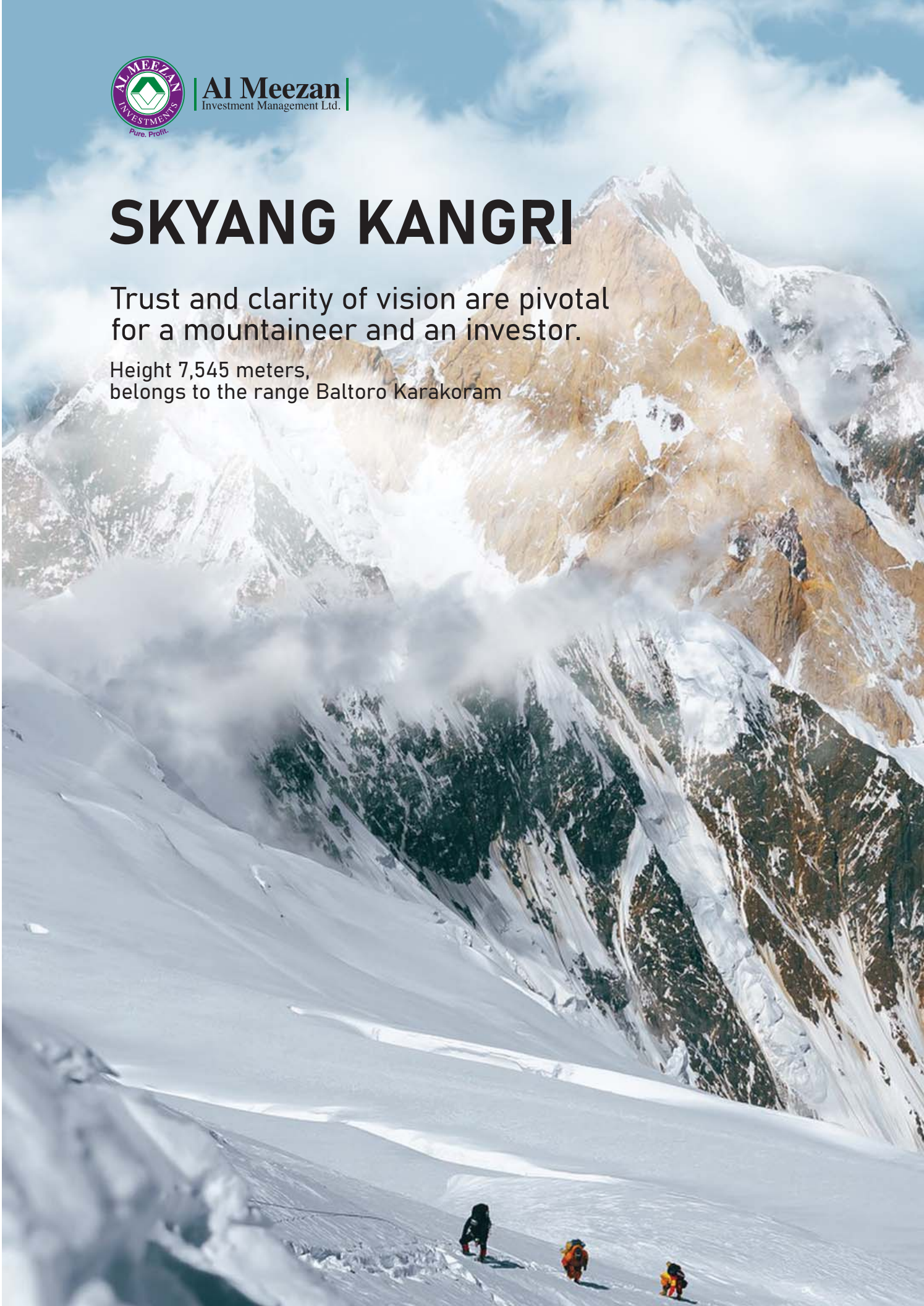


**Al Meezan**  
Investment Management Ltd.

# SKYANG KANGRI

Trust and clarity of vision are pivotal  
for a mountaineer and an investor.

Height 7,545 meters,  
belongs to the range Baltoro Karakoram





# **MEEZAN STRATEGIC ALLOCATION FUND-III (MSAF-III)**

Meezan Strategic Allocation Fund-III is a Shariah Compliant scheme which aims to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income/Money Market Collective Investment Schemes and Equity based Collective Investment Schemes.



# 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](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## BOARD RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Moin M. Fudda	Member
Mr. Mubashar Maqbool	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	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 ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Meezan Bank Limited

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (+9221) 35156191-94 Fax: (+9221) 35156195  
E-mail: [bawaney@cyber.net.pk](mailto:bawaney@cyber.net.pk)

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



Pure. Profit.



## REPORT OF THE FUND MANAGER Meezan Strategic Allocation Fund – III (MSAF – III)

### Type of Fund

MSAF – III is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

### Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

### Strategy and Investment Policy

MSAF – III has one Allocation Plans which allow investors to invest according to their risk tolerance levels.

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan – III (MCPPIX)	<b>Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual Allocation.</b>
---	---

### Performance Table with Benchmark

<b>Returns - FY22</b>	
MCPPIX	1.37%
Benchmark	-1.17%

The Meezan Capital Preservation Plan – IX posted total gain of Rs. 5 million FY 22. Total gain comprised of realized loss on investments of Rs. 5 million while the unrealized loss on investments of Rs. 10.5million. Dividend income and profit on saving account with banks amounted to Rs. 20.2 million and Rs. 0.345 million respectively. After accounting for expenses of Rs. 0.79 million, the Fund posted a net income of Rs. 4 million. The net assets of the Plan as at June 30, 2022 were Rs. 426.63 million. The net asset value per unit as at June 30, 2022 was Rs. 57.8119

### Distributions

The interim Pay out by the Plan during the fiscal year ended June 30, 2022 was 0.5 per unit. Total distribution made by the fund was 3.66 million.



Pure. Profit.



### SWWF Disclosure

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by MSAF III -MCPPIX amounting to Rs. 0.44 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an increase in NAV of the MSAF III -MCPPIX by 0.46%. This is one-off event and is not likely to be repeated in the future.

### Breakdown of unit holdings by size

(As on June 30, 2022)

Range (Units)	MSAF- III- MCPPIX
	No. of investors
1 - 9,999	441
10,000 - 49,999	138
50,000 - 99,999	27
100,000 - 499,999	7
500,000 and above	0
<b>Total</b>	<b>613</b>

**PERFORMANCE TABLE**

	<b>June 30,2022</b>	<b>June 30,2021</b>	<b>June 30, 2020</b>
Net assets (Rs. '000) (ex-distribution)	<b>426,632</b>	99,921	88,995
Net assets value / redemption price per unit (ex-distribution) as at June 30 (Rs.) (ex-distribution)	<b>57.8119</b>	57.5234	48.5984
Offer price per unit as at June 30 (Rs.)	-	-	-
<b>Distribution (%)</b>			
Interim			
-First quarter	-	-	-
-Second quarter	-	-	-
-Third quarter	-	-	-
-Fourth quarter	1%	0.00%	4.50%
Annual	-	-	-
<b>Dates of distribution (interim)</b>			
- First quarter	-	-	-
- Second quarter	-	-	-
- Third quarter	-	-	-
- Fourth quarter	30-Jun-22	-	30-Jun-20
Annual	-	-	-
Income distribution (Rs. in '000)	<b>3,665</b>	-	3,959
Highest offer price per unit (Rs.)	<b>60.3166</b>	-	50.1602
Lowest offer price per unit (Rs.)	<b>59.1194</b>	-	49.7876
Highest redemption price per unit (Rs.)	<b>59.2141</b>	58.3951	54.8414
Lowest redemption price per unit (Rs.)	<b>56.2644</b>	49.0404	46.5731
Total return (%)	1.37%	18.36%	5.45%
	<b>One Year</b>	<b>Two Year</b>	<b>Three Year</b>
Average annual return (%) as at June 30, 2022	<b>1.37%</b>	9.54%	8.16%

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



**Meezan Bank**  
The Premier Islamic Bank



## Report of the *Shari'ah* Advisor– Meezan Strategic Allocation Fund-III

July 29, 2022/ Dhu Al-Hijjah 29, 1443

**Alhamdulillah**, the period from July 01, 2021 to June 30, 2022 was the Third year of operations of Meezan Strategic Allocation Fund-III (MSAF-III) under management of Al Meezan Investment Management Limited (Al Meezan). The scope of the report is to express an opinion on the *Shariah* compliance of the Fund's activity.

In the capacity of *Shari'ah* Advisor, I have prescribed criteria and procedure to be followed in ensuring *Shari'ah* compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure *Shari'ah* compliance in line with the *Shari'ah* 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 prescribed criteria.

In light of the above, I hereby certify that:

- i. I have reviewed and approved the modes of investments of MSAF-III in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MSAF-III by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MSAF-III for the year ended June 30, 2022 have been in compliance with *Shari'ah* principles.

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

**Dr. Muhammad Imran Ashraf Usmani**  
For and on behalf of Meezan Bank  
*Shariah* Advisor

**Meezan Bank Ltd.**

Head Office: Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.  
PABX: (92-21) 38103500 UAN:111-331-331 & 111-331-332 www.meezanbank.com



**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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Fax: (92-21) 34326021 - 23

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

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN STRATEGIC ALLOCATION FUND – III**

**Report of the Trustee pursuant to Regulation 41(h) and Clause 9 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 Strategic Allocation Fund – III (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 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; and
- (iii) 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 14, 2022



**INDEPENDENT AUDITOR’S REPORT**

**To the Unit holders of Meezan Strategic Allocation Fund - III**

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

**Opinion**

We have audited the financial statements of Meezan Strategic Allocation Fund – III (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, 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	<b>Net Asset Value</b> (Refer notes 5 and 6 to the financial statements)	
	Investments and balances with banks constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2022 amounted to Rs 427.603 million and balances with banks aggregated to Rs 4.636 million.  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, 2022 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"> <li>Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> <li>Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

ABJ





### **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.

Att



- 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, related safeguards.

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

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

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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 21, 2022

Karachi

UDIN: AR202210081QycEBg5Jf



**MEEZAN STRATEGIC ALLOCATION FUND - III  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2022**

	2022	2021
	MCPPI - IX	
Note	------(Rupees in '000)-----	
<b>Assets</b>		
Balances with banks	5 4,636	508
Investments	6 427,603	100,108
Profit accrued on balances with banks	19	2
<b>Total assets</b>	<u>432,258</u>	<u>100,618</u>
<b>Liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	7 9	11
Payable to Central Depository Company of Pakistan Limited - Trustee	8 34	7
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9 53	19
Payable against conversion of units	950	-
Accrued expenses and other liabilities	10 4,580	660
<b>Total liabilities</b>	<u>5,626</u>	<u>697</u>
<b>Net assets</b>	<u>426,632</u>	<u>99,921</u>
<b>Unit holders' fund (as per statement attached)</b>	<u>426,632</u>	<u>99,921</u>
<b>Contingencies and commitments</b>	11	
	------(Number of units)-----	
<b>Number of units in issue</b>	<u>7,379,654</u>	<u>1,737,054</u>
	------(Rupees)-----	
<b>Net asset value per unit</b>	<u>57.8119</u>	<u>57.5234</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN STRATEGIC ALLOCATION FUND - III  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	MCPPI - IX	
Note	------(Rupees in '000)-----	
<b>Income</b>		
Realised (loss) / gain on sale of investments - net	(4,771)	8,725
Dividend income	20,239	1,157
Profit on bank balances	345	5
	15,813	9,887
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	6.1 (10,533)	7,097
<b>Total income</b>	<u>5,280</u>	<u>16,984</u>
<b>Expenses</b>		
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1 79	3
Sindh Sales Tax on remuneration of the Management Company	7.2 10	-
Allocated expenses	7.3 291	100
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1 185	68
Sindh Sales Tax on remuneration of the Trustee	8.2 24	9
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	53	19
Auditors' remuneration	12 92	144
Fees and subscription	296	297
Bank and settlement charges	6	1
Legal and professional charges	184	-
(Reversal of provision) / provision for Sindh Workers' Welfare Fund (SWWF)	10.1 (429)	327
<b>Total expenses</b>	<u>791</u>	<u>968</u>
<b>Net income for the year before taxation</b>	<u>4,489</u>	<u>16,016</u>
Taxation	14 -	-
<b>Net income for the year after taxation</b>	<u>4,489</u>	<u>16,016</u>
<b>Allocation of net income for the year</b>		
Net income for the year after taxation	4,489	16,016
Income already paid on units redeemed	(568)	(513)
	<u>3,921</u>	<u>15,503</u>
<b>Accounting income available for distribution</b>		
- Relating to capital gains	-	15,503
- Excluding capital gains	3,921	-
	<u>3,921</u>	<u>15,503</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN STRATEGIC ALLOCATION FUND - III  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**



	<u>2022</u>	<u>2021</u>
	<u>MCPP - IX</u>	
	<u>----- (Rupees in '000) -----</u>	
<b>Net income for the year after taxation</b>	4,489	16,016
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>4,489</u>	<u>16,016</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

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

**MEEZAN STRATEGIC ALLOCATION FUND - III  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	MCP-IX ----- (Rupees in '000) -----					
<b>Net assets at the beginning of the year</b>	83,746	16,175	99,921	88,323	672	88,995
Issue of 10,951,410 units (2021: nil units)						
- Capital value (at net asset value per unit at the beginning of the year)	629,962	-	629,962	-	-	-
- Element of income	3,264	-	3,264	-	-	-
Total proceeds on issuance of units	633,226	-	633,226	-	-	-
Redemption of 5,308,810 units (2021: 94,176 units)						
- Capital value (at net asset value per unit at the beginning of the year)	305,381	-	305,381	4,577	-	4,577
- Element of loss	1,390	568	1,958	-	513	513
Total payouts on redemption of units	306,771	568	307,339	4,577	513	5,090
Total comprehensive income for the year	-	4,489	4,489	-	16,016	16,016
Distribution during the year	-	(3,665)	(3,665)	-	-	-
Net income for the year less distribution	-	824	824	-	16,016	16,016
<b>Net assets at the end of the year</b>	<b>410,201</b>	<b>16,431</b>	<b>426,632</b>	<b>83,746</b>	<b>16,175</b>	<b>99,921</b>
<b>Undistributed income brought forward</b>						
- Realised income / (loss)		9,078			(316)	
- Unrealised income		7,097			988	
		<u>16,175</u>			<u>672</u>	
Accounting income available for distribution						
- Relating to capital gains		-			15,503	
- Excluding capital gains		3,921			-	
		<u>3,921</u>			<u>15,503</u>	
Interim distribution during the year ended June 30, 2022 at Rs. 0.5 per unit i.e. 1% of the par value of Rs. 50 each		(3,665)			-	
<b>Undistributed income carried forward</b>		<u><u>16,431</u></u>			<u><u>16,175</u></u>	
<b>Undistributed income carried forward</b>						
- Realised income		26,964			9,078	
- Unrealised (loss) / income		(10,533)			7,097	
		<u><u>16,431</u></u>			<u><u>16,175</u></u>	
			<b>Rupees</b>			<b>Rupees</b>
Net asset value per unit as at the beginning of the year			<u>57.5234</u>			<u>48.5984</u>
Net asset value per unit as at the end of the year			<u>57.8119</u>			<u>57.5234</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN STRATEGIC ALLOCATION FUND - III  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**



	2022	2021
	MCPP - IX	
Note	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	4,489	16,016
<b>Adjustment for:</b>		
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - Net	10,533	(7,097)
	15,022	8,919
<b>Increase in assets</b>		
Investments - Net	(338,028)	(3,471)
Profit accrued on balances with banks	(17)	-
	(338,045)	(3,471)
<b>Increase / (decrease) in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	(2)	4
Payable to Central Depository Company of Pakistan Limited - Trustee	27	1
Payable to the Securities and Exchange Commission of Pakistan (SECP)	34	1
Accrued expenses and other liabilities	3,810	(303)
	3,869	(297)
<b>Net cash (used in) / generated from operating activities</b>	(319,154)	5,151
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	633,226	-
Payment against redemption and conversion of units	(306,389)	(5,090)
Dividend paid	(3,555)	-
<b>Net cash generated from / (used in) financing activities</b>	323,282	(5,090)
<b>Net increase in cash and cash equivalents during the year</b>	4,128	61
Cash and cash equivalents at the beginning of the year	508	447
<b>Cash and cash equivalents at the end of the year</b>	5	508

The annexed notes 1 to 24 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN STRATEGIC ALLOCATION FUND - III**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** Meezan Strategic Allocation Fund - III (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 24, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules) on January 17, 2019. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah e Faisal, Karachi 74400, Pakistan.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act, namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above mentioned Trust Deed was registered under the Sindh Trust Act on September 2, 2021.

**1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. 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.

**1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the SECP after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.

**1.4** 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. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.

**1.5** The Management Company has been assigned a quality rating of AM1 by VIS dated December 27, 2021 (2021: AM1 dated December 31, 2020) and by PACRA dated June 23, 2022 (2021: AM1 dated June 23, 2021). The ratings reflect the Company's experienced management team, structured investment process and sound quality of systems and processes.

**1.6** The Fund generates returns on investment as per allocation plan (sub fund) namely Meezan Capital Preservation Plan - IX (MCP - IX) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.

**1.7** A brief description of the plan is as follows:

Meezan Capital Preservation Plan - IX (MCP - IX)	<p><b>Medium risk - High return through asset allocation</b></p> <p>This allocation plan commenced its operations from May 14, 2019 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes. The initial maturity of this plan was two and a half years from the close of the subscription period i.e. January 29, 2022. However, the SECP has approved extension and in accordance with such extension granted vide letter No. SCD/AMCW/MSAFIII/227/2022 dated January 25, 2022, the plan shall now mature on September 30, 2024. Units shall be subject to front end load.</p>
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**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 (IFRSs) 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 IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

#### 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, 2021. However, these do not have any significant impact on the Fund's operations 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 and amended standards, interpretations and amendments that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant impact on the Fund's operations and are therefore not disclosed in these financial statements.

#### 3.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect 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 period 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, valuation and impairment 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 which are carried at their fair values.

#### 3.6 Functional and presentation currency

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

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal 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 savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

### 4.3 Financial instruments

#### 4.3.1 Classification

##### 4.3.1.1 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.

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

#### 4.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

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

##### Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

#### 4.3.3 Impairment

The fund assesses on a forward looking basis the expected credit loss (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 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.

#### 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 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.

#### 4.3.6 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.

#### 4.4 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 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 Unit holders' Fund

Unit holders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

#### 4.9 Issuance and redemption of units

Units issued are recorded at the offer price of the allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the application is received. The offer price of each allocation plan represents the Net Assets Value of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the Net Assets Value per unit as of close of that business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

#### 4.10 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.

#### **4.11 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 net assets value (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 net asset value (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.

#### **4.12 Revenue recognition**

- Gains / (losses) arising on sale of investments are recorded on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee fund declaring the dividend.
- Profit on balances with banks is recognised on an accrual basis.

#### **4.13 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.

#### **4.14 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 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 its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90% 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.

#### **4.15 Earnings / (loss) per unit**

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

Earnings / (loss) per unit (EPU) 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.

#### **4.16 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 period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2022	2021
<b>MCPP - IX</b>			
------(Rupees in '000)-----			

**5 BALANCES WITH BANKS**

Balance with bank in:

Savings account

5.1	4,636	508
-----	-------	-----

- 5.1 These include a balance of Rs. 4.636 million (2021: Rs. 0.488 million) maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.01% (2021: 2.5%) per annum. Other saving accounts carry profit at the rate of nil (2021: 2.5% to 6.6%) per annum.

	Note	2022	2021
<b>MCPP - IX</b>			
------(Rupees in '000)-----			

**6 INVESTMENTS**
**At fair value through profit or loss**

Units of mutual funds

6.1	427,603	100,108
-----	---------	---------

**6.1 Units of mutual funds**

Name of Investee Funds	As at July 1, 2021	Purchases during the year	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised (diminution) / appreciation as at June 30, 2022	Percentage in relation to	
								Net Assets of the Fund	Total market value of investments
					(Number of units)	(Rupees in '000)	(Percentage)		
<b>Meezan Capital Preservation Plan - IX</b>									
Meezan Dedicated Equity Fund	965,243	2,775,720	1,416,010	2,324,953	104,034	93,501	(10,533)	21.91	21.87
Meezan Sovereign Fund	-	1,064,988	1,064,988	-	-	-	-	-	-
Meezan Rozana Amdani Fund	1,096,628	10,709,546	5,124,136	6,682,038	334,102	334,102	-	78.31	78.13
<b>Total as at June 30, 2022</b>					<b>438,136</b>	<b>427,603</b>	<b>(10,533)</b>	<b>100.22</b>	<b>100.00</b>
<b>Total as at June 30, 2021</b>					<b>93,011</b>	<b>100,108</b>	<b>7,097</b>		

	Note	2022	2021
<b>MCPP - IX</b>			
------(Rupees in '000)-----			

**7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**

Remuneration of the Management Company

7.1	3	-
-----	---	---

Sindh Sales Tax on remuneration of the

Management Company

7.2	-	-
-----	---	---

Allocated expenses payable

7.3	6	11
-----	---	----

	9	11
--	---	----

- 7.1 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 rate of 1% (2021: 1%) per annum of the daily bank balances of the Fund during the year ended June 30, 2022. The remuneration is payable to the Management Company monthly in arrears.

- 7.2 During the year, an amount of Rs. 0.01 million was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.01 million (2021: Rs. nil) was paid to the Management Company which acts as a collecting agent.

- 7.3 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 allocated expenses at the rate of 0.11% (2021: 0.1% from July 1, 2020 till March 9, 2021 and at 0.11% from March 10, 2021 till June 30, 2021) of the average annual net assets during the year subject to total expense charged being lower than actual expense incurred.



8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2022	2021
			MCCP - IX	
			------(Rupees in '000)-----	
	Trustee fee payable	8.1	30	6
	Sindh Sales Tax payable on trustee fee	8.2	4	1
			<u>34</u>	<u>7</u>

8.1 The Trustee is entitled to monthly remuneration of 0.070% (2021: 0.070%) per annum of average annual net assets for services rendered to the Fund under the provisions of the Trust Deed.

8.2 During the year, an amount of Rs. 0.024 million (2021: 0.009 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.021 million (2021: Rs. 0.009 million) was paid to the Management Company which acts as a collecting agent.

## 9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a Collective Investment Scheme categorised as a Fund of Fund Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2021: 0.02%) per annum of average annual net assets of the Fund. The fee is paid annually in arrears.

10	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2022	2021
			MCCP - IX	
			------(Rupees in '000)-----	
	Auditors' remuneration payable		58	80
	Shariah advisory fee payable		151	147
	Capital gain tax payable		3,623	4
	Provision for Sindh Workers' Welfare Fund	10.1	-	429
	Withholding tax payable		631	-
	Dividend payable		110	-
	Zakat payable		7	-
			<u>4,580</u>	<u>660</u>

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to 2% of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various Asset Management Companies and their CISs whereby it was contested that Mutual Funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that Mutual Funds were included in the definition of Financial Institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / Mutual Funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / Mutual Funds, MUFAP had recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current year, SRB through its letter dated August 12, 2021, intimated MUFAP that the Mutual Funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 20, 2019 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

	2022	2021
	<b>MCPP - IX</b>	
	----- (Rupees in '000) -----	
<b>12 AUDITORS' REMUNERATION</b>		
Annual audit fee	48	100
Half yearly review fee	29	32
Out of pocket expenses	15	12
	<u>92</u>	<u>144</u>

**13 TOTAL EXPENSE RATIO**

The Total Expense Ratio of the Plan (MCPP - IX) for the year ended June 30, 2022 is 0.46% (2021: 1%) which includes 0.03% (2021: 0.37%) representing government levies such as Sales Tax and annual SECP fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a Collective Investment Scheme categorised as a Fund of Funds Scheme.

**14 TAXATION**

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non Banking Finance Companies and Notified Entities Regulations, 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 unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unitholders 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.

**15 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**

**15.1** Connected persons include AI Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives 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, AI Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

**15.2** 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. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

**15.3** 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.

**15.4** Detail of transactions with connected persons and balances with them are as follows:

	2022	2021
	<b>MCPP - IX</b>	
	----- (Rupees in '000) -----	
<b>Balances</b>		
<b>AI Meezan Investment Management Limited - Management Company</b>		
Management fee payable	3	-
Allocated expenses payable	6	11
Investment of nil units (2021: 1,478,213 units)	-	85,032

Balances	2022	2021
	MCP - IX	
	----- (Rupees in '000) -----	
<b>Meezan Bank Limited</b>		
Bank balance	4,636	488
Profit receivable	19	2
Shariah advisory fee payable	151	147
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	30	6
Sindh Sales Tax on trustee fee payable	4	1
<b>Meezan Dedicated Equity Fund</b>		
Investment of 2,324,953 units (2021: 965,243 units)	93,501	45,277
<b>Meezan Rozana Amdani Fund</b>		
Investment of 6,682,032 units (2021: 1,096,628 units)	334,102	54,831
<b>Transactions during the year</b>		
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration of AI Meezan Investment Management Limited - Management Company	79	3
Sindh Sales Tax on remuneration of the Management Company	10	-
Allocated expenses	291	100
Investment redeemed during the year	86,064	-
Investment redeemed during the year (Units)	1,478,213	-
<b>Meezan Bank Limited</b>		
Profit on balances maintained with the bank	345	5
Shariah Advisory Fee	269	269
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	185	68
Sindh Sales Tax on remuneration of the Trustee	24	9
<b>Meezan Dedicated Equity Fund</b>		
Invested during the year	122,450	48,400
Invested during the year (Units)	2,775,720	1,184,731
Redeemed during the year	58,350	51,497
Redeemed during the year (Units)	1,416,010	1,244,410
<b>Meezan Sovereign Fund</b>		
Invested during the year	56,917	48,437
Invested during the year (Units)	1,064,988	911,852
Redeemed during the year	57,488	105,424
Redeemed during the year (Units)	1,064,988	1,960,832

	2022	2021
	<b>MCPP - IX</b>	
	------(Rupees in '000)-----	
<b>Transactions during the year</b>		
<b>Meezan Rozana Amdani Fund</b>		
Invested during the year	535,477	73,493
Invested during the year (Units)	10,709,546	1,469,861
Redeemed during the year	256,207	18,662
Redeemed during the year (Units)	5,124,136	373,233
Dividend received during the year	20,239	1,157
Dividend received during the year (Units)	404,782	23,140

**16 FINANCIAL INSTRUMENTS BY CATEGORY**

	2022		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees in '000)-----		
<b>Financial assets</b>			
Balances with banks	4,636	-	4,636
Investments	-	427,603	427,603
Profit accrued on balances with banks	19	-	19
	<u>4,655</u>	<u>427,603</u>	<u>432,258</u>
<b>Financial liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	9	-	9
Payable to Central Depository Company of Pakistan Limited - Trustee	34	-	34
Payable against conversion of units	950	-	950
Accrued expenses and other liabilities	319	-	319
	<u>1,312</u>	<u>-</u>	<u>1,312</u>

	2021		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees in '000)-----		
<b>Financial assets</b>			
Balances with banks	508	-	508
Investments	-	100,108	100,108
Profit accrued on balances with banks	2	-	2
	<u>510</u>	<u>100,108</u>	<u>100,618</u>
<b>Financial liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	11	-	11
Payable to Central Depository Company of Pakistan Limited - Trustee	7	-	7
Accrued expenses and other liabilities	227	-	227
	<u>245</u>	<u>-</u>	<u>245</u>

**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: 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, 2022, 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. 0.048 million (2021: Rs. 0.005 million).

**b) Sensitivity analysis for fixed rate instruments**

As at June 30, 2022, 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 and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 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, 2022 can be determined as follows:

As at June 30, 2022					
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)-----					
<b>Financial assets</b>					
Balances with banks	4,636	-	-	-	4,636
Investments	-	-	-	427,603	427,603
Profit accrued on balances with banks	-	-	-	19	19
	<b>4,636</b>	<b>-</b>	<b>-</b>	<b>427,622</b>	<b>432,258</b>
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	9	9
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	34	34
Payable against conversion of units	-	-	-	950	950
Accrued expenses and other liabilities	-	-	-	319	319
	-	-	-	<b>1,312</b>	<b>1,312</b>
<b>On-balance sheet gap (a)</b>	<b>4,636</b>	<b>-</b>	<b>-</b>	<b>426,310</b>	<b>430,946</b>
<b>Off-balance sheet financial instruments</b>	-	-	-	-	-
<b>Off-balance sheet gap (b)</b>	-	-	-	-	-
<b>Total profit rate sensitivity gap (a + b)</b>	<b>4,636</b>	<b>-</b>	<b>-</b>		
<b>Cumulative profit rate sensitivity gap</b>	<b>4,636</b>	<b>4,636</b>	<b>4,636</b>		



As at June 30, 2021					
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)-----					
<b>Financial assets</b>					
Balances with banks	2.5% - 6.6%	508	-	-	508
Investments		-	-	100,108	100,108
Profit accrued on balances with banks		-	-	2	2
		<b>508</b>	<b>-</b>	<b>100,110</b>	<b>100,618</b>
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	11	11
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	7	7
Accrued expenses and other liabilities		-	-	227	227
		<b>-</b>	<b>-</b>	<b>245</b>	<b>245</b>
<b>On-balance sheet gap (a)</b>		<b>508</b>	<b>-</b>	<b>99,865</b>	<b>100,373</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit rate sensitivity gap (a + b)</b>		<b>508</b>	<b>-</b>	<b>-</b>	
<b>Cumulative profit rate sensitivity gap</b>		<b>508</b>	<b>508</b>	<b>508</b>	

## (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 has exposure to price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in Net Assets Value per unit of the Investee Funds as at June 30, 2022 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 4.276 million (2021: Rs. 1.001 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on units of the mutual funds held by the Fund.

## 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 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 year ended June 30, 2022.

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:

2022						
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)						
Balances with banks	4,636	-	-	-	-	4,636
Investments	-	-	-	-	427,603	427,603
Profit accrued on balances with banks	19	-	-	-	-	19
	<b>4,655</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>427,603</b>	<b>432,258</b>
<b>Financial liabilities</b>						
Payable to Al Meezan Investment Management Limited - Management Company	9	-	-	-	-	9
Payable to Central Depository Company of Pakistan Limited - Trustee	34	-	-	-	-	34
Payable against conversion of units	950	-	-	-	-	950
Accrued expenses and other liabilities	-	319	-	-	-	319
	<b>993</b>	<b>319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,312</b>
<b>Net financial assets / (liabilities)</b>	<b>3,662</b>	<b>(319)</b>	<b>-</b>	<b>-</b>	<b>427,603</b>	<b>430,946</b>

2021						
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)						
Balances with banks	508	-	-	-	-	508
Investments	-	-	-	-	100,108	100,108
Profit accrued on balances with banks	2	-	-	-	-	2
	<b>510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,108</b>	<b>100,618</b>
<b>Financial liabilities</b>						
Payable to Al Meezan Investment Management Limited - Management Company	11	-	-	-	-	11
Payable to Central Depository Company of Pakistan Limited - Trustee	7	-	-	-	-	7
Accrued expenses and other liabilities	-	227	-	-	-	227
	<b>18</b>	<b>227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245</b>
<b>Net financial assets / (liabilities)</b>	<b>492</b>	<b>(227)</b>	<b>-</b>	<b>-</b>	<b>100,108</b>	<b>100,373</b>

### 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:

	2022		2021	
	Balance as per statement of assets and liabilities (Rupees in '000)	Maximum exposure to credit risk (Rupees in '000)	Balance as per statement of assets and liabilities (Rupees in '000)	Maximum exposure to credit risk (Rupees in '000)
Balances with banks	4,636	4,636	508	508
Investments	427,603	-	100,108	-
Profit accrued on balances with banks	19	19	2	2
	<u>432,258</u>	<u>4,655</u>	<u>100,618</u>	<u>510</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 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 investments in open end mutual funds of Rs. 427.603 million (2021: Rs. 100.108 million) are not exposed to credit risk.

### 17.3.2 Credit quality of financial assets

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

Rating	2022		2021	
	Amount of financial assets exposed to credit risk (Rupees in '000)	% of financial assets exposed to credit risk	Amount of financial assets exposed to credit risk (Rupees in '000)	% of financial assets exposed to credit risk
AAA	4,655	100%	500	98.04%
AA	-	-	10	1.96%
	<u>4,655</u>	<u>100%</u>	<u>510</u>	<u>100%</u>

### 17.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2022 are unsecured and are not impaired.

## 18 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'.

As required under the NBFC Regulations, 2008 every Open End Scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. However, during the year, the Fund was non compliant with the aforementioned limit from July 6, 2021. Subscription to the units of the Fund was reopened from January 31, 2022 till March 31, 2022 and as a result, the Fund became compliant from February 1, 2022 onwards.

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.

## 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, 2022, the Fund held the following financial instruments measured at fair values:

		2022		
		Level 1	Level 2	Level 3
		(Rupees in '000)		
<b>Financial assets</b>				
At fair value through profit or loss		-	427,603	-
		<u>-</u>	<u>427,603</u>	<u>-</u>
		2021		
		Level 1	Level 2	Level 3
		(Rupees in '000)		
<b>Financial assets</b>				
At fair value through profit or loss		-	100,108	-
		<u>-</u>	<u>100,108</u>	<u>-</u>

## 20 UNIT HOLDING PATTERN OF THE FUND

	MCPPI - IX			MCPPI - IX		
	2022			2021		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
		Rupees in '000	%		Rupees in '000	%
Individuals	610	420,891	98.65%	161	14,889	14.90%
Associated Companies	-	-	0.00%	1	85,032	85.10%
Retirement Fund	1	4,964	1.16%	-	-	-
Other corporates	1	196	0.05%	-	-	-
Others	1	581	0.14%	-	-	-
<b>Total</b>	<b>613</b>	<b>426,632</b>	<b>100.00%</b>	<b>162</b>	<b>99,921</b>	<b>100.00%</b>



## 21 INVESTMENT COMMITTEE MEMBERS

21.1 Details of members of Investment Committee of the Fund are as follows:

Name	Designation	Qualifications	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty Two years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Six years
Mr. Taha Javed	Head of Equities	CFA / MBA	Fifteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Fifteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Eleven years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Twelve years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Thirteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Fifteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fourteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA / ACCA	Eight years

The Fund Manager of this Fund is Mr. Asif Imtiaz. Other Funds being managed by the Fund Manager are:

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

## 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 09, 2021	September 14, 2021	October 11, 2021	February 14, 2022	April 18, 2022	June 09, 2022
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive Officer	Yes	Yes	No	No	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	No	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Naeem	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Director	Yes	Yes	Yes	Yes	Yes	Yes

## 23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue on August 16, 2022 by the Board of Directors of the Management Company.

## 24 GENERAL

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

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

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

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

\_\_\_\_\_  
Director