



Al Meezan
Investment Management Ltd.

SALTORO KANGRI K10

An educated investor and an empowered climber both execute decisions promptly.

Height 7,742 meters
belongs to the range Saltoro Karakoram



MEEZAN CASH FUND (MCF)

Meezan Cash Fund is Pakistan's first Shariah Compliant Money Market Fund. It aims to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and debt securities.



FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. 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

Allied Bank Limited
Askari Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited -Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking

MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan - Islamic Banking
Sindh Bank Limited
The Bank of Punjab
UBL Ameen - Islamic Banking

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Cash Fund (MCF)

Type of Fund

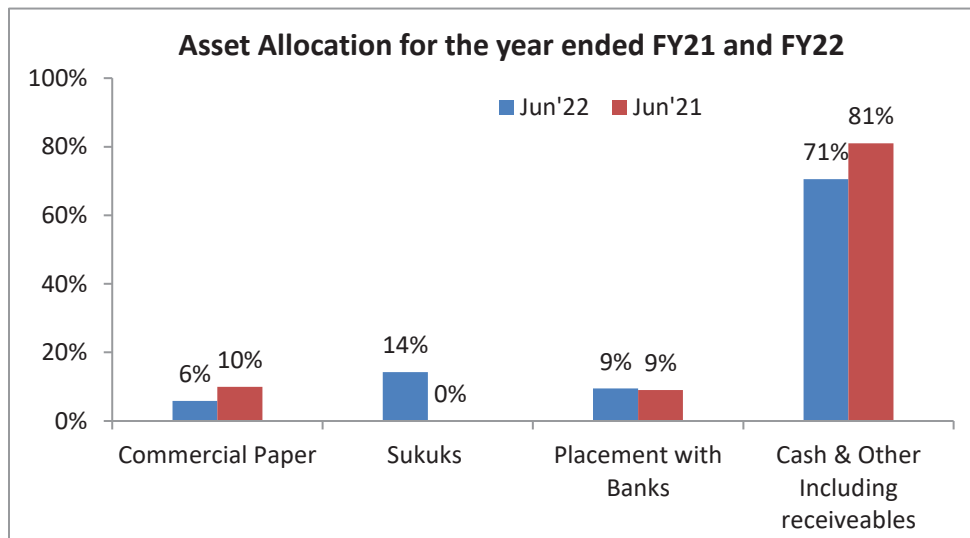
Open end cash fund investing primarily in Shariah compliant money market and Islamic bonds (Sukuks).

Objective

Its objective is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market & debt securities.

Investment Policy and Strategy

The fund provides investors with the opportunity to park their excess liquidity in secure high quality instruments. To minimize the impact of interest rate volatility, the investment policy limits the investment avenues to short term tenors. As per its investment policy, MCF can invest or place funds in instruments/avenues with a credit rating of at least 'double A' (AA). Moreover, the investment policy limits interest rate risk by capping the maturity of instruments up to a maximum of six months, along with maximum portfolio weighted average time to maturity of three months.



Performance Review

Meezan Cash Fund (MCF) provided a return of 9.00% to its investors for the year ended June 30, 2022 as compared to its Six Month deposits at Islamic Banks (benchmark) return of 3.68%.

	MCF	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 30, 2021	50.54	
Net Asset Value as on June 30, 2022	50.61	
Return During the Period - Net	9.00%	3.68%
Outperformance – Net	5.33%	

Benchmark: 3 Month average deposit rate of 3 AA rated Islamic Banks



Pure. Profit.



The Fund earned a gross income of Rs. 1,249 million as compared to Rs. 1,038 million in last year, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 1,249 million. The fund also incurred expenses totalling to Rs. 79 million, which brought the net income figure to Rs. 1,170 million. The net assets of the Fund as at June 30, 2022 were Rs. 13,485 million as compared to Rs. 13,557 million at the end of last year depicting a decrease of 0.53%. The net asset value per unit as at June 30, 2022 was Rs. 50.6141 as compared to Rs. 50.5379 per unit as on June 30, 2021.

Distributions

The interim Pay out by the Fund during the fiscal year ended June 30, 2022 was Rs. 4.461 per unit (8.92%). Total distribution made by the fund was Rs. 1,080 million.

Fund Stability Rating

VIS Credit Rating Company has assigned Stability Rating of AA (f) to Meezan Cash Fund.

SWWF Disclosure

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by MCF amounting to Rs. 74.69 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 MCF by 0.54%. 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)	No. of investors
1 - 9,999	21,421
10,000 - 49,999	3,056
50,000 - 99,999	665
100,000 - 499,999	421
500,000 and above	32
Total	25,595

PERFORMANCE TABLE

	2022	2021	2020	2019
Net assets (Rs '000) (ex-distribution)	13,484,524	13,557,014	14,026,439	8,851,088
Net assets value / redemption price per unit as at June 30 (Rs) (ex-distribution) *	50.6141	50.5379	50.4952	50.4731
Offer price per unit as at June 30 (Rs) (ex-distribution) *	50.6141	50.5379	50.4952	50.4731
Distribution (%)				
- First interim distribution	8.92	5.78	10.96	3.92
- Second interim distribution				
- Third interim distribution				
- Fourth interim distribution				
- Fifth interim distribution				
- Sixth interim distribution				
- Seventh interim distribution				
- Eighth interim distribution				
- Ninth interim distribution				
- Tenth interim distribution				
- Eleventh interim distribution				
- Final distribution				
Dates of distribution				
- First interim distribution	Jun 24, 2022	Jun 25, 2021	Jun 26, 2020	Jun 28, 2019
- Second interim distribution				
- Third interim distribution				
- Fourth interim distribution				
- Fifth interim distribution				
- Sixth interim distribution				
- Seventh interim distribution				
- Eighth interim distribution				
- Ninth interim distribution				
- Tenth interim distribution				
- Eleventh interim distribution				
- Final distribution				
Income distribution (Rupees in '000)	659,747	408,221	713,781	333,845
Growth distribution (Rupees in '000)	420,323	254,111	690,922	307,899
Highest offer price per unit (Rs.)	54.9255	53.3853	55.9183	54.3533
Lowest offer price per unit (Rs.)	50.5451	50.5041	50.4730	50.4455
Highest redemption price per unit (Rs.)	54.9255	53.3853	55.9183	54.3533
Lowest redemption price per unit (Rs.) *	50.5451	50.5041	50.4730	50.4455
Total return (%)	9.00%	5.81%	10.95%	7.84%
	One Year	Two Year	Three Year	Four Year
Average annual return (%) as at June 30, 202	9.00%	7.39%	8.57%	8.38%

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 Cash Fund

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

Alhamdulillah, the period from July 01, 2021 to June 30, 2022 was the Twelfth year of operations of Meezan Cash Fund (MCF) 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 8.2.7 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 MCF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MCF 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 MCF 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:

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

Fax: (92-21) 34326021 - 23

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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN CASH 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 Cash 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 Cash Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Cash 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	Net Asset Value (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 4,055 million and balances with banks aggregated to Rs 9,417.419 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">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;Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; andObtained bank reconciliation statements and tested reconciling items on a sample basis.

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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.



- 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. Ferguson & Co.

A. F. Ferguson & Co.

Chartered Accountants

Dated: September 21, 2022

Karachi

UDIN: AR202210081JBHGVNzX4

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



**Meezan
Cash Fund**

	Note	2022	2021
------(Rupees in '000)-----			
Assets			
Balances with banks	5	9,417,419	10,670,565
Investments	6	4,055,000	2,724,517
Receivable against conversion of units		85,601	448,896
Profit accrued	7	194,446	56,718
Deposits and prepayments	8	597	589
Total assets		13,753,063	13,901,285
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	9	4,734	13,765
Payable to Central Depository Company of Pakistan Limited - Trustee	10	724	829
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	2,698	2,964
Payable against conversion and redemption of units		106,817	135,383
Accrued expenses and other liabilities	12	153,566	191,330
Total liabilities		268,539	344,271
Net Assets		13,484,524	13,557,014
Unit Holders' Fund (as per statement attached)		13,484,524	13,557,014
Contingencies And Commitments	13		
------(Number of units)-----			
Number Of Units In Issue		266,418,387	268,254,374
------(Rupees)-----			
Net Asset Value Per Unit		50.6141	50.5379

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

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

	Note	2022	2021
------(Rupees in '000)-----			
Income			
Profit on corporate sukuks		72,296	171,939
Profit on commercial papers		38,290	32,944
Profit on term deposits		137,135	76,387
Profit on Bai Muajjal		-	43,693
Profit on saving accounts with banks		1,001,433	713,629
Net realised loss on sale of investments		-	(193)
Other income		111	-
Total income		<u>1,249,265</u>	<u>1,038,399</u>
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company	9.1	67,457	76,154
Sindh Sales Tax on remuneration of the Management Company	9.2	8,769	9,900
Selling and marketing expense	9.3	40,474	54,925
Allocated expenses	9.4	20,237	24,282
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	7,767	9,633
Sindh Sales Tax on remuneration of the Trustee	10.2	1,010	1,252
Annual fees to the Securities and Exchange Commission of Pakistan	11	2,698	2,964
Auditors' remuneration	14	551	509
Fees and subscription		1,423	1,459
Legal and professional charges		693	215
Brokerage expenses		-	30
Bank and settlement charges		595	1,027
(Reversal of) / provision for Sindh Workers' Welfare Fund	12.2	(72,854)	17,121
Total expenses		<u>78,820</u>	<u>199,471</u>
Net income for the year before taxation		<u>1,170,445</u>	<u>838,928</u>
Taxation	16	-	-
Net income for the year after taxation		<u>1,170,445</u>	<u>838,928</u>
Allocation of net income for the year			
Net income for the year after taxation		1,170,445	838,928
Income already paid on units redeemed		(491,120)	(420,213)
		<u>679,325</u>	<u>418,715</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		679,325	418,715
		<u>679,325</u>	<u>418,715</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



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

	2022	2021
	------(Rupees in '000)-----	
Net income for the year after taxation	1,170,445	838,928
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,170,445</u>	<u>838,928</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

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

	2022			2021		
	(Rupees in '000)			(Rupees in '000)		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the year	13,448,645	108,369	13,557,014	13,928,564	97,875	14,026,439
Issuance of 713,145,935 units (2021: 753,726,620 units)						
- Capital value (at ex-net asset value per unit at the beginning of the year)	36,040,898	-	36,040,898	38,059,677	-	38,059,677
- Element of income	1,378,045	-	1,378,045	948,774	-	948,774
Total proceeds on issuance of units	37,418,943	-	37,418,943	39,008,451	-	39,008,451
Redemption of 714,981,922 units (2021: 763,251,908 units)						
- Capital value (at ex-net asset value per unit at the beginning of the year)	36,133,685	-	36,133,685	38,540,558	-	38,540,558
- Element of income	957,003	491,120	1,448,123	693,701	420,213	1,113,914
Total payments on redemption of units	37,090,688	491,120	37,581,808	39,234,259	420,213	39,654,472
Total comprehensive income for the year	-	1,170,445	1,170,445	-	838,928	838,928
Distribution for the year ended June 30, 2022	-	(659,747)	(659,747)	-	-	-
Distribution for the year ended June 30, 2021	-	-	-	-	(408,221)	(408,221)
Refund of Capital for the year ended June 30, 2022	(420,323)	-	(420,323)	-	-	-
Refund of Capital for the year ended June 30, 2021	-	-	-	(254,111)	-	(254,111)
Total distribution during the year	(420,323)	(659,747)	(1,080,070)	(254,111)	(408,221)	(662,332)
Net assets at the end of the year	13,356,577	127,947	13,484,524	13,448,645	108,369	13,557,014
Undistributed income brought forward						
- Realised income		108,369			97,875	
- Unrealised income		-			-	
		<u>108,369</u>			<u>97,875</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		679,325			418,715	
		<u>679,325</u>			<u>418,715</u>	
Distribution during the year: Rs. 4.4610 per unit i.e 8.92% of the par value of Rs. 50/- each [2020: Rs. 2.8901 per unit i.e 5.78% of the par value of Rs. 50/- each.]		(659,747)			(408,221)	
Undistributed income carried forward		<u><u>127,947</u></u>			<u><u>108,369</u></u>	
Undistributed income carried forward						
- Realised income		127,947			108,369	
- Unrealised income		-			-	
		<u><u>127,947</u></u>			<u><u>108,369</u></u>	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the year			<u>50.5379</u>			<u>50.4952</u>
Net assets value per unit at the end of the year			<u>50.6141</u>			<u>50.5379</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

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



**Meezan
Cash Fund**

Note	2022	2021
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	1,170,445	838,928
(Increase) / decrease in assets		
Investments - net	(1,330,483)	2,397,674
Profit accrued	(137,728)	3,571
Deposits and prepayments	(8)	(6)
	(1,468,219)	2,401,239
(Decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(9,031)	(4,271)
Payable to Central Depository Company of Pakistan Limited - Trustee	(105)	(143)
Payable to the Securities and Exchange Commission of Pakistan	(266)	564
Accrued expenses and other liabilities	(37,764)	(33,384)
	(47,166)	(37,234)
Net cash (used in) / generated from operating activities	(344,940)	3,202,933
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	37,361,915	38,490,400
Payments against redemption and conversion of units	(37,610,374)	(39,719,257)
Dividend paid	(659,747)	(408,221)
Net cash used in financing activities	(908,206)	(1,637,078)
Net decrease / (increase) in cash and cash equivalents during the year	(1,253,146)	1,565,855
Cash and cash equivalents at the beginning of the year	11,970,565	10,404,710
Cash and cash equivalents at the end of the year	10,717,419	11,970,565
18	<u>10,717,419</u>	<u>11,970,565</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN CASH 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 Cash Fund (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 14, 2009 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 Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** 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 9, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The objective of the Fund is to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and Shariah compliant debt securities. The Fund shall also keep exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. Under the trust deed, all the conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.4** The Fund is categorized as an open-end Shariah Compliant (Islamic) Money Market Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5** 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. The Fund has been given a stability rating of AA(f) by VIS Credit Rating Company Limited dated December 27, 2021 (2021: AA(f) dated January 12, 2021).
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PRESENTATION

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

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, 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, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial assets

4.3.1 Classification and subsequent measurement

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); and
- at fair value through profit or loss (FVPL) based on the business model of the entity.

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

4.3.2 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.

4.3.3 Impairment loss on debt securities

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

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

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.

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 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 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 Issue and redemption of units

Units issued are recorded at the offer price, 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 represents the net assets value of the units as of the close of that business day plus the allowable sales load, provision for duties and charges and provision for transaction costs, if applicable.

Units redeemed are recorded at the redemption price prevalent on the date on which the distributors receive redemption applications during business hours on that date. The redeemed price represents the net assets value per unit less back end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on 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.

4.10 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 recorded at the date at which the transaction takes place;
- Profit on bank deposits and term deposit receipts is recognised on time proportion basis using the effective yield method;
- 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; and
- Income on sukuk certificates, commercial papers and government securities is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis.

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 utilized. 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% 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.

4.14 Earnings / (loss) per unit

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

4.15 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	Note	2022	2021
------(Rupees in '000)-----				
	Balances with banks in:			
	Savings accounts	5.1	9,417,232	10,670,379
	Current accounts		187	186
			<u>9,417,419</u>	<u>10,670,565</u>

5.1 These include balance of Rs. 539.768 million (2021: 321.188 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 have expected profit rates ranging from 3.00% to 16.40% (2021: 1.50% to 7.00%) per annum.

6	INVESTMENTS	Note	2022	2021
------(Rupees in '000)-----				
	At fair value through profit or loss			
	Corporate sukus	6.1	2,755,000	-
	Commercial papers	6.2	-	1,424,517
	Term deposit receipts - having original maturity of 3 months or less	6.3	1,300,000	1,300,000
			<u>4,055,000</u>	<u>2,724,517</u>

6.1 Corporate sukus

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the year	Matured 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	
			----- (Number of certificates) -----			----- (Rupees in '000) -----		net assets of the Fund	total market value of investment	----- % -----	
K-Electric Limited - III (A1+, PACRA) (note 6.1.1)	Sep 01, 2022	6 months KIBOR plus base rate of 0.85%	-	450	-	450	450,000	450,000	-	3.3%	11%
K-Electric Limited - IV (AA, PACRA) (note 6.1.1)	Sep 23, 2022	6 month KIBOR plus base rate of 0.85%	-	450	-	450	430,000	430,000	-	3.2%	11%
K-Electric Limited - V (AA, PACRA) (note 6.1.1)	Oct 13, 2022	6 month KIBOR plus base rate of 0.95%	-	750	-	750	750,000	750,000	-	5.6%	19%
Hub Power Company Limited (AA-, PACRA) (note 6.1.2)	Oct 27, 2022	6 month KIBOR plus base rate of 1.00%	-	3,250	-	3,250	325,000	325,000	-	2.4%	8%
Lucky Electric Power Company Limited (AA, PACRA) (note 6.1.1)	Dec 15, 2022	6 month KIBOR plus base rate of 1.20%	-	800	-	800	800,000	800,000	-	5.9%	20%
Total as at June 30, 2022							<u>2,755,000</u>	<u>2,755,000</u>			
Total as at June 30, 2021							<u>-</u>	<u>-</u>			

6.1.1 The nominal value of these sukuk certificates is Rs 1,000,000 each.

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

6.2 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the year	Sales / redemptions / maturity 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	
			----- (Number of certificates) -----			----- (Rupees in '000) -----		net assets of the fund	total market value of investment	----- % -----	
K-Electric Limited CP XV (A-1+, PACRA) (note 6.2.1)	September 2, 2021	6 month KIBOR plus base rate of 0.60%	625	-	625	-	-	-	-	-	-
K-Electric Limited CP XVI (A-1+, PACRA) (note 6.2.1)	September 16, 2021	6 month KIBOR plus base rate of 0.60%	300	-	300	-	-	-	-	-	-
K-Electric Limited CP XVII (A-1+, VIS) (note 6.2.1)	October 6, 2021	6 month KIBOR plus base rate of 0.55%	325	-	325	-	-	-	-	-	-
K-Electric Limited CP XVIII (A-1+, VIS) (note 6.2.1)	October 19, 2021	6 month KIBOR plus base rate of 0.55%	200	-	200	-	-	-	-	-	-
K-Electric Limited CP XIX (A-1+, VIS) (note 6.2.1)	January 12, 2022	6 month KIBOR plus base rate of 0.45%	-	325	325	-	-	-	-	-	-
Total as at June 30, 2022							<u>-</u>	<u>-</u>			
Total as at June 30, 2021							<u>1,424,517</u>	<u>1,424,517</u>			

6.2.1 The nominal value of these commercial papers is Rs 1,000,000 each.

6.2.2 The securities are valued on the basis of amortization to its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturity of upto six months.

6.3 Term Deposit Receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2021	Term deposit receipts placed during the year	Matured during the year	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	
									net assets of the fund	total market value of investment
			(Rupees in '000)							
Having original maturity of 3 months or less										
United Bank Limited - Ameen	July 5, 2021	7.00%	1,300,000	-	1,300,000	-	-	-	-	-
United Bank Limited - Ameen	August 9, 2021	6.80%	-	1,300,000	1,300,000	-	-	-	-	-
United Bank Limited - Ameen	September 9, 2021	6.80%	-	1,300,000	1,300,000	-	-	-	-	-
United Bank Limited - Ameen	October 8, 2021	7.00%	-	1,300,000	1,300,000	-	-	-	-	-
United Bank Limited - Ameen	November, 8 2021	7.00%	-	1,300,000	1,300,000	-	-	-	-	-
Askari Bank Limited	December 1, 2021	7.15%	-	1,100,000	1,100,000	-	-	-	-	-
United Bank Limited - Ameen	December 2, 2021	8.35%	-	1,100,000	1,100,000	-	-	-	-	-
Meezan Bank Limited	December 3, 2021	7.46%	-	1,100,000	1,100,000	-	-	-	-	-
The Bank of Punjab	March 15, 2022	11.25%	-	1,300,000	1,300,000	-	-	-	-	-
Meezan Bank Limited	February 21, 2022	10.05%	-	500,000	500,000	-	-	-	-	-
Meezan Bank Limited	March 21, 2022	9.85%	-	1,300,000	1,300,000	-	-	-	-	-
Askari Bank Limited	June 13, 2022	13.50%	-	1,200,000	1,200,000	-	-	-	-	-
Bank Alfalah Limited	July 13, 2022	16.20%	-	1,300,000	-	1,300,000	1,300,000	-	9.64%	32%
As at June 30, 2022				<u>14,100,000</u>	<u>14,100,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>		
As at June 30, 2021						<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>		

7 PROFIT ACCRUED

Note

2022

2021

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

Profit accrued on:

Balances with banks
Term deposit receipts
Sukuk certificates

111,935	48,989
10,386	7,729
<u>72,125</u>	<u>-</u>
<u>194,446</u>	<u>56,718</u>

8 DEPOSITS AND PREPAYMENTS

Security deposit with Central Depository Company of Pakistan Limited
Prepayments
ATM deposit with Meezan Bank Limited

100	100
297	289
<u>200</u>	<u>200</u>
<u>597</u>	<u>589</u>

9 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable
Sindh Sales Tax payable on remuneration of the Management Company
Selling and marketing expenses payable
Allocated expenses payable

9.1	1,109	449
9.2	144	57
9.3	3,368	10,478
9.4	<u>113</u>	<u>2,781</u>
	<u>4,734</u>	<u>13,765</u>

9.1 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 0.5% of average annual net assets of the Fund (2021: 0.5% from July 01, 2020 till May 07, 2021 of average annual net assets of the Fund and 0.6% of average annual net assets of the Fund from May 08, 2021 till June 30, 2021). The remuneration is payable to the Management Company monthly in arrears.

9.2 During the year, an amount of Rs. 8.769 million (2021: Rs 9.900 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 8.682 million (2021: Rs. 9.965 million) has been paid to the Management Company which acts as a collecting agent.

9.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

In accordance with Circular 11 dated July 5, 2019 issued by the SECP with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 0.3% per annum of the average annual net assets (2021: 0.4% per annum of the average annual net assets of the Fund from July 1, 2020 to March 9, 2021 and at 0.3% per annum from March 10, 2021 to June 30, 2021) during the year ended June 30, 2022, subject to total expense charged being lower than actual expense incurred:

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

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.15% of the average annual net assets of the Fund (2021: 0.15% of the average annual net assets of the funds from July 01, 2020 till May 07, 2021 and at 0.25% of the average annual net assets of the fund from May 08, 2021 till June 30, 2021) during the year ended June 30, 2022, subject to total expense charged being lower than actual expense incurred.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2022	2021
		----- (Rupees in '000) -----	
Remuneration of the Trustee	10.1	641	734
Sindh Sales Tax payable on remuneration of the Trustee	10.2	83	95
		724	829

- 10.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, with effect from October 1, 2021, the Trustee has revised its tariff as follows:

Previous Tariff (Flat Rate)	Revised Tariff (Flat Rate)
0.065% per annum of net assets	0.055% per annum of net assets

Accordingly, the Fund has charged trustee fee at the rate 0.055 percent per annum of net assets during the year with effect from October 1, 2021.

- 10.2** During the year, an amount of Rs. 1.010 million (2021: Rs. 1.252 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. 1.022 million (2021: Rs. 1.269 million) was paid to the Trustee which acts as a collecting agent.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a collective investment 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.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2022	2021
		----- (Rupees in '000) -----	
Auditors' remuneration payable		365	335
Printing expenses payable		-	111
Brokerage payable		-	49
Shariah advisor fee payable		661	653
Withholding tax payable		111,902	73,530
Capital gain tax payable		12,791	15,532
Federal Excise Duty payable on remuneration of the Management Company	12.1	27,018	27,018
Provision for Sindh Workers' Welfare Fund	12.2	-	72,854
Other expenses payable		70	463
Zakat payable		759	785
		153,566	191,330

- 12.1** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 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 27.018 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2022 would have been higher by Re 0.10 (2021: Re 0.10) per unit.

- 12.2** 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 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 condensed interim 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. Accordingly, going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

13 CONTINGENCIES AND COMMITMENTS

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

14	Note	2022	2021
		------(Rupees in '000)-----	
AUDITORS' REMUNERATION			
Annual audit fee		401	364
Half yearly review		137	119
Out of pocket expenses		13	26
		551	509

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 1.12% (2021: 1.35%) which includes 0.09% (2021: 0.21%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

16 TAXATION

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



The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in Finance Act, 2022 is also not applicable on Funds (Section 4C of the Income Tax Ordinance, 2001).

17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

17.1 Connected persons include Al 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, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

17.2 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.

17.3 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.

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

Balances

	2022	2021
	------(Rupees in '000)-----	
Al Meezan Investment Management Limited - Management Company		
Management fee payable	1,109	449
Sindh Sales Tax payable on the remuneration of the Management Company	144	57
Selling and marketing expenses payable	3,368	10,478
Allocated expenses payable	113	2,781
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	641	734
Sindh Sales Tax payable on trustee fee	83	95
Security deposit with Central Depository Company of Pakistan Limited	100	100
Meezan Bank Limited		
Balance with bank	539,768	321,188
Profit receivable on saving account	656	159
Shariah advisor fee payable	661	653
ATM deposit	200	200
Directors and Executives of the Management Company		
Investment of 7,830,474 units (2021: 8,454,024 units)	396,332	427,248

Transactions during the year

	For the year ended June 30,	
	2022	2021
	------(Rupees in '000)-----	
Al Meezan Investment Management Limited - Management Company		
Remuneration of Al Meezan Investment Management Limited - Management Company	67,457	76,154
Sindh Sales Tax on the remuneration of the Management Company	8,769	9,900
Selling and marketing expenses	40,474	54,925
Allocated expenses	20,237	24,282
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7,767	9,633
Sindh Sales Tax on remuneration of the Trustee	1,010	1,252
CDS charges	6	380

Transactions during the year	For the year ended June 30,	
	2022	2021
	------(Rupees in '000)-----	
Meezan Bank Limited		
Profit on saving accounts	4,360	2,649
Term deposits receipts placed	2,900,000	-
Term deposits matured	2,900,000	-
Profit on term deposit receipt	19,762	-
Shariah advisor fee	1,087	1,128
Meezan Strategic Allocation Fund II - MCPP - IV		
Units issued: nil units (2021: 3,239,124 units)	-	165,000
Units redeemed: nil units (2021: 3,239,124 units)	-	165,077
Meezan Strategic Allocation Fund II - MCPP - V		
Units issued: nil units (2021: 569,301 units)	-	29,000
Units redeemed: nil units (2021: 569,301 units)	-	29,014
Directors and Executives of the Management Company		
Units issued: 5,122,156 units (2021: 7,920,760 units)	271,208	414,021
Units redeemed: 5,586,316 units (2021: 7,767,557 units)	290,747	404,946
Dividend Paid	30,152	18,785
Refund of Capital	1,943	1,471

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

18 CASH AND CASH EQUIVALENTS	Note	2022		2021	
		------(Rupees in '000)-----			
Balances with banks	5	9,417,419		10,670,565	
Term deposit receipt (with original maturity of three months)	6.3	1,300,000		1,300,000	
		<u>10,717,419</u>		<u>11,970,565</u>	

19 FINANCIAL INSTRUMENTS BY CATEGORY

	-----2022-----		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees in '000)-----		
Financial assets			
Balances with banks	9,417,419	-	9,417,419
Investments	-	4,055,000	4,055,000
Receivable against conversion of units	85,601	-	85,601
Profit accrued	194,446	-	194,446
Deposits	300	-	300
	<u>9,697,766</u>	<u>4,055,000</u>	<u>13,752,766</u>
Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	4,734	-	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee	724	-	724
Payable against conversion and redemption of units	106,817	-	106,817
Accrued expenses and other liabilities	1,096	-	1,096
	<u>113,371</u>	<u>-</u>	<u>113,371</u>
	-----2021-----		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees in '000)-----		
Financial assets			
Balances with banks	10,670,565	-	10,670,565
Investments	-	2,724,517	2,724,517
Receivable against conversion of units	448,896	-	448,896
Profit accrued	56,718	-	56,718
Deposits	300	-	300
	<u>11,176,479</u>	<u>2,724,517</u>	<u>13,900,996</u>

----- 2021 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Financial liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	13,765	-
Payable to Central Depository Company of Pakistan Limited - Trustee	829	-
Payable against conversion and redemption of units	135,383	-
Accrued expenses and other liabilities	1,611	-
	151,588	-
		151,588

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy of the Fund aims to maximise the return attributable to the unitholders and seeks to minimise potential adverse effects on the Fund's financial performance.

Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk, interest rate risk and currency risk) credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the NBFC Regulations, and the directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Risks managed and measured by the Fund are explained below:

20.1 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 and investments in commercial papers and term deposit receipts. 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

The Fund's profit rate risk arises from the balances in savings accounts and investments in term deposit receipts. At June 30, 2022, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs 134.722 million (2021: Rs 119.704 million).

b) Sensitivity analysis for fixed rate instruments

The Fund's fixed rate risk arises from investments in commercial papers. At June 30, 2022, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs nil (2021: Rs 14.245 million).

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 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 interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

2022						
Effective interest rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
Rupees in '000						
Financial assets						
Balances with banks	3.00% to 16.40%	9,417,232	-	-	187	9,417,419
Investments	6.8% - 16.83%	2,180,000	1,875,000	-	-	4,055,000
Receivable against conversion of units		-	-	-	85,601	85,601
Profit accrued		-	-	-	194,446	194,446
Deposits		-	-	-	300	300
		11,597,232	1,875,000	-	280,534	13,752,766
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	4,734	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	724	724
Payable against conversion and redemption of units		-	-	-	106,817	106,817
Accrued expenses and other liabilities		-	-	-	1,096	1,096
		-	-	-	113,371	113,371
On-balance sheet gap (a)		<u>11,597,232</u>	<u>1,875,000</u>	<u>-</u>	<u>167,163</u>	<u>13,639,395</u>
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		<u>11,597,232</u>	<u>1,875,000</u>	<u>-</u>		
Cumulative profit rate sensitivity gap		<u>11,597,232</u>	<u>13,472,232</u>	<u>13,472,232</u>		

2021						
Effective interest rate (%)	Exposed to profit rate risk			Not exposed to yield / interest rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
Rupees in '000						
Financial assets						
Balances with banks	1.50% to 7.50%	10,670,379	-	-	186	10,670,565
Investments	KIBOR + 1.00% and 9.59% - 14.70%	2,211,308	513,209	-	-	2,724,517
Receivable against conversion of units		-	-	-	448,896	448,896
Profit accrued		-	-	-	56,718	56,718
Deposits		-	-	-	300	300
		12,881,687	513,209	-	506,100	13,900,996
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	13,765	13,765
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	829	829
Payable against conversion and redemption of units		-	-	-	135,383	135,383
Accrued expenses and other liabilities		-	-	-	1,611	1,611
		-	-	-	151,588	151,588
On-balance sheet gap (a)		<u>12,881,687</u>	<u>513,209</u>	<u>-</u>	<u>354,512</u>	<u>13,749,408</u>
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		<u>12,881,687</u>	<u>513,209</u>	<u>-</u>		
Cumulative profit rate sensitivity gap		<u>12,881,687</u>	<u>13,394,896</u>	<u>13,394,896</u>		

(ii) Currency risk

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

(iii) Price risk

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

20.2 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.

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	9,417,419	-	-	-	-	9,417,419
Investments	1,300,000	880,000	1,875,000	-	-	4,055,000
Receivable against conversion of units	85,601	-	-	-	-	85,601
Profit accrued	122,321	38,360	33,765	-	-	194,446
Deposits	-	-	-	-	300	300
	10,925,341	918,360	1,908,765	-	300	13,752,766
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	4,734	-	-	-	-	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee	724	-	-	-	-	724
Payable against conversion and redemption of units	106,817	-	-	-	-	106,817
Accrued expenses and other liabilities	-	1,096	-	-	-	1,096
	112,275	1,096	-	-	-	113,371
Net financial assets	10,813,066	917,264	1,908,765	-	300	13,639,395

----- 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-----

Financial assets

Balances with banks	10,670,565	-	-	-	-	10,670,565
Investments	1,300,000	911,308	513,209	-	-	2,724,517
Receivable against conversion of units	448,896	-	-	-	-	448,896
Profit accrued	56,718	-	-	-	-	56,718
Deposits	-	-	-	-	300	300
	12,476,179	911,308	513,209	-	300	13,900,996

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	13,765	-	-	-	-	13,765
Payable to Central Depository Company of Pakistan Limited - Trustee	829	-	-	-	-	829
Payable against conversion and redemption of units	135,383	-	-	-	-	135,383
Accrued expenses and other liabilities	49	1,562	-	-	-	1,611
	150,026	1,562	-	-	-	151,588

Net financial assets

	12,326,153	909,746	513,209	-	300	13,749,408
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20.3 Credit risk

20.3.1 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 arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

Credit risk arising on the debt instruments other than government securities is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other 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	9,417,419	9,417,419	10,670,565	10,670,565
Investments	4,055,000	4,055,000	2,724,517	2,724,517
Receivable against conversion of units	85,601	85,601	448,896	448,896
Profit accrued	194,446	194,446	56,718	56,718
Deposits	300	300	300	300
	13,752,766	13,752,766	13,900,996	13,900,996

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

20.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2022	2021
AAA	99.95	87.53
AA+	0.04	-
AA	0.01	12.47
	<u>100.00</u>	<u>100.00</u>

Ratings of outstanding investments have been disclosed in related notes to the financial statements.

20.3.3 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, 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.

21 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
Financial assets - at fair value through profit or loss	Rupees in '000		
Term deposit receipts - having original maturity of 3 months or less *	-	1,300,000	-
Corporate sukuks *	-	2,755,000	-
	-	<u>4,055,000</u>	-
	2021		
	Level 1	Level 2	Level 3
Financial assets - at fair value through profit or loss	Rupees in '000		
Commercial papers **	-	1,424,517	-
Term deposit receipts - having original maturity of 3 months or less *	-	1,300,000	-
	-	<u>2,724,517</u>	-

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

** The valuation of commercial papers have been carried out based on amortisation of commercial papers to their fair values as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and they are placed with counterparties which have high credit rating.

22 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 requirements 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 20, 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.

23 UNIT HOLDING PATTERN OF THE FUND

Category	----- 2022 -----			----- 2021 -----		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	25,068	11,535,521	85.55	19,923	11,767,767	87.27
Associated Companies /						
Directors	6	390,135	2.89	4	380,173	2.82
Insurance Companies	3	235,599	1.75	4	7,179	0.05
Retirement Funds	72	684,797	5.08	56	528,670	3.92
Private Limited						
Companies	70	133,266	0.99	62	575,826	4.27
Others	385	505,206	3.75	186	297,399	2.21
	<u>25,604</u>	<u>13,484,524</u>	<u>100.00%</u>	<u>20,235</u>	<u>13,557,014</u>	<u>100.00%</u>

24 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

The Fund has not traded with any broker during the year ended June 30, 2022 (2021: JS Global Capital Limited - 100%).

25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

25.1 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

25.2 The Fund manager of the Fund is Mr. Faizan Saleem. Other funds being managed by the Fund Manager are as follows:

- Meezan Sovereign Fund
- Meezan Daily Income Fund

26 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. 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

27 DATE OF AUTHORISATION FOR ISSUE

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

28 GENERAL

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

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

Chief Executive Officer

Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

TIRICH MIR

Investments and mountain climbing teach you about change, and how to prepare for changes.

Height 7,708 meters,
belongs to the range Hindu Kush



MEEZAN ROZANA AMDANI FUND (MRAF)

Meezan Rozana Amdani Fund's investment objective is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments.



FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. 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

Allied Bank Limited - Islamic Banking
Askari Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Bank Of Punjab - Islamic Banking
Bank Alfalah Limited

Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited - Islamic Banking
Meezan Bank Limited
UBL Ameen - Islamic Banking

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Rozana Amdani Fund (MRAF)

Type of Fund

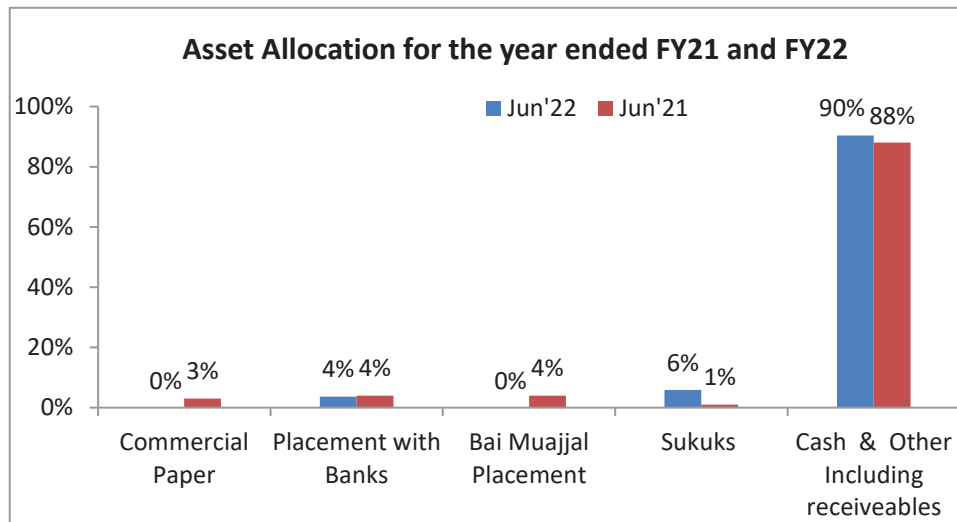
Open end money market fund investing primarily in Shariah compliant money market and Islamic bonds (Sukuks).

Objective

Its objective is to meet liquidity needs of investors by providing investors a daily pay out through investment in Shariah Compliant money market instruments.

Investment Policy and Strategy

The fund provides investors with the opportunity to park their excess liquidity in secure high-quality instruments. To minimize the impact of interest rate volatility, the investment policy limits the investment avenues to short term tenors. As per its investment policy, MRAF can invest or place funds in instruments/avenues with a credit rating of at least 'double A' (AA). Moreover, the investment policy limits interest rate risk by capping the maturity of instruments up to a maximum of six months, along with maximum portfolio weighted average time to maturity of three months.



Performance Review

Meezan Rozana Amdani Fund (MRAF) provided a return of 9.95% to its investors for the year ended June 30, 2022 as compared to its Six Month deposits at Islamic Banks (benchmark) return of 3.68%.



Pure. Profit.



	MRAF	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 30, 2021	50.00	
Net Asset Value as on June 30, 2022	50.00	
Return During the Period - Net	9.95%	3.68%
Outperformance – Net	6.27%	

Benchmark: 3 Month average deposit rate of 3 AA rated Islamic Banks

The Fund earned a gross income of Rs. 4,966 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 4,965 million. The fund also incurred expenses totalling to Rs. 20 million, which brought the net income figure to Rs. 4,946 million. The net assets of the Fund as at June 30, 2022 were Rs. 72,760 million as compared to Rs. 74,704 million at the end of last year depicting decrease of 2.60%. The net asset value per unit as at June 30, 2022 was Rs. 50 (Ex-dividend).

Distributions

The Total Pay-out by the Fund during the period ended June 30, 2022 was Rs. 4.7407 per unit (9.48%). Total distribution made by the fund was Rs. 4,946 million.

SWWF Disclosure

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by MRAF amounting to Rs. 151.38 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 MRAF by 0.27%. This is one-off event and is not likely to be repeated in the future.

Fund Stability Rating

VIS Credit Rating Company has assigned Stability Rating of AA+ (f) to the Fund.

Breakdown of unit holdings by size

(As on June 30, 2022)

Range (Units)	No. of investors
1 - 9,999	898
10,000 - 49,999	2,539
50,000 - 99,999	750
100,000 - 499,999	944
500,000 and above	282
Total	5,413

PERFORMANCE TABLE

	2022	2021	2020
Net assets (Rs '000) (ex-distribution)	72,759,939	74,704,297	53,350,947
Net assets value / redemption price per unit as at June 30 (Rs) (ex-distribution) *	50.0000	50.0000	50.0000
Offer price per unit as at June 30 (Rs) (ex-distribution) *	50.0000	50.0000	50.0000
Distribution (%)	4.7407	3.2009	5.5092
- Final distribution			
Income distribution (Rupees in '000)	4,946,448	2,925,426	3,537,655
Growth distribution (Rupees in '000)	-	-	-
Highest offer price per unit (Rs.)	50.0000	50.0000	50.0000
Lowest offer price per unit (Rs.)	50.0000	50.0000	50.0000
Highest redemption price per unit (Rs.)	50.0000	50.0000	50.0000
Lowest redemption price per unit (Rs.) *	50.0000	50.0000	50.0000
Total return (%)	9.95%	6.61%	11.76%
Weighted Average Portfolio Duration (years)	0	0.04	0.06
	One Year	Two Year	Three Year
Average annual return (%) as at June 30, 2022	9.95%	8.28%	9.44%

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



Meezan Bank
The Premier Islamic Bank



Report of the *Shari'ah* Advisor – Meezan Rozana Amdani Fund

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

Alhamdulillah, the period from July 1, 2021 to June 30, 2022 was the Fourth year of operations of Meezan Rozana Amdani Fund (MRAF) 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 8.2.7 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 MRAF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MRAF 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 MRAF 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
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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 ROZANA AMDANI 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 Rozana Amdani 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 Rozana Amdani Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Rozana Amdani 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	Net Asset Value (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 7,025 million and balances with banks aggregated to Rs 64,902.950 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">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;Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; andObtained bank reconciliation statements and tested reconciling items on a sample basis.

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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.

AB



- 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: AR202210081Dxvw2zTE1



MEEZAN ROZANA AMDANI FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022

	2022	2021
Note	(Rupees in '000)	
Assets		
Balances with banks	5 64,902,950	56,743,167
Investments	6 7,025,000	17,726,099
Receivable against conversion of units	412,683	436,029
Accrued profit	7 822,165	257,354
Deposit and prepayments	8 1,300	294
Preliminary expenses and floatation costs	9 300	500
Total assets	73,164,398	75,163,443
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	10 3,400	-
Payable to Central Depository Company of Pakistan Limited - Trustee	11 3,110	3,554
Payable to the Securities and Exchange Commission of Pakistan (SECP)	12 10,366	9,092
Payable against conversion and redemption of units	303,764	280,124
Accrued expenses and other liabilities	13 83,819	166,376
Total liabilities	404,459	459,146
Net assets	72,759,939	74,704,297
Unit holders' fund (as per statement attached)	72,759,939	74,704,297
Contingencies and commitments	14	
	(Number of units)	
Number of units in issue	1,455,198,746	1,494,085,918
	(Rupees)	
Net asset value per unit	50.0000	50.0000

The annexed notes from 1 to 29 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN ROZANA AMDANI FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
Note	(Rupees in '000)	
Income		
Profit on commercial papers and sukuks	352,543	307,396
Profit on term deposit receipts	472,068	370,121
Profit on Bai muajjal	321,850	605,383
Profit on saving accounts with banks	3,821,794	1,952,953
Net realised loss on sale of investments	(1,685)	(3,557)
Total income	4,966,570	3,232,296
Expenses		
Remuneration of AI Meezan Investment Management Limited - Management Company	10.1 82,143	90,384
Sindh Sales Tax on remuneration of the Management Company	10.2 10,679	11,750
Selling and marketing expenses	10.3 18,227	87,004
Allocated expenses	10.4 -	7,839
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1 29,976	29,548
Sindh Sales Tax on remuneration of the Trustee	11.2 3,897	3,841
Annual fees to the Securities and Exchange Commission of Pakistan	12 10,366	9,092
Auditors' remuneration	15 503	457
Amortisation of preliminary expenses and floatation costs	9 200	199
Fees and subscription	1,320	1,304
Legal and professional charges	184	22
Brokerage expense	362	884
Bank and settlement charges	3,464	4,843
(Reversal of provision) / provision for Sindh Workers' Welfare Fund (SWWF)	13.1 (141,199)	59,703
Total expenses	20,122	306,870
Net income for the year before taxation	4,946,448	2,925,426
Taxation	17 -	-
Net income for the year after taxation	4,946,448	2,925,426
Allocation of net income for the year		
Net income for the year after taxation	4,946,448	2,925,426
Income already paid on units redeemed	-	-
	4,946,448	2,925,426
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	4,946,448	2,925,426
	4,946,448	2,925,426

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ROZANA AMDANI FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	(Rupees in '000)	
Net income for the year after taxation	4,946,448	2,925,426
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>4,946,448</u></u>	<u><u>2,925,426</u></u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN ROZANA AMDANI FUND
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
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	74,704,297	-	74,704,297	53,350,947	-	53,350,947
Issuance of 2,727,961,332 (2021: 2,530,147,897) units						
- Capital value (at par value per unit at the beginning of the year)	136,398,067	-	136,398,067	126,507,395	-	126,507,395
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	136,398,067	-	136,398,067	126,507,395	-	126,507,395
Redemption of 2,766,848,504 (2021: 2,103,080,902) units						
- Capital value (at par value per unit at the beginning of the year)	138,342,425	-	138,342,425	105,154,045	-	105,154,045
- Element of loss	-	-	-	-	-	-
Total payments on redemption of units	138,342,425	-	138,342,425	105,154,045	-	105,154,045
Total comprehensive income for the year	-	4,946,448	4,946,448	-	2,925,426	2,925,426
Distribution during the year *	-	(4,946,448)	(4,946,448)	-	(2,925,426)	(2,925,426)
Net income for the year less distribution	-	-	-	-	-	-
Net assets at the end of the year	72,759,939	-	72,759,939	74,704,297	-	74,704,297
Undistributed income brought forward						
- Realised income		-			-	
- Unrealised income		-			-	
Accounting income available for distribution		-			-	
- Relating to capital gains		-			-	
- Excluding capital gains	4,946,448			2,925,426		
	4,946,448			2,925,426		
Distribution during the year: Rs. 4.7407 per unit i.e. 9.48% of the par value of Rs. 50/- each (2021: Rs. 3.2009 per unit i.e. 6.4%)	(4,946,448)			(2,925,426)		
Undistributed income carried forward	-			-		
Undistributed income carried forward						
- Realised income		-			-	
- Unrealised income		-			-	
		-			-	
	(Rupees)			(Rupees)		
Net assets value per unit at the beginning of the year	50.0000			50.0000		
Net assets value per unit at the end of the year	50.0000			50.0000		

* Meezan Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the year ended June 30, 2022 amounted to Rs 4.7407 (2021: Rs.3.2009) per unit.

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN ROZANA AMDANI FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		4,946,448	2,925,426
Adjustment for non-cash items:			
Amortisation of preliminary expenses and floatation costs		200	199
Decrease in assets			
Investments - net		1,531,099	6,566,069
Accrued profit		(564,811)	(73,057)
Deposits and prepayments		(1,006)	(16)
		965,282	6,492,996
(Decrease) / increase in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		3,400	(36,196)
Payable to Central Depository Company of Pakistan Limited - Trustee		(444)	341
Payable to the Securities and Exchange Commission of Pakistan		1,274	2,435
Accrued expenses and other liabilities		(82,557)	51,948
		(78,327)	18,528
Net cash generated from operating activities		5,833,603	9,437,149
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		136,421,413	126,166,917
Payments against redemption and conversion of units		(138,318,785)	(105,398,511)
Dividend paid		(4,946,448)	(2,938,705)
Net cash (used in) / generated from financing activities		(6,843,820)	17,829,701
Net (decrease) / increase in cash and cash equivalents during the year		(1,010,217)	27,266,850
Cash and cash equivalents at the beginning of the year		68,613,167	41,346,317
Cash and cash equivalents at the end of the year	19	67,602,950	68,613,167

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN ROZANA AMDANI 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 Rozana Amdani Fund (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 the Trustee. The Trust Deed was executed on October 29, 2018 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 Management Company has been granted license 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 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 16, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The investment objective of the Fund is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

1.3 The Fund is an open-end Shariah Compliant Money Market Scheme and has the following specific features:

- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day); and
- (b) Daily dividend received by the unit holders shall be reinvested.

By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.

1.4 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

1.5 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. The Fund has been given a stability rating of AA+(f) by VIS Credit Rating Company Limited dated December 27, 2021 (2021: AA+(f) dated January 12, 2021).

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

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in 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 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 other standards, amendments and interpretations 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 effect 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 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 revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 4.4 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'financial assets 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.

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 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the term of the transaction.

4.4 Financial assets

4.4.1 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.

4.4.2 Classification and subsequent measurement

a) Debt instruments

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

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

based on the business model of the entity.

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

b) 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.

c) Impairment loss on debt securities

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

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

4.4.3 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.

4.4.4 Derecognition

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

4.5 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.

4.6 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.

4.7 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.

4.8 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.

4.9 Issue and redemption of units

Units of the scheme shall be allocated on the basis of purchase (offer) price applicable on the date of realization of subscription money into the bank account of the scheme.

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

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration by 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. As more fully explained in note 1.3 to the financial statements, the Fund is required to make distribution on each business day.

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 recognised on the date at which the transaction takes place;
- Profit on bank deposits and term deposit receipts is recognised on time proportion basis using the effective yield method;
- 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;
- Income on sukuk certificates, placements and commercial papers is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Income on bai muajjal is recognised on time proportion basis, the difference between the sale and the credit price is recognised over the credit period.

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 / (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 year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5 BALANCES WITH BANKS
Note **2022** **2021**
(Rupees in '000)

Balances with banks in:

Savings accounts	5.1	64,902,906	56,743,123
Current accounts		44	44
		<u>64,902,950</u>	<u>56,743,167</u>

- 5.1 These include a balance of Rs. 86.416 million (2021: Rs. 72.245 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 expected profit rates ranging from 4.0% to 16.40% per annum (2021: 2.05% to 7.60% per annum).

6 INVESTMENTS
Note **2022** **2021**
(Rupees in '000)
At fair value through profit or loss

Corporate sukuks	6.1	4,325,000	675,000
Commercial papers	6.2	-	2,281,052
Term deposit receipts - having original maturity of 3 months or less	6.3	2,700,000	11,870,000
Bai Muajjal receivable	6.4	-	2,900,047
		<u>7,025,000</u>	<u>17,726,099</u>

6.1 Corporate sukuks

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the year	Sales / redemptions 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)	Percentage in relation to	
			-----Certificates-----			(Rupees in '000)		Net assets of the Fund		Total market value of investments	
The Hub Power Company Limited IV (A-1+, PACRA) (note 6.1.1)	November 05, 2021	6 months KIBOR plus base rate of 1.10%	6,750	-	6,750	-	-	-	-	0.00%	0.00%
The Hub Power Company Limited VII (AA+, PACRA) (note 6.1.1)	May 02, 2022	6 months KIBOR plus base rate of 1.30%	-	5,250	5,250	-	-	-	-	0.00%	0.00%
The Hub Power Company Limited PPSTS (AA+, PACRA) (note 6.1.1)	October 27, 2022	6 months KIBOR plus base rate of 1%	-	6,000	-	6,000	600,000	600,000	-	0.82%	8.54%
K-Electric Limited - I (A-1+, PACRA) (note 6.1.1)	August 04, 2022	6 months KIBOR plus base rate of 0.85%	-	6,750	-	6,750	675,000	675,000	-	0.93%	9.61%
K-Electric Limited - II (A-1+, PACRA) (note 6.1.1)	August 15, 2022	6 months KIBOR plus base rate of 0.85%	-	6,250	-	6,250	625,000	625,000	-	0.86%	8.90%
K-Electric Limited - III (A-1+, PACRA) (note 6.1.2)	September 01, 2022	6 months KIBOR plus base rate of 0.85%	-	675	-	675	675,000	675,000	-	0.93%	9.61%
K-Electric Limited - IV (A-1+, PACRA) (note 6.1.2)	September 23, 2022	6 months KIBOR plus base rate of 0.85%	-	600	-	600	600,000	600,000	-	0.82%	8.54%
K-Electric Limited - V (A-1+, PACRA) (note 6.1.2)	September 23, 2022	6 months KIBOR plus base rate of 0.95%	-	150	-	150	150,000	150,000	-	0.21%	2.14%
Lucky Electric Limited - II (A-1+, PACRA) (note 6.1.2)	December 15, 2022	6 months KIBOR plus base rate of 1.2%	-	1,000	-	1,000	1,000,000	1,000,000	-	1.37%	14.23%
Total as at June 30, 2022							<u>4,325,000</u>	<u>4,325,000</u>		<u>5.94%</u>	<u>61.57%</u>
Total as at June 30, 2021							<u>675,000</u>	<u>675,000</u>		<u>0.90%</u>	<u>3.81%</u>

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

6.1.2 The nominal value of these sukuk certificates is Rs 1,000,000 each.

6.1.3 The profit payments and principal redemptions of these sukuk certificates are receivable at maturity.

6.2 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the year	Sales / redemptions / maturity 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 a percentage of net assets of the Fund	As a percentage of total market value of investments
K-Electric Limited CP-15 (A-1+, PACRA)	September 02, 2021	6 months KIBOR plus base rate of 0.60%	675	-	675	-	-	-	-	-	-
K-Electric Limited CP-16 (A-1+, PACRA)	September 16, 2021	6 months KIBOR plus base rate of 0.60%	525	-	525	-	-	-	-	-	-
K-Electric Limited CP-17 (A-1+, VIS)	October 06, 2021	6 months KIBOR plus base rate of 0.55%	525	-	525	-	-	-	-	-	-
K-Electric Limited CP-18 (A-1+, VIS)	October 19, 2021	6 months KIBOR plus base rate of 0.55%	600	-	600	-	-	-	-	-	-
K-Electric Limited CP-19 (A-1+, VIS)	January 12, 2022	6 months KIBOR plus base rate of 0.45%	-	375	375	-	-	-	-	-	-
K-Electric Limited CP-20 (A-1+, VIS)	January 27, 2022	6 months KIBOR plus base rate of 0.45%	-	675	675	-	-	-	-	-	-
K-Electric Limited CP-22 (A-1+, PACRA)	April 07, 2022	6 months KIBOR plus base rate of 0.50%	-	675	675	-	-	-	-	-	-
K-Electric Limited CP-23 (A-1+, VIS)	May 04, 2022	6 months KIBOR plus base rate of 0.6%	-	750	750	-	-	-	-	-	-
K-Electric Limited CP-24 (A-1+, VIS)	May 16, 2022	6 months KIBOR plus base rate of 0.6%	-	500	500	-	-	-	-	-	-
Total as at June 30, 2022							<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
Total as at June 30, 2021							<u>2,281.052</u>	<u>2,281.052</u>		<u>3.05%</u>	<u>12.87%</u>

6.2.1 The nominal value of these commercial papers is Rs 1,000,000 each.

6.3 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2021	Placed during the year	Matured during the year	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss) as at June 30, 2022	As a percentage of net assets of the Fund	Percentage of total market value of investments
		%	----- (Rupees in '000) -----						%	

Having original maturity of 3 months or less

United Bank Limited - Ameen	July 5, 2021	7.00%	4,300,000	-	4,300,000	-	-	-	-	-
Meezan Bank Limited (related party)	August 2, 2021	7.10%	2,800,000	-	2,800,000	-	-	-	-	-
Meezan Bank Limited (related party)	August 2, 2021	7.10%	750,000	-	750,000	-	-	-	-	-
Meezan Bank Limited (related party)	August 2, 2021	7.10%	500,000	-	500,000	-	-	-	-	-
Meezan Bank Limited (related party)	August 2, 2021	7.10%	950,000	-	950,000	-	-	-	-	-
United Bank Limited - Ameen	August 9, 2021	6.80%	-	4,300,000	4,300,000	-	-	-	-	-
Askari Bank Limited	September 1, 2021	7.15%	2,570,000	-	2,570,000	-	-	-	-	-
United Bank Limited - Ameen	September 9, 2021	6.80%	-	4,300,000	4,300,000	-	-	-	-	-
United Bank Limited - Ameen	October 8, 2021	7.00%	-	4,300,000	4,300,000	-	-	-	-	-
United Bank Limited - Ameen	November 8, 2021	7.00%	-	4,300,000	4,300,000	-	-	-	-	-
Askari Bank Limited	December 1, 2021	7.15%	-	1,500,000	1,500,000	-	-	-	-	-
United Bank Limited - Ameen	December 2, 2021	8.35%	-	4,500,000	4,500,000	-	-	-	-	-
Meezan Bank Limited (related party)	December 3, 2021	7.46%	-	4,500,000	4,500,000	-	-	-	-	-
United Bank Limited - Ameen	January 31, 2022	11.00%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited (related party)	February 21, 2022	10.05%	-	4,500,000	4,500,000	-	-	-	-	-
The Bank of Punjab	March 15, 2022	11.25%	-	4,200,000	4,200,000	-	-	-	-	-
Meezan Bank Limited (related party)	March 21, 2022	9.85%	-	4,500,000	4,500,000	-	-	-	-	-
Bank Alfalah Limited	July 13, 2022	16.20%	-	2,700,000	-	2,700,000	2,700,000	-	3.71%	38.43%

As at June 30, 2022

45,600,000	54,770,000	2,700,000	2,700,000	-	3.71%	38.43%
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As at June 30, 2021

64,891,259	55,537,697	11,870,000	11,870,000
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6.3.1 The profit payments and principal redemptions of these term deposits are receivable at maturity.

6.4 Bai Muajjal receivable

Name of the counterparty	Maturity date	Profit rate	Total transaction price	Total deferred income	Accrued profit for the year	Carrying value as at June 30, 2022	As a percentage of net assets of the Fund	Percentage of total market value of investments
			----- (Rupees in '000) -----					

Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	444,735	14,046	14,046	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	281,653	8,895	8,895	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,118	13,704	13,704	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	281,910	8,679	8,679	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,208	13,618	13,618	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	281,982	8,626	8,626	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,298	13,533	13,533	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	282,039	8,571	8,571	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,410	13,448	13,448	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	282,110	8,517	8,517	-	-	-
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	247,988	6,995	6,995	-	-	-

Name of the counterparty	Maturity date	Profit rate	Total transaction price	Total deferred income	Accrued profit for the year	Carrying value as at June 30, 2022	As a percentage of net assets of the Fund	Percentage of total market value of investments
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	442,969	16,510	15,588	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,520	10,455	9,871	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	443,067	16,421	15,591	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,584	10,399	9,873	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	443,165	16,333	15,595	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,647	10,343	9,876	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	443,262	16,244	15,598	-	-	-
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,711	10,287	9,878	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,154	11,737	11,737	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,244	11,652	11,652	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	283,304	7,381	7,381	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,334	11,567	11,567	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	283,362	7,327	7,327	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,424	11,482	11,482	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	283,447	7,274	7,274	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,840	11,141	11,141	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	283,676	7,057	7,057	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	447,919	11,056	11,056	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 15, 2021	7.15%	148,826	3,673	3,673	-	-	-
Total as at June 30, 2022			10,745,906	326,973	321,850	-	-	-
Total as at June 30, 2021			27,829,092	938,786	605,383	2,900,047		

	Note	2022	2021
		(Rupees in '000)	
7 ACCRUED PROFIT			
Profit accrued on:			
Bank balances		663,676	203,378
Term deposit receipts		21,571	44,753
Sukuk certificates		136,918	9,223
		<u>822,165</u>	<u>257,354</u>
8 DEPOSIT AND PREPAYMENTS			
Security deposit with Central Depository Company of Pakistan Limited		100	100
Prepayments		200	194
ATM deposit with Meezan Bank Limited		1,000	-
		<u>1,300</u>	<u>294</u>
9 PRELIMINARY EXPENSES AND FLOTATION COSTS			
At the beginning of the year		500	699
Less: amortisation during the year		(200)	(199)
At the end of the year	9.1	<u>300</u>	<u>500</u>
9.1	Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.		
10 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	10.1	1,802	-
Sindh Sales Tax payable on remuneration of the Management Company	10.2	234	-
Selling and marketing expenses payable	10.3	1,364	-
		<u>3,400</u>	<u>-</u>

- 10.1** 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 following rates during the year:

2022	
Period	Rate applicable
From July 1, 2021 to July 5, 2021	Nil
From July 6, 2021 to September 16, 2021	0.20% of the average annual net assets
From September 17, 2021 to June 30, 2022	0.15% of the average annual net assets

2021	
Period	Rate applicable
From July 1, 2020 to May 7, 2021	0.2% of the average annual net assets
From May 8, 2021 to May 31, 2021	0.25% of the average annual net assets
From June 1, 2021 to June 24, 2021	0.2% of the average annual net assets
June 25, 2021	0.1% of the average annual net assets
From June 26, 2021 to June 30, 2021	Nil

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

- 10.2** During the year, an amount of Rs. 10.679 million (2021: Rs. 11.750 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. 10.445 million (2021: Rs. 11.937 million) has been paid to the Management Company which acts as a collecting agent.
- 10.3** In accordance with Circular 11 dated July 5, 2019 issued by SECP, with respect to charging selling and marketing expenses, the Management Company, based on its own discretion has charged selling and marketing expenses at the following rates of the average annual net assets of the Fund during the year, subject to total expense charged being lower than actual expense incurred.

2022	
Period	Rates
From July 1, 2021 to July 31, 2021	Nil
From August 1, 2021 to September 16, 2021	0.10% of the average annual net assets
September 17, 2021 to September 30, 2021	Nil
From October 1, 2021 to June 30, 2022	0.03% of the average annual net assets

2021	
Period	Rates
From July 1, 2020 to August 31, 2020	0.4% of the average annual net assets
From September 1, 2020 to December 11, 2020	0.03% of the average annual net assets
From December 12, 2020 to January 31, 2021	Nil
From February 1, 2021 to March 9, 2021	0.02% of the average annual net assets
From March 10, 2021 to June 30, 2021	Nil

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

The Management Company, based on its own discretion, has not charged such expenses to the Fund during the year. For the year ended June 30, 2021, the Management Company charged such expenses at 0.02% of the average annual net assets of the Fund for the period from May 8, 2021 to May 31, 2021, subject to total expense charged being lower than actual expense incurred.

11	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2022 (Rupees in '000)	2021
	Remuneration of the Trustee	11.1	2,752	3,145
	Sindh Sales Tax payable on remuneration of the Trustee	11.2	358	409
			<u>3,110</u>	<u>3,554</u>

- 11.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, with effect from October 1, 2021, the Trustee has revised its tariff as follows:

Previous Tariff (Flat Rate)	Revised Tariff (Flat Rate)
0.065% per annum of net assets	0.055% per annum of net assets

Accordingly, the Fund has charged remuneration of the Trustee at the rate 0.065 percent from July 01, 2021 till September 30, 2021 and 0.055 percent per annum of net assets during the period from October 1, 2021 till June 30, 2022.

- 11.2 During the year, an amount of Rs 3.897 million (2021: Rs. 3.841 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 3.948 million (2021: Rs. 3.802 million) was paid to the Trustee which acts as a collecting agent.

12 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 average annual net assets during the current year.

	Note	2022 (Rupees in '000)	2021
13 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		290	280
Brokerage payable		-	163
Shariah advisor fee payable		537	538
Withholding tax payable		80,207	21,675
Provision for Sindh Workers' Welfare Fund (SWWF)	13.1	-	141,199
CDS charges payable		2,544	1,679
Zakat payable		230	532
Other payable		11	310
		<u>83,819</u>	<u>166,376</u>

- 13.1 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 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 these financial statements.

14 CONTINGENCIES AND COMMITMENTS

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

	2022	2021
	(Rupees in '000)	
15 AUDITORS' REMUNERATION		
Annual audit fee	332	304
Half yearly review fee	145	129
Out of pocket expenses	26	24
	503	457

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 0.31% (2021: 0.68%) which includes 0.05% (2021: 0.19%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

17 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. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

18.1 Connected persons include Al 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, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

18.2 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.

18.3 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.

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

Balances	2022	2021
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable to the Management Company	1,802	-
Sindh Sales Tax payable on remuneration of the Management Company	234	-
Selling and marketing expense payable	1,364	-
Investment of 1,179,212 units (2021: 19,269,396 units)	58,961	9,634,670

Balances	2022	2021
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	2,752	3,145
Sindh Sales Tax on remuneration of the Trustee	358	409
Security deposit	100	100
CDS charges payable	2,544	1,679
Meezan Bank Limited		
Balance with bank	86,416	72,245
Profit receivable on saving account	1,986	312
Term deposit receipt placed	-	5,000,000
Profit on term deposit receipt	-	4,085
Shariah advisor fee payable	537	538
ATM deposit	1,000	-
Meezan Strategic Allocation Fund - MSAP - I		
Investment of nil units (2021: 3,548,805 units)	-	177,440
Meezan Strategic Allocation Fund - MSAP - II		
Investment of nil units (2021: 2,266,119 units)	-	113,306
Meezan Strategic Allocation Fund - MSAP - III		
Investment of nil units (2021: 2,609,764 units)	-	130,488
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of nil units (2021: 1,081,951 units)	-	54,098
Meezan Strategic Allocation Fund - MSAP - V		
Investment of nil units (2021: 302,398 units)	-	15,120
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of 3,503,861 units (2021: 4,314,182 units)	175,193	215,709
Meezan Strategic Allocation Fund -II - MCPP - IV		
Investment of 7,987,860 units (2021: 8,383,770 units)	399,393	419,189
Meezan Strategic Allocation Fund-II - MCPP - V		
Investment of 1,129,971 units (2021: 1,583,794 units)	56,499	79,190
Meezan Strategic Allocation Fund II- MCPP - VI		
Investment of 1,331,913 units (2021: 1,863,801 units)	66,596	93,190
Meezan Strategic Allocation Fund II- MCPP - VII		
Investment of 781,119 units (2021: 1,916,378 units)	39,056	95,819
Meezan Strategic Allocation Fund II- MCPP - VIII		
Investment of nil units (2021: 694,122 units)	-	34,706
Meezan Strategic Allocation Fund III- MCPP - IX		
Investment of 6,682,038 units (2021: 1,096,628 units)	334,102	54,831
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 501,508 units (2021: 426,440 units)	25,075	21,322
Unitholders holding 10 percent or more of the Fund		
Investment of 152,229,568 units (2021: 161,063,788 units units)	7,611,478	8,053,189
Directors and Executives of the Management Company		
Investment of 7,428,001 units (2021: 540,520 units units)	371,400	27,026


Transactions during the year

	2022	2021
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration of the Management Company	82,143	90,384
Sindh Sales Tax on remuneration of the Management Company	10,679	11,750
Selling and marketing expenses	18,227	87,004
Allocated expense	-	7,839
Units issued: 64,730,439 units (2021: 49,528,950 units)	3,236,522	2,476,448
Units redeemed: 82,820,622 units (2021: 64,250,000 units)	4,141,031	3,212,500
Dividend paid	35,892	111,167
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	29,976	29,548
Sindh Sales Tax on remuneration of the Trustee	3,897	3,841
CDS charges	1,854	4,122
Units issued: 2,000,000 units (2021: nil units)	100,000	-
Units redeemed: 2,041,669 units (2021: nil units)	102,083	-
Dividend paid	2,083	-
Meezan Bank Limited		
Profit on savings account	7,419	6,198
Term deposit receipts placed	13,500,000	7,400,000
Term deposit receipts matured	18,500,000	2,400,000
Profit on term deposit receipts	128,088	19,511
Shariah advisory fee expense	1,078	1,078
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 65,728 units (2021 : 3,836,605 units)	3,286	191,830
Units redeemed: 3,614,533 units (2021 : 287,800 units)	180,727	14,390
Dividend paid	3,286	584
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 41,413 units (2021: 2,374,119 units)	2,071	118,706
Units redeemed: 2,307,532 units (2021 :108,000 units)	115,377	5,400
Dividend paid	2,071	403
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 48,418 units (2021: 2,617,164 units)	2,421	130,858
Units redeemed: 2,658,182 units (2021: 7,400 units)	132,909	370
Dividend paid	2,421	390
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 17,598 units (2021: 1,114,551 units)	880	55,728
Units redeemed: 1,099,549 units (2021: 32,600 units)	54,977	1,630
Dividend paid	880	211
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 5,753 units (2021: 313,398 units)	288	15,670
Units redeemed: 308,152 units (2021: 11,000 units)	15,408	550
Dividend paid	288	57
Meezan Strategic Asset Allocation Fund - MCPP - III		
Units issued: 6,005,209 units (2021: 5,469,268 units)	300,260	273,463
Units redeemed: 6,815,530 units (2021: 1,155,086 units)	340,777	57,754
Dividend paid	13,392	4,847
Meezan Strategic Allocation Fund II - MCPP - IV		
Units issued: 11,260,798 units (2021: 14,821,466 units)	563,040	741,073
Units redeemed: 11,656,707 units (2021: 6,437,696 units)	582,835	321,885
Dividend paid	28,461	10,353

Transactions during the year		2022	2021	
		(Rupees in '000)		
Meezan Strategic Allocation Fund II - MCPP - V				
Units issued: 2,780,922 units (2021: 5,729,419 units)		139,046	286,471	
Units redeemed: 3,234,745 units (2021: 4,145,625 units)		161,737	207,281	
Dividend paid		5,320	5,724	
Meezan Strategic Allocation Fund II - MCPP - VI				
Units issued: 2,484,267 units (2021: 2,624,277 units)		124,213	131,214	
Units redeemed: 3,016,155 units (2021: 760,476 units)		150,808	38,024	
Dividend paid		5,856	2,305	
Meezan Strategic Allocation Fund II - MCPP - VII				
Units issued: 3,161,311 units (2021: 2,337,000 units)		158,066	116,850	
Units redeemed: 4,296,570 units (2021: 420,622 units)		214,829	21,031	
Dividend paid		6,173	2,064	
Meezan Strategic Allocation Fund II - MCPP - VIII				
Units issued: 8,804 units (2021: 907,433 units)		440	45,372	
Units redeemed: 702,926 units (2021: 213,311 units)		35,146	10,666	
Dividend paid		440	757	
Meezan Strategic Allocation Fund III - MCPP - IX				
Units issued: 10,709,546 units (2021: 1,469,861 units)		535,477	73,493	
Units redeemed: 5,124,136 units (2021: 373,233 units)		256,207	18,662	
Dividend paid		20,239	1,157	
AI Meezan Investment Management Limited - Employees' Gratuity Fund				
Units issued: 335,068 units (2021: 426,440 units)		16,753	21,322	
Units redeemed: 260,000 units (2021: nil units)		13,000	-	
Dividend paid		2,753	1,122	
Unitholders holding 10 percent or more of the Fund				
Units issued: 260,265,461 units (2021: 221,560,000)		13,013,273	11,078,000	
Units redeemed: 272,474,751 units (2021: 124,000,000 units)		13,623,738	6,200,000	
Dividend paid		168,754	221,713	
Directors and Executives of the Management Company				
Units issued: 9,243,468 units (2021: 918,419 units)		462,173	45,921	
Units redeemed: 2,251,759 units (2021: 541,504 units)		112,588	27,075	
Dividend paid		2,107	625	
19	CASH AND CASH EQUIVALENTS	Note	2022	2021
		(Rupees in '000)		
	Balances with banks	5	64,902,950	56,743,167
	Term deposit receipts (with original maturity of three months or less)	6.3	2,700,000	11,870,000
			67,602,950	68,613,167
20	FINANCIAL INSTRUMENTS BY CATEGORY			
		2022		
		At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)				
	Financial assets			
	Balances with banks	64,902,950	-	64,902,950
	Investments	-	7,025,000	7,025,000
	Receivable against conversion of units	412,683	-	412,683
	Accrued profit	822,165	-	822,165
	Deposit	1,100	-	1,100
		66,138,898	7,025,000	73,163,898

2022			
At amortised cost	At fair value through profit or loss	Total	
(Rupees in '000)			
Payable to Al Meezan Investment Management Limited - Management Company	3,400	-	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee	3,110	-	3,110
Payable against conversion and redemption of units	303,764	-	303,764
Accrued expenses and other liabilities	3,382	-	3,382
	313,656	-	313,656

Financial liabilities

2021			
At amortised cost	At fair value through profit or loss	Total	
(Rupees in '000)			
Balances with banks	56,743,167	-	56,743,167
Investments	-	17,726,099	17,726,099
Receivable against conversion of units	436,029	-	436,029
Accrued profit	257,354	-	257,354
Deposit	100	-	100
	57,436,650	17,726,099	75,162,749

Financial assets

2021			
At amortised cost	At fair value through profit or loss	Total	
(Rupees in '000)			
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	3,554	-	3,554
Payable against conversion and redemption of units	280,124	-	280,124
Accrued expenses and other liabilities	2,970	-	2,970
	286,648	-	286,648

Financial liabilities
21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance.

Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk, interest rate risk and currency risk) credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the NBFC Regulations and the directives issued by the SECP.

Risks managed and measured by the Fund are explained below:

21.1 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) 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 corporate sukuks, commercial papers, term deposit receipts and Bai Muajjal. 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

The Fund's profit rate risk arises from the balances in saving accounts and investment in corporate sukuks and term deposit receipts. At June 30, 2022, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs 719.28 million (2021: Rs 692.88 million).

b) Sensitivity analysis for fixed rate instruments

The Fund's fixed rate risk arises from investments in commercial papers and Bai Muajjal. At June 30, 2022, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs nil (2021: Rs. 51.811 million).

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 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 interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

----- 2022 -----						
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- Rupees in '000 -----						
Financial assets						
Balances with banks	4.0% to 16.40%	64,902,906	-	-	44	64,902,950
Investments	11.61% to 16.83%	5,425,000	1,600,000	-	-	7,025,000
Receivable against conversion of units		-	-	-	412,683	412,683
Accrued profit		-	-	-	822,165	822,165
Deposits		-	-	-	1,100	1,100
		70,327,906	1,600,000	-	1,235,992	73,163,898
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	3,400	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,110	3,110
Payable against conversion and redemption of units		-	-	-	303,764	303,764
Accrued expenses and other liabilities		-	-	-	3,382	3,382
		-	-	-	313,656	313,656
On-balance sheet gap (a)		70,327,906	1,600,000	-	922,336	72,850,242
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		70,327,906	1,600,000	-		
Cumulative profit rate sensitivity gap		70,327,906	71,927,906	71,927,906		

----- 2021 -----						
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- Rupees in '000 -----						
Financial assets						
Balances with banks	2.05% to 7.60%	56,743,123	-	-	44	56,743,167
Investments	7.00% to 8.75%	13,726,765	3,999,334	-	-	17,726,099
Receivable against conversion of units		-	-	-	436,029	436,029
Accrued profit		-	-	-	257,354	257,354
Deposits		-	-	-	100	100
		70,469,888	3,999,334	-	693,527	75,162,749
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,554	3,554
Payable against conversion and redemption of units		-	-	-	280,124	280,124
Accrued expenses and other liabilities		-	-	-	2,970	2,970
		-	-	-	286,648	286,648
On-balance sheet gap (a)		70,469,888	3,999,334	-	406,879	74,876,101
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		70,469,888	3,999,334	-		
Cumulative profit rate sensitivity gap		70,469,888	74,469,222	74,469,222		

(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 interest 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.

21.2 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 balances with banks 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 -----						
Financial assets						
Balances with banks	64,902,950	-	-	-	-	64,902,950
Investments	-	5,425,000	1,600,000	-	-	7,025,000
Receivable against conversion of units	412,683	-	-	-	-	412,683
Profit accrued	685,247	136,918	-	-	-	822,165
Deposits	-	-	-	-	1,100	1,100
	66,000,880	5,561,918	1,600,000	-	1,100	73,163,898
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	3,400	-	-	-	-	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee	3,110	-	-	-	-	3,110
Payable against conversion and redemption of units	303,764	-	-	-	-	303,764
Accrued expenses and other liabilities	2,555	827	-	-	-	3,382
	312,829	827	-	-	-	313,656
Net financial assets	65,688,051	5,561,091	1,600,000	-	1,100	72,850,242
----- 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 -----						
Financial assets						
Balances with banks	56,743,167	-	-	-	-	56,743,167
Investments	-	13,726,765	3,999,334	-	-	17,726,099
Receivable against conversion of units	436,029	-	-	-	-	436,029
Accrued profit	248,131	9,223	-	-	-	257,354
Deposits	-	-	-	-	100	100
	57,427,327	13,735,988	3,999,334	-	100	75,162,749
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	3,554	-	-	-	-	3,554
Payable against conversion and redemption of units	280,124	-	-	-	-	280,124
Accrued expenses and other liabilities	2,152	818	-	-	-	2,970
	285,830	818	-	-	-	286,648
Net financial assets	57,141,497	13,735,170	3,999,334	-	100	74,876,101

21.3 Credit risk

21.3.1 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 arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

Credit risk arises from deposits with banks and financial instruments, profit receivable on balances with banks, commercial papers, corporate sukuks, receivable against conversion of units and credit exposure arising as a result of receivable against sale of investments. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. The investment committee 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-----		-----Rupees In '000-----	
Balances with banks	64,902,950	64,902,950	56,743,167	56,743,167
Investments	7,025,000	7,025,000	17,726,099	17,726,099
Receivable against conversion of units	412,683	412,683	436,029	436,029
Accrued profit	822,165	822,165	257,354	257,354
Deposits	1,100	1,100	100	100
	<u>73,163,898</u>	<u>73,163,898</u>	<u>75,162,749</u>	<u>75,162,749</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

21.3.2 Credit quality of financial assets

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

Rating	% of financial assets	
	2022	2021
AAA	93.84%	96.43%
AA	6.16%	3.57%
	<u>100.00%</u>	<u>100.00%</u>

Ratings of corporate sukuks and commercial papers have been disclosed in related notes to the financial statements.

21.3.3 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 thereby 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.

22 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 values:

	----- 2022 -----		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Financial assets - at fair value through profit or loss			
Corporate sukuks *	-	4,325,000	-
Commercial papers **	-	-	-
Term deposit receipts - having original maturity of 3 months or less *	-	2,700,000	-
Bai Muajjal receivable **	-	-	-
	-	7,025,000	-
	----- 2021 -----		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Financial assets - at fair value through profit or loss			
Corporate sukuks *	-	675,000	-
Commercial papers **	-	2,281,052	-
Term deposit receipts - having original maturity of 3 months or less *	-	11,870,000	-
Bai Muajjal receivable **	-	2,900,047	-
	-	17,726,099	-

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

** The valuation of commercial papers and Bai Muajjal receivable have been carried out based on amortisation to their face values / sale price as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and they are placed with counterparties which have high credit ratings.

23 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 requirements of minimum fund size at

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 21, 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.

24 UNIT HOLDING PATTERN OF THE FUND

Category	----- 2022 -----			----- 2021 -----		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investments	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investments
Individuals	5,052	24,257,653	33.34	3,678	17,162,643	22.97
Associated Companies /						
Directors	11	1,498,470	2.06	15	2,476,683	3.32
Insurance Companies	3	122,771	0.17	2	20,909	0.03
Banks and DFIs	1	1,002,873	1.38	2	451,745	0.60
Retirement Funds	88	2,520,488	3.46	62	1,733,128	2.32
Private Limited Companies	162	24,630,623	33.85	176	45,594,133	61.03
Others	96	18,727,061	25.74	50	7,265,056	9.73
	5,413	72,759,939	100.00	3,985	74,704,297	100.00

25 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2022	2021
	Percentage of commission paid	
Paramount Capital (Private) Limited	30%	26%
JS Global Capital Limited	-	8%
Invest one markets (Private) Limited	70%	66%
	<u>100%</u>	<u>100%</u>

25.1 The Fund has traded with only the above mentioned 2 brokers / dealers during the year ended June 30, 2022 (2021: 3 brokers / dealers).

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Experience in years
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

26.2 The Fund Manager of the Fund is Mr. Faizan Saleem. Other funds being managed by the Fund Manager are as follows:

- Meezan Islamic Income Fund; and
- Meezan Fixed Term Fund.

27 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, CFA	Chief Executive Officer	Yes	Yes	No	No	Yes	Yes

28 DATE OF AUTHORISATION FOR ISSUE

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

29 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