



Al Meezan
Investment Management Ltd.

NOSHAQ

An investor and mountain climber should not be overwhelmed with emotions at any time.

Height 7,492 meters,
in the range of Hindu Kush



MEEZAN TAHAFFUZ PENSION FUND (MTPF)

Meezan Tahaffuz Pension Fund is Pakistan's first and the largest Shariah Compliant Voluntary Pension Scheme. MTPF is the best way to save and invest for your post-retirement needs and it has the potential to deliver superior returns with the added advantage of providing Tax Benefits which significantly enhances the yield on your investment.



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

M/s Yousuf Adil
Chartered Accountants
Cavish Court, A-35 Shahrah-e-Faisal, K.C.H.S.U Block 7 & 8 Bangalore Town, Karachi 0

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited	Habib Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	Habib Metropolitan Bank Limited
Askari Bank Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Al Habib Limited - Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islami Pakistan Limited	Sindh Bank Limited
The Bank of Punjab	Soneri Bank Limited
Dubai Islamic Bank Pakistan Limited	UBL Ameen - Islamic Banking
Faysal Bank Limited - 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
Standard Chartered Bank (Pakistan) Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Tahaffuz Pension Fund (MTPF)

Type of Fund

Open end pension fund investing primarily in Shariah compliant stocks and debt instruments (Sukuks).

Objective

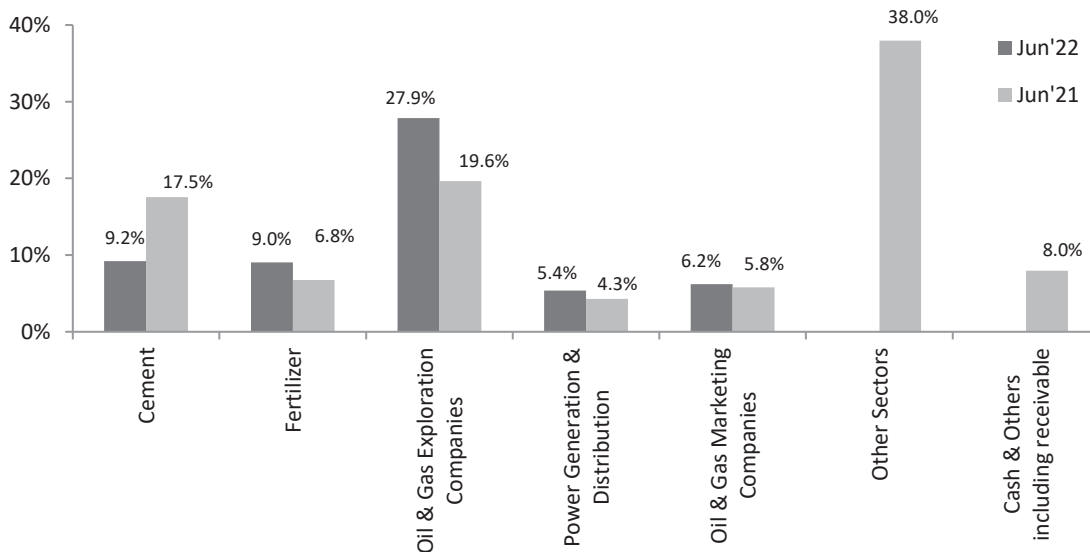
The objective of MTPF is to provide participants with a Shariah-compliant saving mechanism whereby they can save from their current income in order to gain benefits of an income stream after retirement or disability when other income avenues have been exhausted.

Investment Policy

This collective investment scheme is divided into four sub-funds namely equity, debt, money market and Gold sub-funds which have different investment policies in order to cater to investors with varying levels of risk tolerance. These sub-funds offer the investors a wide range of options to select an allocation according to their risk preference. The same can be summarized in the table below:

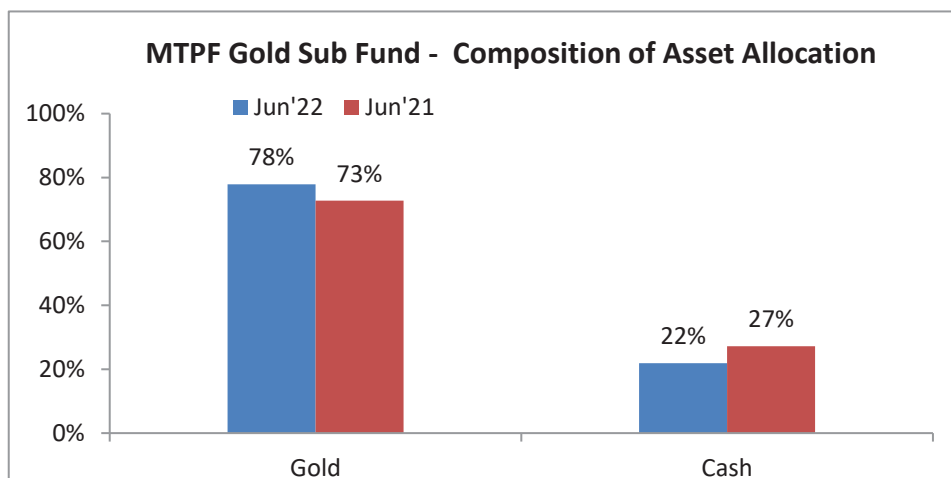
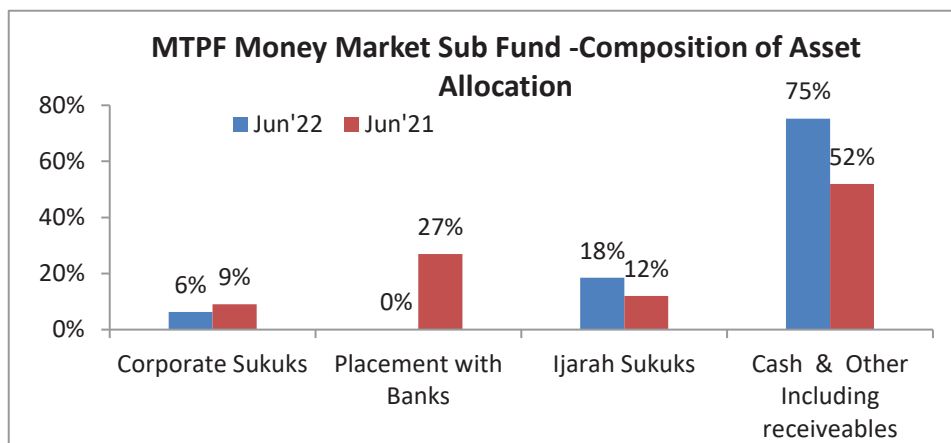
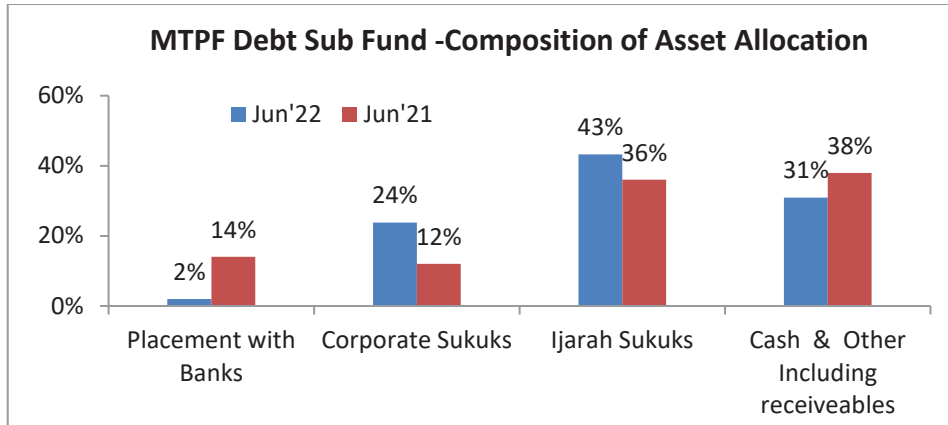
Allocation	Equity	Debt	Money Market
High Volatility	78	22	0
Medium Volatility	47	40	13
Low Volatility	23	60	17
Lower Volatility	0	50	50

MTPF -Equity Sub Fund - Sector Asset Allocation for the year ended FY21 and FY22





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Performance Review

For the period under review, the equity sub-fund provided a return of -9.93%, debt sub-fund provided a return of 8.34%, and money market sub-fund returned 8.26% while the Gold Sub-fund provided a return of 23.88%.



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Meezan Tahaffuz Pension Fund		FY22
- Equity sub fund	Voluntary Pension Scheme	-9.93%
- Debt sub fund		8.34%
- Money market sub fund		8.26%
- Gold sub fund		23.88%
		FY22
- High Volatility	Voluntary Pension Allocation Scheme	-6.28%
- Medium Volatility		-0.81%
- Low Volatility		3.76%
- Lower Volatility		8.30%

Equity Sub Fund

Equity sub fund posted a total loss of Rs. 452 million in FY21 as compared to a total gain of Rs. 1,572 million last year. Total loss comprised of realized and unrealized loss on investments of Rs. 276 million and Rs. 522 million respectively. Dividend income contributed Rs. 334 million, while profit on saving accounts with banks amounted to Rs. 10 million. After accounting for expenses of Rs. 50 million and an element of income and capital loss included in prices of units issued and less those in units redeemed of Rs. 5 million, the Fund posted a net loss of Rs. 506 million. The net assets of the Fund as at June 30, 2022 were Rs. 4,593 million as compared to Rs. 5,511 million at the end of last year. The net asset value per unit as at June 30, 2022 was Rs. 485.5458 as compared to Rs. 539.946 per unit as on June 30, 2021.

SWWF Disclosure:

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by MTPF-Eq amounting to Rs. 72.67 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 MTPF-Eq by 1.33%. This is one-off event and is not likely to be repeated in the future.

Debt Sub Fund

The Fund earned a gross income of Rs. 438 million in FY22, as compared to a gross income of Rs. 327 million last year. Total income was primarily due to profit on Sukuks certificates worth Rs. 255 million. Profit on saving accounts at Islamic banks including profit on term deposit receipts contributed Rs. 192 million. On the other side, the fund incurred realised gain and unrealized loss worth Rs. 0.15 million and 9 million respectively. The fund also incurred expenses totalling to Rs. 66 million and element of gain and capital gains included in prices of units issued and less those in units redeemed of Rs. 13 million, which brought the net income figure to Rs. 386 million. The net assets of the Fund as at June 30, 2022 were Rs. 5,012 million as compared to Rs. 4,334 million at the end of last year. The net asset value per unit as at June 30, 2022 was Rs. 304.6714 as compared to Rs. 281.2267 per unit as on June 30, 2021

SWWF Disclosure:

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by MTPF-D amounting to Rs. 22.88 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 MTPF-D by 0.52%. This is one-off event and is not likely to be repeated in the future.



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Money Market Sub Fund

The Fund earned a gross income of Rs. 339 million in FY22, as compared to a gross income of Rs. 220 million last year. Total income was primarily due to profit on Sukuks certificates amounting to Rs. 99 million. Profit on saving accounts at Islamic banks including profit on term deposit receipt totalled Rs.246 million. Unrealised loss and realised gain in the sub fund was Rs. 5 million and Rs. 0.38 million respectively. The fund also incurred expenses totalling Rs. 48 million and element of gain and capital gains included in price of units issued and less those in units redeemed was Rs. 38 million, which brought the net income figure to Rs. 328 million. The net assets of the Fund as at June 30, 2022 were Rs. 4,307 million as compared to Rs. 3,379 million at the end of last year. The net asset value per unit as at June 30, 2022 was Rs. 293.0581 as compared to Rs. 270.7037 per unit as on June 30, 2021.

SWWF Disclosure

During the month of August 2021, provisioning against Sindh Workers’ Welfare Fund by MTPF-MM amounting to Rs. 13.98 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 MTPF-MM by 0.42%. This is one-off event and is not likely to be repeated in the future.

Gold Sub Fund

The Fund posted a gross income of Rs. 34 million in FY22, as compared to Rs. 3 million last year. Total income was mainly due unrealized gain on investment of Rs. 31 million. Profit on saving accounts at Islamic banks was Rs. 2 million. The fund also incurred expenses totalling to Rs. 3 million and element of gain and capital gains included in prices of units issued and less those in units redeemed of Rs. 1 million, which brought the net income figure to Rs. 32 million. The net assets of the Fund as at June 30, 2022 were Rs. 167 million. The net asset value per unit as at June 30, 2022 was Rs. 196.9220

SWWF Disclosure:

During the month of August 2021, provisioning against Sindh Workers’ Welfare Fund by MTPF-Gold amounting to Rs. 0.93 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 MTPF-Gold by 0.79%. This is one-off event and is not likely to be repeated in the future.

Charity Statement

The Equity Sub Fund purifies the income earned by setting aside an amount payable by the Management Company out of the income of the Trust to charitable/welfare organizations, in consultation with Shariah Advisor, representing income that is Haram. During the year ended June 30, 2021 an amount of Rs. 7.97 million was accrued as charity payable.

Summary of Actual Proxy Voted By the Fund

	Resolutions	For	Against	Abstain
Number	17	17	0	0
Percentage		100%	0%	0%

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



Report of the *Shari'ah* Advisor – Meezan Tahaffuz Pension Fund

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

Alhamdulillah, the period from July 01, 2021 to June 30, 2022 was the Fifteenth year of operations of Meezan Tahaffuz Pension Fund (MTPF) under management of Al Meezan Investment Management Limited (Al Meezan). We, Meezan Bank Limited, are the *Shariah* 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 *Shariah* compliance of the Fund's activity

In the capacity of *Shari'ah Advisor*, we have prescribed six criteria for *Shari'ah* compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Investment in non- *Shari'ah* compliant activities to Total assets (iv) *Shari'ah* Non-Compliant Income to Gross Revenue (v) Illiquid assets to total assets, and (vi) Net liquid assets per share vs. share price.

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.

- i. We have reviewed and approved the modes of investments of MTPF in light of *Shari'ah* requirements. Following is the list of top equity holdings of MTPF as on June 30, 2022 and their evaluation according to the screening criteria established by us. (December 31, 2021 accounts of the Investee companies have been used for the following calculations*):

Company Name	(i) Nature of Business	(ii)** Debt to Assets (<37%)	(iii) Non-Compliant Investments (<33%)	(iv) Non-Compliant Income to Gross Revenue (<5%)	(v) Illiquid Assets to Total Assets (>25%)	(vi) Net Liquid Assets vs. Share Price (B>A)	
						Net Liquid Assets per Share (A)	Share Price (B)
Mari Petroleum	Oil & Gas Exploration Companies	0.45%	14.42%	2.86%	49.63%	295.94	1654.23
Meezan Bank Limited	Commercial Banks	0.00%	0.00%	0.00%	77.70%	(855.51)	134.11
Oil & Gas Development Company	Oil & Gas Exploration Companies	0.00%	21.69%	4.22%	27.26%	116.37***	86.20



Meezan Bank
The Premier Islamic Bank



Systems Limited	Technology	6.82%	4.26%	0.79%	43.71%	30.29	759.84
Pakistan Petroleum Limited	Oil & Gas Marketing Companies	0.00%	16.70%	2.53%	26.13%	96.98***	79.04
Engro Corporation Limited	Fertilizer	34.95%	20.92%	3.32%	57.41%	(220.62)	272.42

* These ratios are for the calculation of non-*Shari'ah* Compliant Element in the business and.

** All interest based debts.

*** Shares are considered 'Compliant' based on the reasoning mentioned in clause 8 of Shariah Standard 59.

- ii. On the basis of information provided by the management, all operations of MTPF for the year ended June 30, 2022 have been in compliance with the *Shari'ah* principles.

In light of the above, we hereby certify that all the provisions of the Scheme and investments made on account of MTPF under management of Al Meezan Investment Management Limited (Al Meezan) are *Shari'ah* compliant and in accordance with the criteria established by us.

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

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Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

MEEZAN TAHAFFUZ PENSION FUND

Report of the Trustee pursuant to Regulation 67D (viii) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Tahaffuz Pension Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Pension Fund Manager 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 constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the participants of Meezan Tahaffuz Pension Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Meezan Tahaffuz Pension Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement and statement of comprehensive income, the statement of cash flows, the statement of movement in participants' sub funds, the statement of contribution table, and the statement of number of units in issue 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 accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

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

Management Company is responsible for the other information. The other information comprises the information 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.

Responsibilities of Management Company and Those Charged with Governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

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

- a) the financial statements prepared for the year ended June 30, 2022 have been properly drawn in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;

- b) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- c) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- d) the financial statements prepared are in agreement with the Fund's books and records; and
- e) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

Other Matter

The financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who expressed an unmodified opinion on those statements on September 07, 2021.

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



Chartered Accountants

Place: Karachi

Date: September 27, 2022

UDIN: AR202210091SCs4qXodx



Meezan Tahaffuz Pension Fund
Statement of Assets and Liabilities
As at June 30, 2022

	Note	2022				Total	2021 Total
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
----- (Rupees in '000) -----							
ASSETS							
Bank balances	4	252,715	1,421,580	3,187,630	36,604	4,898,529	3,771,829
Investments	5	4,362,271	3,505,353	1,068,340	-	8,935,964	9,499,977
Investment in gold	5.5	-	-	-	130,145	130,145	99,444
Dividend receivable		1,020	-	-	-	1,020	21,739
Deposits and other receivables	6	8,742	100,453	59,400	291	168,886	141,767
Receivable against change of plan / change of fund manager / issuance of units		-	-	-	-	-	21,422
Receivable against sale of investments		15,928	-	-	-	15,928	7,696
Total assets		4,640,676	5,027,386	4,315,370	167,040	14,150,472	13,563,874
LIABILITIES							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	7	1,439	793	559	38	2,829	1,472
Payable to Central Depository Company of Pakistan Limited - Trustee	8	319	356	298	12	985	953
Payable to auditors	15	68	68	68	68	272	292
Payable to Securities and Exchange Commission of Pakistan	9	1,997	1,812	1,411	55	5,275	3,995
Payable against purchase of investments		13,579	-	-	-	13,579	4,600
Payable against withdrawal / change of plan		4,060	2,275	3,705	7	10,047	35,084
Accrued expenses and other liabilities	10	26,669	9,847	2,702	133	39,351	157,702
Total liabilities		48,131	15,151	8,743	313	72,338	204,098
NET ASSETS		4,592,545	5,012,235	4,306,627	166,727	14,078,134	13,359,776
Contingencies and commitments	13						
PARTICIPANTS' SUB - FUNDS (as per statement attached)		4,592,545	5,012,235	4,306,627	166,727	14,078,134	13,359,776
----- (Number of units) -----							
Number of units in issue (as per statement attached)		9,458,521	16,451,282	14,695,470	846,664		
----- (Rupees) -----							
Net assets value per unit		485.5458	304.6714	293.0581	196.9220		

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director

Meezan Tahaffuz Pension Fund
Income Statement and Statement of Other Comprehensive Income
For the year ended June 30, 2022

	Note	For the year ended June 30, 2022				Total	For the year
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		ended June 30, 2021
		(Rupees in '000)				Total	
INCOME							
Profit from sukuk certificates and commercial paper		-	254,847	98,669	-	353,516	217,259
Profit on saving accounts with banks		10,394	143,555	201,822	2,057	357,828	185,347
Profit on term deposit receipts / COMs		-	48,628	43,685	-	92,313	98,624
Dividend income		333,912	-	-	-	333,912	237,520
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss' - net	5.1 & 5.2	(522,193)	(8,571)	(5,370)	-	(536,134)	983,110
Unrealised appreciation on investment in gold	5.5	-	-	-	30,701	30,701	1,518
Net realised (loss) / gain on sale of investments		(275,803)	15	380	-	(275,408)	398,160
Other income	12	2,091	-	-	892	2,983	566
Total (loss) / income		(451,599)	438,474	339,186	33,650	359,711	2,122,104
EXPENSES							
Remuneration to AI Meezan Investment Management Limited - Pension Fund Manager	7.1	76,921	53,128	41,119	2,000	173,168	180,061
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager	7.2	10,000	6,907	5,346	260	22,513	23,408
Allocated expense	7.3	11,932	21,702	10,621	121	44,376	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	3,950	3,570	2,780	109	10,409	9,501
Sindh Sales Tax on remuneration of the Trustee	8.2	513	464	361	14	1,352	1,234
Annual fee to Securities and Exchange Commission of Pakistan	9	1,997	1,812	1,411	55	5,275	3,996
Auditors' remuneration	15	142	142	142	142	568	700
Brokerage charges and custodian fee		6,952	94	23	1,136	8,205	11,116
Legal and professional charges		46	46	46	46	184	-
Bank and settlement charges		889	97	85	-	1,071	952
Charity expense	10.3	8,045	-	-	-	8,045	6,792
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	11	(71,887)	(22,241)	(13,506)	(931)	(108,565)	38,478
Total expenses		49,500	65,721	48,428	2,952	166,601	276,238
Net (loss) / income from operating activities		(501,099)	372,753	290,758	30,698	193,110	1,845,866
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net		(5,394)	12,941	37,767	1,445	46,759	39,537
Net (loss) / income for the year before taxation		(506,493)	385,694	328,525	32,143	239,869	1,885,403
Taxation	22	-	-	-	-	-	-
Net (loss) / income for the year after taxation		(506,493)	385,694	328,525	32,143	239,869	1,885,403
Other comprehensive income		-	-	-	-	-	-
Total comprehensive (loss) / income for the year		(506,493)	385,694	328,525	32,143	239,869	1,885,403

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

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director

Meezan Tahaffuz Pension Fund
Statement of Cash Flows
For the year ended June 30, 2022

	Note	For the year ended June 30, 2022				Total	For the year ended June 30, 2021
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
(Rupees in '000)							
CASH FLOW FROM OPERATING ACTIVITIES							
Net (loss) / income for the year before taxation		(506,493)	385,694	328,525	32,143	239,869	1,885,403
Adjustments:							
Unrealised diminution / (appreciation) on 're-measurement of investments at 'fair value through profit or loss' - net	5.1 & 5.2	522,193	8,571	5,370	-	536,134	(983,110)
Unrealised appreciation on investment in gold	5.5	-	-	-	(30,701)	(30,701)	(1,518)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net		5,394	(12,941)	(37,767)	(1,445)	(46,759)	(39,537)
		21,094	381,324	296,128	(3)	698,543	861,238
Decrease / (increase) in assets							
Investments - net		279,592	(816,683)	564,970	-	27,879	(989,166)
Receivable against sale of investments		(8,232)	-	-	-	(8,232)	2,303
Dividend receivable		20,719	-	-	-	20,719	(13,455)
Deposits and other receivables		73,871	(60,170)	(40,589)	(231)	(27,119)	(62,398)
		365,950	(876,853)	524,381	(231)	13,247	(1,062,716)
Increase / (decrease) in liabilities							
Payable to Al Meezan Investment Management Limited - Pension fund Manager		907	372	232	(154)	1,357	(533)
Payable to Central Depository Company of Pakistan Limited - Trustee		(76)	50	56	2	32	165
Payable to Securities and Exchange Commission of Pakistan		308	594	368	10	1,280	777
Payable to auditors		(5)	(5)	(5)	(5)	(20)	39
Payable against purchase of investments		8,979	-	-	-	8,979	(5,389)
Accrued expenses and other liabilities		(78,269)	(24,598)	(14,150)	(1,334)	(118,351)	(14,829)
		(68,156)	(23,587)	(13,499)	(1,481)	(106,723)	(19,770)
Net cash generated from / (used in) operating activities		318,888	(519,116)	807,010	(1,715)	605,067	(221,248)
CASH FLOW FROM FINANCING ACTIVITIES							
Receipts of contribution / change of plan / change of fund manager / issuance of units		1,767,346	2,557,285	2,832,157	44,880	7,201,668	6,073,516
Payments on withdrawal / change of plan		(2,172,340)	(2,242,737)	(2,221,043)	(43,915)	(6,680,035)	(5,085,236)
Net cash (used in) / generated from financing activities		(404,994)	314,548	611,114	965	521,633	988,280
Net (decrease) / increase in cash and cash equivalents during the year		(86,106)	(204,568)	1,418,124	(750)	1,126,700	767,032
Cash and cash equivalents at beginning of the year		338,821	1,626,148	1,769,506	37,354	3,771,829	3,004,797
Cash and cash equivalents at end of the year	4	252,715	1,421,580	3,187,630	36,604	4,898,529	3,771,829

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

For Al Meezan Investment Management Limited
 (Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director

Meezan Tahaffuz Pension Fund
Statement of Movement in Participants' Sub Funds
For the year ended June 30, 2022

	For the year ended June 30, 2022				Total	For the year ended June 30, 2021
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
	----- (Rupees in '000) -----					
Net assets at beginning of the year	5,511,365	4,334,385	3,378,955	135,071	13,359,776	10,520,698
Amount received on issuance of units (2022: Equity sub fund: 3,412,731 units; Debt sub fund: 8,657,338 units; Money market sub fund: 10,017,821 units; and Gold sub fund: 249,216 units) (2021: Equity sub fund: 3,001,184 units; Debt sub fund: 8,638,206 units; Money market sub fund: 8,287,159 units; and Gold sub fund: 221,620 units)	1,755,700	2,547,509	2,832,157	44,880	7,180,246	6,094,938
Amount paid on withdrawal of units (2022: Equity sub fund: 4,177,582 units; Debt sub fund: 7,618,479 units; Money market sub fund: 7,804,467 units; and Gold sub fund: 252,280 units) (2021: Equity sub fund: 3,100,398 units; Debt sub fund: 5,360,959 units; Money market sub fund: 7,821,337 units; and Gold sub fund: 125,977 units)	(2,173,421)	(2,242,412)	(2,195,243)	(43,922)	(6,654,998)	(5,101,726)
	(417,721)	305,097	636,914	958	525,248	993,212
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net	5,394	(12,941)	(37,767)	(1,445)	(46,759)	(39,537)
Net realised (loss) / gain on sale of investments	(275,803)	15	380	-	(275,408)	398,160
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss' - net	(522,193)	(8,571)	(5,370)	-	(536,134)	983,110
Unrealised appreciation on investment in gold	-	-	-	30,701	30,701	1,518
Other net income for the year	291,503	394,250	333,515	1,442	1,020,710	502,615
	(506,493)	385,694	328,525	32,143	239,869	1,885,403
Net assets at end of the year	4,592,545	5,012,235	4,306,627	166,727	14,078,134	13,359,776

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



Meezan Tahaffuz Pension Fund
Statement of Contribution Table
For the year ended June 30, 2022

	For the year ended June 30, 2022								Total (Rupees in '000)	For the year ended June 30, 2021 (Rupees in '000)
	Equity sub fund		Debt sub fund		Money Market sub fund		Gold sub fund			
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)		
Contribution net of front end fee for the year										
Individuals										
- issuance / conversion / reallocation of units	<u>3,412,731</u>	<u>1,755,700</u>	<u>8,657,338</u>	<u>2,547,509</u>	<u>10,017,821</u>	<u>2,832,157</u>	<u>249,216</u>	<u>44,880</u>	<u>7,180,246</u>	<u>6,094,938</u>

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director

Meezan Tahaffuz Pension Fund
Statement of Number of Units in Issue
For the year ended June 30, 2022

	For the year ended June 30, 2022			
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund
	----- (Number of units) -----			
Total units in issue at beginning of the year	10,223,372	15,412,423	12,482,116	849,728
Add: Units issued / converted / reallocated during the year	3,412,731	8,657,338	10,017,821	249,216
Less: Units redeemed / converted / reallocated during the year	(4,177,582)	(7,618,479)	(7,804,467)	(252,280)
Total units in issue at the end of the year	<u>9,458,521</u>	<u>16,451,282</u>	<u>14,695,470</u>	<u>846,664</u>
	For the year ended June 30, 2021			
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund
	----- (Number of units) -----			
Total units in issue at beginning of the year	10,322,586	12,135,176	12,016,294	754,085
Add: Units issued / converted / reallocated during the year	3,001,184	8,638,206	8,287,159	221,620
Less: Units redeemed / converted / reallocated during the year	(3,100,398)	(5,360,959)	(7,821,337)	(125,977)
Total units in issue at the end of the year	<u>10,223,372</u>	<u>15,412,423</u>	<u>12,482,116</u>	<u>849,728</u>

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director

Meezan Tahaffuz Pension Fund
Notes to the Financial Statements
For the year ended June 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Tahaffuz Pension Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan on May 30, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the Pension Fund Manager of the Fund, is situated at Ground Floor, Block B Finance and Trade Centre Sharah-e-Faisal, Karachi 74400, Pakistan.

The Fund offers a saving mechanism where an individual saves from his / her income during work life in order to retain financial security and comfort in terms of regular income stream after retirement. The Fund comprises of four Shariah compliant sub funds namely Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Gold Sub-Fund (collectively the "Sub-Funds"). Participants are offered various investment allocation schemes depending on their investment horizon, return requirements, risk tolerance and any unique circumstances. The Fund offers six types of allocation schemes to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility, Variable Volatility and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. Allocation scheme can be selected initially at the time of opening of account and subsequently the allocation and percentages may change twice in a financial year. The contributions from participants are invested in various instruments belonging to different asset classes to get full benefits of risk minimization through diversification.

- 1.2** The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah.
- 1.3** The Fund is an unlisted pension scheme. Units are offered for public subscription on a continuous basis. The units are non-transferable and can be redeemed by surrendering them to the Fund at the option of the participants.
- 1.4** Title to the assets of the Sub Funds is held in the name of CDC as a Trustee of the Fund.
- 1.5** Meezan Bank Limited acts as Shariah Advisor of the Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.6** The Pension Fund Manager has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 27, 2021 (2021: AM1 dated December 31, 2020) and by PACRA dated June 23, 2022 (2021: AM1 dated June 23, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.7** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** 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 comprises of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - Voluntary Pension System Rules, 2005 (the VPS Rules), Voluntary Pension System Part V (NBFC Regulations, 2008) and 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 VPS Rules and requirements of the trust deed differ from the IFRS standards, provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed have been followed.

- 2.1.2** The SECP vide SRO 800 (I)/2021 dated June 22, 2021 modified the effective date for applicability of International Financial Reporting Measurement) for Non-Banking Finance Companies and Modarabas, as "Reporting period/year ending on or after June 30, 2022 (earlier application permitted)". However, as permitted the Fund had already applied the IFRS-9 during the year ended June 30, 2019 with the exception of below mentioned impairment requirements (refer note 2.1.3).
- 2.1.3** The SECP vide letter ref SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of International Financial Reporting Standard (IFRS) 9 "Financial Instruments" in relation to debt securities for mutual funds. Accordingly, the impairment requirements of IFRS 9 have not been considered for debt securities and requirements of SECP Circular 33 of 2012 have continued to be followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Fund's functional and presentation currency. Figures have been rounded off to nearest thousand rupee, unless otherwise stated.

2.4 Use of judgements and estimates

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In the process of applying the Fund's accounting policies, management has made the following accounting estimates and judgments which are significant to the financial statements and estimates with a significant risk of material adjustment in future years:

- a) Classification and valuation of financial instruments (notes 3.1 and 5);
- b) Impairment of financial instruments (note 3.1.4); and
- c) Provision (note 3.5)

2.5 Application of new standards, amendments and interpretations to the published approved accounting standards

a) New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Interest Rate Benchmark Reform – Phase 2
(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4

**Effective from Accounting
period beginning on or after**

January 01, 2021

Effective from Accounting period beginning on or after

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021

April 01, 2021

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

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

Effective from Accounting period beginning on or after

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

January 01, 2022

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

January 01, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

January 01, 2022

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

January 01, 2022

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current

January 01, 2023

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies

January 01, 2023

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates

January 01, 2023

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.

January 01, 2023

Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

The Fund applied IFRS 9 (refer note 2.1.2) except for impairment requirements for which the Fund has continued to follow the requirements of SECP circular No. 33 of 2012 dated October 24, 2012.

3.1.1 Recognition and initial measurement

Financial assets 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 expensed in the income statement.

3.1.2 Classification and subsequent measurement

3.1.2.1 Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. Amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at otherwise arise.

Business model assessment

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

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

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

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

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

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

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

3.1.2.2 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / mark-up income and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

Subsequent to initial recognition, financial assets designated by the management as 'fair value through profit or loss' and 'fair value through OCI' are valued as follows:

a) Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Basis of valuation of Government securities

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

c) Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

3.1.3 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

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

3.1.4 Impairment

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

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

3.1.5 Regular way contracts

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

3.1.6 Recognition

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

3.1.7 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.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3.1.8 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the Balance Sheet if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.2 Investment in gold

Investment in gold is initially recognized at fair value less cost to sell. Subsequent to initial recognition, these are measured at fair value using spot rate (i.e. Immediately next day after expired contract) fixed by Pakistan Mercantile Exchange Limited (PMEX). Gain or loss arising from changes in fair value less cost to sell are recognized in the income statement in the period of change.

3.3 Participants' fund

Participants' fund representing the units issued by the Fund, are carried at the net assets value representing the investors' right to a residual interest in the Fund's net assets.

3.4 Issuance, allocation, reallocation and redemption of units

Contribution received in the individual pension account after deduction of takaful premium, if any, followed by front end fee, is used to purchase the units of sub-funds of the fund according to the allocation scheme selected by the participant. The units are allotted at the net asset value notified by the Pension Fund Manager at the close of that dealing day (forward pricing) for each sub-fund, when the contribution is realized. The front end fee is payable to the distributors and the Pension Fund Manager.

The Pension Fund Manager makes reallocation of the sub-fund units between the sub-funds at least once a year to ensure that the allocations of the sub-fund units of all the participants are according to the allocation schemes selected by the participants.

Withdrawals made are used to redeem units of the sub-funds of the fund, according to the allocation scheme of the participant, at the net asset value prevalent on the date on which the distributors receive redemption application during business hours on that date.

3.5 Provisions

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

3.6 Net assets value per unit of each sub-fund

The net assets value (NAV) per unit, as disclosed in the Statement of Asset and Liabilities, is calculated by dividing the net assets of each sub-fund by the number of units in issue at year end.

3.7 Taxation

The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision in respect of taxation has been made in these financial statements.

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

3.8 Income

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- (ii) Dividend income is recognised when the Fund's right to receive the same is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- (iii) Profit on bank balances and term deposits / COMs are recognised on time proportion basis using effective yield method.
- (iv) Income on sukuk certificates, placements and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the profits are recorded on cash basis.
- (v) Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.

3.9 Expenses

All expenses, including remuneration of the Pension Fund Manager, Trustee and annual fee to the Securities and Exchange Commission of Pakistan fee are recognised in the Income Statement as and when incurred.

3.10 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, the determination of weighted average units for calculating EPU is not practicable.

3.11 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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

An equalisation account called 'element of income / (loss) and capital gains / (losses)' included in prices of units issued less those in units redeemed is set up in order to prevent the dilution of income per unit.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) held in the participants' funds in a separate account. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

3.13 Distribution

Distribution of dividend or bonus units is not allowed under the VPS Rules 2005.

4. BANK BALANCES

	Note	2022				2021	
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	
Current accounts		7,052	35	34	-	7,121	6,279
Savings accounts	4.1	245,663	1,421,545	3,187,596	36,604	4,891,408	3,765,550
		252,715	1,421,580	3,187,630	36,604	4,898,529	3,771,829

4.1 The balance in savings accounts carry expected profit which ranges from 3.00% to 16.40% (2021: 1.50% to 7.32%) per annum.

5. INVESTMENTS

	Note	2022				2021
		Equity sub fund	Debt sub fund	Money Market sub fund	Total	Total
Investments by category						
At fair value through profit or loss						
Listed equity securities	5.1	4,362,271	-	-	4,362,271	5,164,056
Sukuk certificates	5.2	-	3,406,616	1,069,111	4,475,727	2,807,955
		4,362,271	3,406,616	1,069,111	8,837,998	7,972,011
At amortised cost						
Term deposit receipts / COMs	5.3	-	100,000	-	100,000	1,530,000
Commercial paper	5.4	-	-	-	-	-
Less: Provision for impairment los	5.2.5	-	(1,263)	(771)	(2,034)	(2,034)
		4,362,271	3,505,353	1,068,340	8,935,964	9,499,977

5.1 Listed equity securities - at fair value through profit or loss
Held by Equity Sub-Fund
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the investee company	As at 01 July 2021	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss) as at June 30, 2022	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	----- (Number of shares) -----				----- (Rupees in '000) -----			----- (%) -----		
Automobile Assembler										
Millat Tractors Limited	96,548	5,000	73,925	-	175,473	109,708	153,116	43,408	3.33	0.18
Gandhara Industries Limited	700	42,500	-	15,000	28,200	7,002	4,455	(2,547)	0.10	0.07
Gandhara Nissan	-	200,000	-	200,000	-	-	-	-	-	-
									3.43	0.25
Automobile Parts & Accessories										
Panther Tyres Limited	51,346	470,000	99,269	620,615	-	-	-	-	-	-
Commercial Bank										
BankIslami Pakistan Limited	9,136,000	180,000	-	-	9,316,000	104,792	112,165	7,373	2.44	0.84
Meezan Bank Limited	1,481,659	798,685	305,836	20,000	2,566,180	270,475	289,927	19,452	6.31	0.16
									8.75	1.00
Cement										
D.G Khan Cement Company Limited	815,000	1,180,000	-	1,995,000	-	-	-	-	-	-
Lucky Cement Limited	632,456	161,500	-	358,000	435,956	354,167	200,121	(154,046)	4.36	0.13
Maple Leaf Cement Factory Limited	2,465,042	2,738,000	-	2,990,000	2,213,042	85,552	60,527	(25,025)	1.32	0.20
Kohat Cement Company Limited	666,820	51,000	-	4,500	713,320	146,364	92,824	(53,540)	2.02	0.36
Cherat Cement Company Limited	494,500	362,100	-	57,500	799,100	129,256	74,348	(54,908)	1.62	0.41
Fauji Cement Company Limited	45,000	-	-	45,000	-	-	-	-	-	-
Power Cement Limited	-	1,000,000	-	1,000,000	-	-	-	-	-	-
Chemical										
Dynea Pakistan Limited (Face value of Rs. 5 each)	120,500	-	-	-	120,500	26,631	20,962	(5,669)	0.46	0.64
Engro Polymer & Chemicals Limited	2,890,209	-	-	1,975,000	915,209	43,234	72,878	29,644	1.59	0.10
ICI Pakistan Limited	156,920	1,000	-	47,600	110,320	95,720	79,932	(15,788)	1.74	0.12
Sitara Chemical Industries Limited	28,600	-	-	28,600	-	-	-	-	-	-
									3.79	0.86

Name of the investee company	As at 01 July 2021	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss) as at June 30, 2022	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	-----Number of shares-----				----- (Rupees in '000) -----			----- % -----		
Engineering										
K.S.B Pumps Company Limited	800	-	-	800	-	-	-	-	-	-
International Steels Limited	382,000	-	-	382,000	-	-	-	-	-	-
International Industries Limited	317,550	94,100	-	411,650	-	-	-	-	-	-
Agha Steel Industries Limited	581,000	400,000	16,800	997,800	-	-	-	-	-	-
Mughal Iron & Steel Industries	616,700	887,500	162,480	514,000	1,152,680	94,419	66,440	(27,979)	1.45	0.34
Aisha Steel Mills Limited	1,325,000	1,300,000	-	2,625,000	-	-	-	-	-	-
Ittefaq Iron Industries Limited	650,500	400,000	-	1,050,500	-	-	-	-	-	-
Amreli Steels limited	-	1,002,000	-	1,002,000	-	-	-	-	-	-
									1.45	0.34
Fertilizer										
Engro Corporation Limited (note 5.1.1)	1,088,920	35,000	-	255,968	867,952	255,117	223,142	(31,975)	4.86	0.15
Engro Fertilizers Limited	841,834	1,417,611	-	50,000	2,209,445	161,127	195,845	34,718	4.26	0.17
Fauji Fertilizer Bin Qasim Limited	-	698,000	-	698,000	-	-	-	-	-	-
									9.12	0.32
Food and Personal Care Products										
National Foods Limited (Face value of Rs. 5)	127,600	-	31,900	93,100	66,400	12,166	9,613	(2,553)	0.21	0.06
Al-Shaheer Corporation Limited	33,160	-	-	-	33,160	661	300	(361)	0.01	0.01
At- Tahur Limited	-	1,724,000	201,840	128,000	1,797,840	46,396	34,285	(12,111)	0.75	0.90
Unity Foods Limited	910,000	650,000	-	1,560,000	-	-	-	-	-	-
									0.97	0.97
Glass & Ceramics										
Ghani Glass Limited	1,140,150	-	-	516,500	623,650	30,060	25,464	(4,596)	0.55	0.07
Shabbir Tiles and Ceramics Limited (Face value of Rs. 5 each)	1,379,500	199,500	-	1,579,000	-	-	-	-	-	-
Ghani Global Glass Limited	1,500	-	-	1,500	-	-	-	-	-	-
									0.55	0.07
Leather & Tanneries										
Service Global Footwear Limited	257,445	-	-	257,445	-	-	-	-	-	-
Oil and Gas Exploration Companies										
Oil and Gas Development Company Limited	2,629,500	1,297,000	-	229,000	3,697,500	348,441	290,882	(57,559)	6.33	0.09
Pakistan Oilfields Limited (note 5.1.2)	485,559	127,206	-	173,032	439,733	171,758	178,448	6,690	3.89	0.15
Pakistan Petroleum Limited	2,693,038	1,127,500	-	225,000	3,595,538	304,839	242,734	(62,105)	5.29	0.13
Mari Petroleum Company Limited	280,344	62,500	-	8,552	334,292	518,344	581,581	63,237	12.66	0.25
									28.17	0.62

Name of the investee company	As at 01 July 2021	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss) as at June 30, 2022	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	-----Number of shares-----					----- (Rupees in '000) -----			----- % -----	
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	1,082,056	297,000	-	292,000	1,087,056	229,780	186,800	(42,980)	4.07	0.23
Attock Petroleum Limited	91,844	-	-	-	91,844	29,485	29,510	25	0.64	0.09
Sui Northern Gas Pipelines Limited	1,110,600	1,175,000	-	192,000	2,093,600	95,206	71,622	(23,584)	1.56	0.33
Hascol Petroleum Limited	2,588	-	-	-	2,588	23	11	(12)	-	-
									6.27	0.65
Paper and Board										
Packages Limited	221,701	-	-	24,650	197,051	107,432	78,596	(28,836)	1.71	0.22
Century Paper & Board Mills	647,900	-	97,185	17,000	728,085	77,285	44,996	(32,289)	0.98	0.36
Roshan Packages Limited	41,000	-	-	41,000	-	-	-	-	-	-
Security Paper Limited	51,900	-	-	51,900	-	-	-	-	-	-
									2.69	0.58
Pharmaceuticals										
AGP Limited	528,300	-	-	528,300	-	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare	112,500	-	-	2,200	110,300	27,585	26,288	(1,297)	0.57	0.09
The Searle Company Limited	506,688	-	143,006	484,000	165,694	30,924	18,064	(12,860)	0.39	0.05
Highnoon Laboratories Limited	43,984	-	4,398	-	48,382	26,390	25,636	(754)	0.56	0.12
IBL HealthCare Limited	121,000	-	16,380	137,380	-	-	-	-	-	-
Ferozsons Laboratories Limited	30,000	-	-	30,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	-	305,200	-	13,000	292,200	39,529	36,505	(3,024)	0.79	0.09
									2.31	0.35
Power Generation & Distribution										
The Hub Power Company Limited	2,224,543	1,270,000	-	467,000	3,027,543	238,714	206,388	(32,326)	4.49	0.23
K-Electric Limited (Face value Rs. 3.5)	15,005,500	3,900,000	-	4,550,000	14,355,500	57,338	43,641	(13,697)	0.95	0.05
									5.44	0.28
Refinery										
Attock Refinery Limited	125,000	550,500	-	290,000	385,500	65,548	67,763	2,215	1.48	0.13
National Refinery Limited	-	326,000	-	148,796	177,204	45,884	44,756	(1,128)	0.97	0.08
									2.45	0.21
Textile Composite										
Nishat Mills Limited	857,700	-	-	401,900	455,800	42,526	33,688	(8,838)	0.73	0.13
Feroze1888 Mills Limited	200,000	-	12,000	67,500	144,500	14,274	9,021	(5,253)	0.20	0.04
Interloop Limited	1,997,000	129,000	63,660	102,828	2,086,832	142,273	127,297	(14,976)	2.77	0.23
Kohinoor Textile	50,000	514,500	-	-	564,500	48,495	28,225	(20,270)	0.61	0.19
									4.31	0.59

Name of the investee company	As at 01 July 2021	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain / (loss) as at June 30, 2022	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	-----Number of shares-----					----- (Rupees in '000) -----			----- % -----	
Technology & Communication										
Pakistan Telecommunication Company Limited "A"	-	-	-	-	-	-	-	-	-	-
Avanceon Limited	527,260	150,000	-	677,260	-	-	-	-	-	-
Systems Limited	401,555	188,500	312,765	128,790	774,030	224,480	255,322	30,842	5.56	0.28
Air Link Communication Limited	-	1,081,500	34,762	849,500	266,762	17,743	10,775	(6,968)	0.23	0.07
Octopus Digital Limited	-	87,336	-	87,336	-	-	-	-	-	-
									5.79	0.35
Miscellaneous										
Synthetic Products Enterprises Limited (Face value of Rs. 5 each)	4,560	-	-	4,560	-	-	-	-	-	-
Pakistan Aluminum Beverage Cans Ltd	-	968,617	-	734,617	234,000	7,321	7,378	57	0.16	0.03
Total						4,884,464	4,362,271	(522,193)	0.16	0.03

- 5.1.1 160,000 shares (June 30, 2021: 160,000 shares) of Engro Corporation Limited having market value of Rs 41.13 million as at June 30, 2022 (2021: Rs. 47.14 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.
- 5.1.2 25,000 shares (June 30, 2021: 25,000 shares) of Pakistan Oilfields Limited having market value of Rs. 10.15 million as at June 30, 2022 (June 30, 2021: Rs. 9.85 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.
- 5.1.3 The Finance Act 2014, introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold 5 percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to 5 percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Scheme (CIS) through the Trustee in the High Court of Sindh challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order has been granted by High Court of Sindh (HCS) in favour of CISs.

The Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which were already pending or should be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum of 50% of the tax calculated by the tax authorities for the case continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically in 2019. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 as a result of which HCS issued an order dated July 15, 2019 whereby the previous stay has been restored. The matter is still pending adjudication and no provision has been recorded or contingent liability has been disclosed in the financial statements as the management is confident that the case will be decided in favor of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 therefore, tax on bonus shares subsequent to this amendment, issued to the Fund was not withheld by the investee companies.

- 5.1.3.1 As at June 30, 2022, CDC holding of Mari Petroleum Company Limited, Pakistan State Oil Company Limited, The Searle Company Limited, Highnoon Laboratories Limited, Al-Shaheer Corporation Limited and Hascol Petroleum Limited is different from the books and records of the Fund. The difference pertains to tax deduction on bonus shares in prior years (refer note 5.1.3 above).

5.2 Sukuk certificates - At fair value through profit or loss
5.2.1 Held by Debt Sub-Fund

Name of the Security	Note	As at July 01,	Purchases	Sales /	As at	Carrying	Market value as	Unrealised gain	Market value
		2021	during the	Matured	June 30,	value as at	at June 30, 2022	/ (loss) as at	as a
			year	during the	2022	June 30,	(Rupees in '000)	June 30, 2022	percentage of
			Number of certificates	year		2022			Net Assets
									%
Property & Real Estate									
Eden Housing Limited	5.2.1.1	500	-	-	500	-	-	-	-
Leasing Companies									
Security Leasing Corporation Limited II	5.2.1.1	500	-	-	500	-	-	-	-
Fertilizer									
Fatima Fertilizer Company Limited	5.2.1.1	31,640	-	31,640	-	-	-	-	-
Banks									
Dubai Islamic Bank Pakistan Limited	5.2.1.1	57	-	-	57	58,594	58,910	316	1.18
Pharmaceuticals									
AGP Limited	5.2.1.1	500	-	500	-	-	-	-	-
OBS AGP (Private) Limited	5.2.1.1	-	820	-	820	82,032	82,410	378	1.64
Power Generation & Distribution									
K-Electric Limited-Short Term Sukuk (IV)	5.2.1.1	-	100	-	100	100,000	100,000	-	2.00
K-Electric Limited-Short Term Sukuk (V)	5.2.1.1	-	500	-	500	500,000	500,000	-	9.98
The Hub Power Holding Limited	5.2.1.1	2,000	-	-	2,000	197,506	197,506	-	3.94
Cement & Construction									
Javedan Corporation Limited	5.2.1.1	250	750	-	1,000	74,407	74,459	52	1.49
Steel & Allied Products									
Agha Steels Industries Limited	5.2.1.1 & 5.2.4	50	-	-	50	43,655	45,349	1,694	0.90
Chemicals									
Engro Polymer & Chemicals Limited	5.2.1.1	1,500	-	-	1,500	153,150	160,500	7,350	3.20
Miscellaneous									
Shakarganj Foods Product Limited	5.2.1.1 & 5.2.6	18	-	-	18	11,745	12,221	476	0.24
International Brand Limited	5.2.1.1	550	1,100	1,650	-	-	-	-	-

Name of the Security	Note	As at July 01,	Purchases	Sales /	As at	Carrying	Market value as	Unrealised gain	Market value
		2021	during the	Matured	June 30,	value as at	at June 30, 2022	/ (loss) as at	as a
		Number of certificates					(Rupees in '000)		%
Government Securities									
Pakistan Energy Sukuk I	5.2.1.1 & 5.2.3	110,000	-	-	110,000	587,126	587,400	274	11.72
Pakistan Energy Sukuk II	5.2.1.1 & 5.2.3	92,000	-	-	92,000	463,680	463,220	(460)	9.24
GOP-Ijarah sukuk XXI	5.2.1.1	1,480	-	1,480	-	-	-	-	-
GOP-Ijarah sukuk XXIV VRR	5.2.1.1	3,500	-	150	3,350	338,082	334,263	(3,819)	6.67
GOP-Ijarah sukuk XXV	5.2.1.1	-	3,000	3,000	-	-	-	-	-
GOP-Ijarah sukuk XXVI	5.2.1.1	-	3,500	-	3,500	350,220	349,755	(465)	6.98
GOP-Ijarah sukuk XXVII	5.2.1.1	-	2,000	-	2,000	200,000	199,360	(640)	3.98
GOP-Ijarah sukuk XXVII Fixed	5.2.1.1	-	2,500	-	2,500	253,727	240,000	(13,727)	4.79
Non-Performing Investments	5.2.5					1,263	1,263	-	
Total						3,415,187	3,406,616	(8,571)	

5.2.1.1 Significant terms and conditions of Sukuk certificates outstanding as at June 30, 2022 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
Eden Housing Limited	984.38	-	31-Dec-07	31-Dec-12
Security Leasing Corporation Limited II	5,000	-	19-Sep-07	19-Sep-12
Fatima Fertilizer Company Limited	5,000	6 months KIBOR + 1.10%	28-Nov-16	28-Nov-21
Dubai Islamic Bank Pakistan Limited	1,000,000	6 months KIBOR + 0.50%	14-Jul-17	14-Jul-27
AGP Limited	100,000	3 months KIBOR + 1.30%	09-Jun-17	09-Jun-22
OBS AGP (Private) Limited	100,000	3 months KIBOR + 1.55%	15-Oct-22	15-Oct-26
K-Electric Limited-Short Term Sukuk (IV)	1,000,000	6 months KIBOR + 0.85%	25-Mar-22	24-Sep-22
K-Electric Limited-Short Term Sukuk (V)	1,000,000	6 months KIBOR + 0.95%	12-Apr-22	12-Oct-22
The Hub Power Holding Limited	100,000	6 months KIBOR + 2.5%	12-Nov-20	12-Nov-25
Javedan Corporation Limited	100,000	6 months KIBOR + 1.75%	04-Oct-18	04-Oct-26
Agha Steels Industries Limited	1,000,000	3 months KIBOR + 0.80%	09-Oct-18	09-Oct-25
Engro Polymer & Chemicals Limited	100,000	3 months KIBOR + 0.90%	11-Jan-19	11-Jul-26
Shakarganj Foods Product Limited	1,000,000	3 months KIBOR + 1.75%	10-Jul-18	10-Jul-25
International Brand Limited	100,000	3 months KIBOR + 0.50%	15-Nov-17	15-Nov-21
Pakistan Energy Sukuk I	10,000	6 months KIBOR + 0.80%	01-Mar-19	01-Mar-29
Pakistan Energy Sukuk II	5,000	6 months KIBOR + (0.01%)	21-May-19	21-May-30
GOP-Ijarah sukuk XXI	100,000	Weighted average yield of 6 months T-Bills	29-May-20	29-May-25
GOP-Ijarah sukuk XXIV VRR	100,000	Weighted average yield of 6 months T-Bills	09-Dec-20	09-Dec-25
GOP-Ijarah sukuk XXV	100,000	Weighted average yield of 6 months T-Bills	06-Oct-21	06-Oct-26
GOP-Ijarah sukuk XXVI	100,000	Weighted average yield of 6 months T-Bills	29-Oct-21	29-Oct-26
GOP-Ijarah sukuk XXVII	100,000	Weighted average yield of 6 months T-Bills	27-Apr-22	24-Apr-27
GOP-Ijarah sukuk XXVII Fixed	100,000	Weighted average yield of 6 months T-Bills	15-Dec-21	15-Dec-26

5.2.2 Held by Money Market Sub-Fund

Name of the Security	Note	As at July 01, 2021	Purchases during the year	Sales / Matures during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised loss as at June 30, 2022	Market value as a percentage of Net Assets
		Number of certificates				(Rupees in '000)			%
Leasing Companies									
Security Leasing Corporation Limited II	5.2.2.1	500	-	-	500	-	-	-	-
Power Generation & Distribution									
The Hub Power Company Limited	5.2.2.1	3,250	-	3,250	-	-	-	-	-
K-Electric Limited- Short Term Sukuk (III)	5.2.2.1	-	200	-	200	200,000	200,000	-	4.64
K-Electric Limited- Short Term Sukuk (IV)	5.2.2.1	-	70	-	70	70,000	70,000	-	1.63
Government Securities									
GOP-Ijarah sukuk XXIV VRR	5.2.2.1	4,000	-	-	4,000	403,680	399,120	(4,560)	9.27
GOP-Ijarah sukuk XXV	5.2.2.1	-	1,000	1,000	-	-	-	-	-
GOP-Ijarah sukuk XXVI	5.2.2.1	-	3,000	1,000	2,000	200,030	199,860	(170)	4.64
GOP-Ijarah sukuk XXVII	5.2.2.1	-	2,000	-	2,000	200,000	199,360	(640)	4.63
Non-Performing Investments	5.2.5					771	771	-	
Total						1,074,481	1,069,111	(5,370)	

5.2.2.1 Significant terms and conditions of Sukuk certificates outstanding as at June 30, 2022 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
Security Leasing Corporation Limited II	5,000	-	19-Sep-07	19-Sep-12
The Hub Power Company Limited	100,000	6 months KIBOR + 1.10%	05-May-21	05-Nov-21
K-Electric Limited- Short Term Sukuk (III)	1,000,000	6 months KIBOR + 0.85%	01-Mar-22	01-Sep-22
K-Electric Limited- Short Term Sukuk (IV)	1,000,000	6 months KIBOR + 0.85%	25-Mar-22	24-Sep-22
GOP-Ijarah sukuk XXIV VRR	100,000	Weighted average yield of 6 months T-Bills	09-Dec-20	09-Dec-25
GOP-Ijarah sukuk XXV	100,000	Weighted average yield of 6 months T-Bills	06-Oct-21	06-Oct-26
GOP-Ijarah sukuk XXVI	100,000	Weighted average yield of 6 months T-Bills	29-Oct-21	29-Oct-26
GOP-Ijarah sukuk XXVII	100,000	Weighted average yield of 6 months T-Bills	27-Apr-22	24-Apr-27

5.2.3 Sukuks of The Hub Power Company Limited have been measured at their initial investment value, as their market values are not available at MUFAP. Market value of Pakistan Energy Sukuk I and Pakistan Energy Sukuk II are not available at MUFAP, therefore the Fund has applied the Market value determined by the PSX.

5.2.4 The Fund has applied discretionary mark-down on June 27, 2022 to the fair value of the security. Post to discretionary mark-up, the price of Agha Steel Industries Limited has decreased from Rs. 105.8879 per unit (MUFAP price) to Rs. 103.6540 per unit and Shakarganj Foods Product Limited has decreased from Rs. 107.3077 per unit (MUFAP price) to Rs. 104.4499 per unit.

5.2.5 The agreement with the Securities Leasing Corporation Limited (SLCL) had been amended on 19 February 2012. In accordance with the revised terms no mark-up is payable on the said sukuk with the approval of the contributories to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 03, 2012. Therefore, in accordance with the requirement of SECP's circular No. 33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy, amount of Rs. 1.542 million (June 30, 2021: Rs. 1.542 million) in both debt and money market sub fund has also been held as a provision against principal as at June 30, 2022.

On May 6, 2011, Eden Housing sukuk certificates have been classified as non-performing by MUFAP therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 0.492 million (June 30, 2021: Rs. 0.492 million) has also been held as provision against the outstanding principal as at June 30, 2022 in Debt Sub-fund.

Following investments of the Fund are in the sukuk which are below 'investment grade' securities:

Non-performing investment	Type of Investment	Cost	Provision held	Net carrying value
		(Rupees in '000)		
Debt Sub Fund				
Eden Housing Limited	Non-traded sukuk	492	492	-
Security Leasing Corporation Limited II	Non-traded sukuk	771	771	-
		<u>1,263</u>	<u>1,263</u>	<u>-</u>
Money Market Sub Fund				
Security Leasing Corporation Limited II	Non-traded sukuk	771	771	-

5.2.6 As at June 30, 2022, rating of Shakarganj Foods Product Limited was BBB+ which is lower than the minimum prescribed rating (refer note 1.2), which at the time of investment was compliant with SECP criteria and investment policy of the Fund.

5.3 Term deposit receipts / COMs - at amortised cost

5.3.1 Held by Debt Sub-Fund

Name of the Bank	Rating	Maturity date	Profit rate per annum	As at July 01, 2021	TDR's placed during the year	Matured during the year	As at June 30,2022	Market Value as a Percentage of Net Assets
----- (Rupees in '000) ----- % -----								
Orix Modaraba	AA+	April 29, 2022	11.49%	220,000	-	220,000	-	-
Orix Modaraba	AA+	July 29, 2022	15.50%	-	100,000	-	100,000	2.00
First Habib Modarba	AA+	December 01, 2021	7.80%	200,000	-	200,000	-	-
First Habib Modarba	AA+	December 21, 2021	9.30%	200,000	-	200,000	-	-
First Habib Modarba	AA+	February 04, 2022	11.65%	-	207,846	207,846	-	-
The Bank Of Punjab	AA+	March 15, 2022	11.25%	-	450,000	450,000	-	-
				620,000	757,846	1,277,846	100,000	

5.3.2 Held by Money Market Sub-Fund

United Bank Limited	AAA	July 05, 2021	7.00%	450,000	-	450,000	-	-
United Bank Limited	AAA	August 09, 2021	6.80%	-	450,000	450,000	-	-
United Bank Limited	AAA	September 09, 2021	6.80%	-	450,000	450,000	-	-
United Bank Limited	AAA	October 08, 2021	7.00%	-	450,000	450,000	-	-
United Bank Limited	AAA	November 08, 2021	7.00%	-	450,000	450,000	-	-
United Bank Limited	AAA	December 02, 2021	8.35%	-	300,000	300,000	-	-
Askari Bank Limited	AA+	September 01, 2021	7.15%	460,000	-	460,000	-	-
Askari Bank Limited	AA+	December 01, 2021	7.15%	-	460,000	460,000	-	-
Askari Bank Limited	AA+	June 13, 2022	13.50%	-	300,000	300,000	-	-
The Bank of Punjab	AA+	March 15, 2022	11.25%	-	500,000	500,000	-	-
				910,000	3,360,000	4,270,000	-	

5.4 Commercial Papers - at amortised cost

5.4.1 Held by Money Market Sub-Fund

Name of Company	Maturity Date	As at July 01, 2021	Placements made during the year	Income Accrued	Matured during the year	As at June 30, 2022	Market Value as a percentage of Net Assets
Note		(Rupees in '000)					%
K-electric Limited CP	5.4.1.1 January 27, 2022	-	216,225	8,775	225,000	-	-
K-electric Limited CP	5.4.1.2 May 04, 2022	-	238,854	11,146	250,000	-	-
		-	455,079	19,921	475,000	-	

5.4.1.1 This commercial paper was placed at discount at a rate of 8.05% (6 months kibar plus 0.45%) and is being amortised over a period of 184 days.

5.4.1.2 This commercial paper was placed at discount at a rate of 9.41% (6 months kibar plus 0.60%) and is being amortised over a period of 181 days.

5.5 Investment in gold

	As at July 01, 2021	Purchases during the year	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised gain as at June 30, 2022	Market Value as a Percentage of Net Assets
	(Quantity in Tola)				(Rupees'000)			%
Tola Gold	926	-	-	926	99,444	130,145	30,701	78.06
Total	926	-	-	926	99,444	130,145	30,701	

5.5.1 The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX.

5.5.2 The investment in gold of Rs. 130.145 million has been measured at fair value based on the quoted market price in active markets.

6. DEPOSITS AND OTHER RECEIVABLES

	Note	2022				2021
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total
		(Rupees in '000)				
Advance against IPO	6.1	-	-	-	-	72,765
Security deposits		2,600	100	100	-	2,800
Profit receivable on saving accounts with banks and Term Deposits /COMs		1,395	19,775	34,854	291	26,215
Profit receivable on sukuks certificates		-	80,578	24,446	-	35,240
Advance tax		4,747	-	-	-	4,747
		8,742	100,453	59,400	291	141,767

6.1 This represents advance against IPO subscription of 1,485,000 shares of Pakistan Aluminum Beverage Cans Limited.

**7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED
(Al Meezan) - PENSION FUND MANAGER**

	Note	2022				2021
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total
		(Rupees in '000)				
Management remuneration	7.1	1,139	425	360	33	1,303
Sindh Sales Tax on management fee	7.2	148	55	47	4	169
Allocated Expense	7.3	152	313	152	1	-
		1,439	793	559	38	1,472

7.1 As per regulation 67F of NBFC Regulation, 2008, Al Meezan Investment Management Limited, the Pension Fund Manager of the Fund is allowed to charge an annual management fee of the average of the values of the net assets of each of the Sub-Fund calculated for determining the prices of the units of the Sub-Funds with allowed expense ratio limit. Accordingly, the Pension Fund Manager has charged management fee at the following rates of the average daily net assets of the Sub-Funds. (June 30, 2021: 1.5%).

	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund
From July 01, 2021 till February 28, 2022	1.50%	1.50%	1.50%	1.50%
From March 01, 2022 till June 30, 2022		0.50%	0.50%	1.30%

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

7.3 As per S.R.O.1068(I)/2021 dated August 23, 2021 the SECP made an amendment in Non-Banking Finance Companies and Notified Entities Regulations, 2008, adjoined "Voluntary Pension System" as Part V of NBFC Regulations, 2008. In accordance with Regulation 67G(3), Pension Fund Manager may charge the eligible expense as given in sub-regulation (2) and (3) of the regulation 60 to pension fund.

In accordance with Regulation 60 of the NBFC Regulations, the Pension Fund Manager is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to its Voluntary Pension Scheme.

The Pension Fund Manager based on its own discretion has charged the following on average annual net assets of the sub-funds for allocation of such expenses.

	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund
From October 01, 2021 till February 28, 2022	0.11%	0.15%	0.15%	
From March 01, 2022 till June 30, 2022	0.61%	1.15%	0.65%	0.11%

6. DEPOSITS AND OTHER RECEIVABLES
8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	2022	2022				2021	
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	
Note		(Rupees in '000)					
Trustee fee	8.1	282	315	264	11	872	843
Sindh Sales Tax on Remuneration of the Trustee	8.2	37	41	34	1	113	110
		319	356	298	12	985	953

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed in accordance with the tariff specified therein, based on the daily net assets of the sub-funds.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2022 is as follows:

Average net asset value	Tariff per annum
Amount up to Rs. 1 billion	Rs. 0.3 million or 0.15% p.a of net asset value, whichever is higher
Amount exceeding Rs. 1 billion up to Rs. 3 billion	Rs. 1.5 million plus 0.10% p.a of net asset value exceeding Rs. 1 billion
Amount exceeding Rs. 3 billion up to Rs. 6 billion	Rs. 3.5 million plus 0.08% p.a of net asset value exceeding Rs. 3 billion
Amount exceeding Rs. 6 billion	Rs. 5.9 million plus 0.06% p.a of net asset value exceeding Rs. 6 billion

8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Trustee through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

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

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one twenty-fifth of 1% (June 30, 2021 : one thirtieth of 1%) of average annual net asset value of the Fund.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	2022	2022				2021	
		Equity-sub fund	Debt-sub fund	Money Market sub-fund	Gold sub-fund	Total	
Note		(Rupees in '000)					
Provision for Sindh Workers' Welfare Fund	11	-	-	-	-	-	108,566
Federal Excise Duty on remuneration of the Pension Fund Manager	10.1	15,436	8,816	2,449	-	26,701	26,701
Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager	10.2	1,800	962	242	-	3,004	3,004
Charity payable	10.3	7,967	-	-	-	7,967	8,722
Brokerage payable		1,466	69	11	-	1,546	3,661
Custodian Charges Payable		-	-	-	133	133	374
Amount received against units to be issued		-	-	-	-	-	6,674
		26,669	9,847	2,702	133	39,351	157,702

10.1 Federal Excise Duty on remuneration of the Pension Fund Manager

As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Pension Fund Manager has been applied effective from June 13, 2013. The Pension Fund Manager is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on behalf of various Asset Management Companies and CISs.

6. DEPOSITS AND OTHER RECEIVABLES

While disposing the above petition, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Furthermore, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non- Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in Supreme Court of Pakistan, the Pension Fund Manager, as a matter of abundant caution, is carrying provision for FED, aggregating to Rs. 15.436 million, Rs. 8.816 million and Rs. 2.449 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

Had the provision not been made, the Net Asset Value per unit as at June 30, 2022 would have been higher by Rs. 1.82 (June 30, 2021: Rs. 1.50) per unit, Re. 0.59 (June 30, 2021: Re. 0.27) per unit and Re. 0.18 (June 30, 2021: Re. 0.20) per unit for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

10.2 Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager

It represents amount payable in respect of Sindh Sales Tax at the rate of 13 percent (June 30, 2021: 13 percent) on remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011, being Sindh Sales Tax accrued on Federal Excise Duty (FED) on remuneration of the Pension Fund Manager as fully explained in note 10.1 above.

10.3 Charity payable

According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of such investees has been made in shariah non-compliant avenues, such proportion of income of the Fund from those investees should be given away for charitable purposes directly by the Fund. Accordingly, an amount of Rs. 7.96 million (2021: Rs. 8.72 million) is outstanding in this regard after making charity payments of Rs 8.8 million (2021: Rs 3.7 million) to renowned charitable institutions. None of the directors of the Pension Fund Manager of the Fund were interested in any of the donee.

11. PROVISION FOR SINDH WORKERS' WELFARE FUND

The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds were excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds were not subject to this levy after the introduction of this amendment which was applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments had been struck down by the SCP. The Federal Board of Revenue (FBR) filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgment on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgment of the SCP.

Furthermore, 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 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. However, it may be stated that under Companies Act, 2017, mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In the view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP has recommended that as a matter of abundant caution provision in respect of SWWF should be made on prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

6. DEPOSITS AND OTHER RECEIVABLES

SRB through its letter dated August 12, 2021 has 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 been taken up with the SECP. All the Asset Management Companies, in consultation with 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 has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021.

Provisioning against SWWF amounting to Rs.72.67 million , Rs. 22.88 million, Rs. 13.98 million and Rs. 0.93 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 7.21 (1.33%) per unit , Rs. 1.47 (0.52%) per unit, Rs.1.14 (0.42%) per unit and Rs.1.25 (0.80%) per unit of Equity Sub Fund , Debt Sub Fund, Money Market Sub Fund and Gold Sub Fund respectively.. This was one-off event and is not likely to be repeated in the future.

12. PRICE ADJUSTMENT CHARGES

Securities and Exchange Commission of Pakistan (SECP) vide letter No. SCD/PRDD/VPS/AIML/O1/2018 dated January 01, 2018 permitted the Fund to charge price adjustment charges. Price Adjustment Charges (PAC) means difference between the offer price and the bid price from the closing price of the Gold transactions (Contract) available at PMEX, which shall be added to and deducted from the NAV of the Gold sub fund to determine offer price and redemption price respectively. Such charges shall form part of Fund Property.

Currently, PAC added / deducted to / from Nav of Gold sub fund to determine offer/ redemption price is 1% of NAV. These are included in other income

13. CONTINGENCIES AND COMMITMENTS

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

14. EXPENSE RATIO

	2022			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub	Gold Sub Fund
Total Expense ratio (including government levies)	2.37%	1.90%	1.72%	2.75%
Government levies	0.26%	0.20%	0.20%	0.23%

The total expense ratio of pension fund prescribed in NBFC Regulations Part V Regulation 67G of Voluntary Pension System is capped as follows: (a) Equity Sub Fund upto 4.5% (b) Money Market upto 2% (c) Income upto 2.5% (d) Commodity upto 3%.

15. AUDITORS' REMUNERATION

	2022					2021
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
	----- (Rupees in '000) -----					
Audit fee	68	68	68	68	272	408
Half yearly review	68	68	68	68	272	272
Out of pocket expenses	6	6	6	6	24	20
	142	142	142	142	568	700

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

16.1 Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Pension Fund Manager, Directors and executives of the Pension Fund Manager, other collective investment schemes managed by the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.

16.2 The transactions with connected persons are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

16.3 Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed.

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

16.5 Amount outstanding as at year end are as follows:

	2022				2021 Total	
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		Total
(Rupees in '000)						
AI Meezan Investment Management Limited						
(AI Meezan) - Pension Fund Manager						
Remuneration payable	1,139	425	360	33	1,957	1,303
Sindh Sales Tax on management fee	148	55	47	4	254	169
Allocated expense payable	152	313	152	1	618	-
Investments as at June 30, 2022: (Equity sub fund: 260,077 units; Gold Sub Fund: 174,735) as at June 30, 2021 (Equity sub fund: 260,077 units; Gold Sub Fund: 300,000 units)	126,279	-	-	34,409	160,688	187,894
Meezan Bank Limited (MBL)						
Bank balance	44,502	844	9,111	18,266	72,723	106,734
Profit receivable on saving account	140	18	13	79	250	190
Investment in shares as at June 30, 2022: 2,566,180 (June 30, 2021: 1,481,659 shares)	289,927	-	-	-	289,927	170,998
Central Depository Company of Pakistan Limited (CDC) - Trustee						
Trustee fee payable	282	315	264	11	872	843
Sindh Sales Tax on trustee fee payable	37	41	34	1	113	110
Deposits	100	100	100	-	300	300
Directors and Executives of the Pension Fund Manager						
Investments as at June 30, 2022: (Equity sub fund: 1,155,590 units; Debt Sub Fund: 917,690 units; Money Market Sub Fund: 289,825 units; Gold Sub Fund: 254,439 Units) as at June 30, 2021: (Equity sub fund: 1,139,985 units; Debt sub fund: 674,405 units; Money Market sub fund: 217,280 units; Gold Sub Fund : 226,232 units)	561,092	279,594	84,935	50,105	975,726	899,002

16.6 Detail of transactions with connected person and related parties are as follow:

	2022				2021 Total	
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		Total
(Rupees in '000)						
AI Meezan Investment Management Limited						
(AI Meezan) - Pension Fund Manager						
Remuneration for the year	76,921	53,128	41,119	2,000	173,168	180,061
Sindh Sales Tax on management fee	10,000	6,907	5,346	260	22,513	23,408
Allocated expense for the year	11,932	21,702	10,621	121	44,376	-
Units redeemed / reallocated (Gold Sub Fund: 125,265 units)	-	-	-	20,000	20,000	-
Meezan Bank Limited (MBL)						
Profit on savings account	1,942	150	248	525	2,865	2,827
Purchase of 798,685 shares	101,549	-	-	-	101,549	162,107
Sale of 20,000 shares	2,955	-	-	-	2,955	-
Bonus Shares 305,836 shares	-	-	-	-	-	-
Dividend income for the year	14,636	-	-	-	14,636	2,222
Meezan Balanced Fund						
Purchase of 750 units of Javedan Corporation sukuk	-	55,845	-	-	55,845	-
Central Depository Company of Pakistan Limited (CDC) - Trustee						
Remuneration for the year	3,950	3,570	2,780	109	10,409	9,501
Sindh Sales Tax on trustee fee	513	464	361	14	1,352	1,234
CDS Charges for the year	198	16	7	-	221	276
Directors and Executives of the Pension Fund Manager						
Units issued (Equity Sub Fund: 1,320,559 units; Debt Sub Fund: 1,314,666 units; Money Market Sub Fund: 334,573 units; Gold sub fund: 42,544 units)	675,501	392,236	95,815	7,504	1,171,056	165,851
Units redeemed / reallocated (Equity Sub Fund 1,304,954 units; Debt Sub Fund: 1,071,381 units; Money Market Sub Fund: 262,028 units; Gold sub fund: 14,337 units)	675,269	321,668	75,325	2,792	1,075,054	106,422

17. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

Risk of the Funds is being managed by the Pension Fund Manager in accordance with the approved policies of the Investment Committee which provide broad guidelines for management of risk pertaining to market risks (including price risk and interest rate risk), credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the VPS Rules and the directives issued by SECP.

Risks managed and measured by the Fund are explained below:

17.1 Market risk

17.1.1 Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, industry environment and / or the economy in general.

The Pension Fund Manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the participants from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the Pension Fund Manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio. The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

The Fund's overall market positions are monitored on a quarterly basis by the board of directors of the Pension Fund Manager.

Details of the Fund's investment portfolio exposed to price risk, at the balance sheet date are disclosed in note 5 to these financial statements. At June 30, 2022 the Fund's overall exposure to price risk is limited to the fair value of those positions. The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the Karachi Meezan Index - 30 (KMI). The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

In case of 5% increase / decrease in fair value on June 30, 2022, the net income for the year would increase / decrease by Rs. 218.113 million (net off SWWF) (2021: Rs. 258.202 million) and net assets of the Fund would increase / decrease by the same amount. The sensitivity analysis is based on the Fund's equity security as at the reporting date with all other variables held constant.

17.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently the Debt Sub-Fund and Money Market Sub-Fund hold KIBOR based debt securities, exposing the Sub-Funds to cash flow in interest rate risk. However, Eden Housing Limited and Security Leasing Corporation Limited II are non-performing assets and have been fully provided for, with their mark-up not being recognised.

	2022			2021		
	Effect on net income			Effect on net income		
	Debt Sub-Fund	Money Market Sub-Fund	Total	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----					
Increase by 100 basis points	34,054	10,683	44,737	20,772	7,287	28,059
Decrease by 100 basis points	(34,054)	(10,683)	(44,737)	(20,772)	(7,287)	(28,059)

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association of Pakistan for the Government Ijarah Sukuks is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

b) Sensitivity analysis for fixed rate instruments

The fixed interest rate profile of the Fund's interest-bearing financial instruments as reported to the management of the Fund is as follows.

	Note	Carrying amount	
		2022	2021
		----- (Rupees in 000) -----	
Savings accounts	4	4,891,408	3,765,550
Term deposit receipts / COMs	5	100,000	1,530,000
		4,991,408	5,295,550

Yield / interest 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 financial instruments is based on the settlement date.

As at 30 June 2022							
	Effective yield / interest rate	Exposed to yield / interest 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			
Note	----- (Rupees in '000) -----						
On-balance sheet financial instruments							
Financial assets							
Bank balances	4	3.00% to 16.40%	4,891,408	-	-	7,121	4,898,529
Investments - at fair value through profit or loss							
- Listed equity securities	5.1		-	-	-	4,362,271	4,362,271
- Sukuk certificates	5.2		-	4,473,693	-	-	4,473,693
Investments - at amortised cost							
- Term deposit receipts / COMs	5.3		-	-	-	100,000	100,000
Receivable against sale of investments			-	-	-	15,928	15,928
Deposits and other receivables			-	-	-	164,139	164,139
Dividend receivable			-	-	-	1,020	1,020
Receivable against change of plan / change of fund manager / issuance of units			-	-	-	-	-
			4,891,408	4,473,693	-	4,650,479	14,015,580
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager			-	-	-	1,957	1,957
Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	-	872	872
Payable to auditors			-	-	-	272	272
Payable against purchase of investments			-	-	-	13,579	13,579
Payable against withdrawal / change of plan			-	-	-	10,047	10,047
Accrued expenses and other liabilities			-	-	-	9,646	9,646
			-	-	-	36,373	36,373
On-balance sheet gap			4,891,408	4,473,693	-	4,614,106	13,979,207
Off-balance sheet financial instruments							
			-	-	-	-	-
Off-balance sheet gap			-	-	-	-	-
Total interest rate sensitivity gap			4,891,408	4,473,693	-		
Cumulative interest rate sensitivity gap			4,891,408	9,365,101	9,365,101		

As at June 30, 2021							
Exposed to yield / interest rate risk							
	Effective yield / interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total	
Note	(Rupees in '000)						
On-balance sheet financial instruments							
Financial assets							
Bank balances	4	1.5% to 7.32%	3,765,550	-	-	6,279	3,771,829
Investments - at fair value through profit or loss							
- Listed equity securities	5		-	-	-	5,164,056	5,164,056
- Sukuk certificates	5		-	2,805,921	-	-	2,805,921
Investments - at amortised cost							
- Term deposits receipts / COMs			-	-	-	1,530,000	1,530,000
- Commercial paper			-	-	-	-	-
Receivable against sale of investments (net)			-	-	-	7,696	7,696
Deposits and other receivable						137,020	137,020
Dividend receivable			-	-	-	21,739	21,739
Receivable against change of plan / change of fund manager / issuance of units			-	-	-	21,422	21,422
			3,765,550	2,805,921	-	6,888,212	13,459,683
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager			-	-	-	1,303	1,303
Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	-	843	843
Payable to auditors			-	-	-	292	292
Payable against purchase of investments			-	-	-	4,600	4,600
Payable against withdrawal / change of plan			-	-	-	35,084	35,084
Accrued expenses and other liabilities			-	-	-	12,757	12,757
			-	-	-	54,879	54,879
On-balance sheet gap			3,765,550	2,805,921	-	6,833,333	13,404,804
Off-balance sheet financial instruments							
Off-balance sheet gap			-	-	-	-	-
Total interest rate sensitivity gap			3,765,550	2,805,921	-		
Cumulative interest rate sensitivity gap			3,765,550	6,571,471	6,571,471		

17.1.3 Currency risk

Currency risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

17.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted.

Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of investment in debt securities, profit receivable on debt securities, dividends receivable on equity securities, receivable against sale of investments and other deposits.

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. The credit rating wise analysis of investment in debt instruments has been tabulated as follows:

	2022				2021			
	Debt sub fund		Money market sub fund		Debt sub fund		Money market sub fund	
	(Rs. in '000)	(%)	(Rs. in '000)	(%)	(Rs. in '000)	(%)	(Rs. in '000)	(%)
Government guaranteed	2,173,998	62%	798,340	75%	1,552,955	63%	403,680	25%
AAA	-	-	-	0%	-	0%	450,000	27%
AA+	197,506	5%	-	0%	576,145	23%	785,000	48%
AA-	133,369	4%	-	-	97,153	4%	-	-
AA	860,500	25%	270,000	25%	175,666	7%	-	-
A+	127,759	4%	-	-	59,963	2%	-	-
A	-	-	-	-	-	0%	-	-
A-1+	-	-	-	-	-	0%	-	-
BBB+	12,221	0%	-	-	15,359	1%	-	-
	3,505,353	100%	1,068,340	100%	2,477,241	100%	1,638,680	100%

Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. Credit risk on dividend receivable is minimal due to statutory protection. Further, all transactions in securities are executed through approved brokers, thus the risk of default is considered to be minimal. For debt instrument settlement, Delivery versus Payment (DvP) mechanism applied by Trustee of the Fund minimizes the credit risk. In accordance with the risk management policy of the Fund, the Fund manager monitors the credit position on a daily basis which is reviewed by the Board of Directors on a quarterly basis.

Credit Rating wise analysis of balances with banks of the Fund are tabulated below:

	Rating agency	2022	
		(Rs. in '000)	(%)
AAA	VIS / PACRA	3,336,662	68.00%
AA+	VIS / PACRA	7,706	0.00%
AA	VIS / PACRA	972	0.00%
AA-	VIS / PACRA	10	0.00%
A+	VIS / PACRA	1,553,155	32.00%
A	VIS / PACRA	24	0.00%
		4,898,529	100%

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. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentration of credit risk.

The maximum exposure to credit risk as at June 30, 2022 along with comparative is tabulated below:

	2022	2021
	(Rupees in '000)	
Financial assets exposed to credit risk		
Bank balances	4,898,529	3,771,829
Investments	1,601,355	2,379,286
Receivable against sale of investments	15,928	7,696
Dividend receivable	1,020	21,739
Deposits and other receivables	164,139	137,020
Receivable against change of plan / change of fund manager	-	21,422
	6,680,971	6,338,992

The Fund does not have any collateral against any of the aforementioned assets. The issuer of the sukuk, however, pledged security to the investment agent in trust for the benefit of sukuk holders.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Fund's offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting participant's early redemptions at any time. The Fund's investment are considered to be readily realisable.

In accordance with the rule 28 (2) of the VPS Rules, the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the Trustee, for a period not exceeding ninety days to the extent of fifteen per cent of the net assets value of the Fund. However, no such borrowing has been obtained during the year.

In accordance with the risk management policy of the Fund, the investment committee monitors the liquidity position which is reviewed by the Board of Directors of the Pension Fund Manager.

An analysis of the Fund's financial liabilities into relevant maturity grouping as at June 30, 2022 and June 30, 2021 is tabulated below:

	2022				Total
	Maturity up to				
	Three months	Six months	One year	More than one year	
----- (Rupees in '000) -----					
Financial liabilities					
Payable to Pension Fund Manager	2,575	-	-	-	2,575
Payable to Trustee	872	-	-	-	872
Payable to auditors	272	-	-	-	272
Payable against purchase of investments	13,579	-	-	-	13,579
Payable against withdrawal / change of plan	10,047	-	-	-	10,047
Accrued expenses and other liabilities	9,646	-	-	-	9,646
	<u>36,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,991</u>
Net assets attributable to redeemable units	<u>14,078,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,078,134</u>
----- (Rupees in '000) -----					
	2021				Total
	Maturity up to				
	Three months	Six months	One year	More than one year	
----- (Rupees in '000) -----					
Financial liabilities					
Payable to Pension Fund Manager	1,303	-	-	-	1,303
Payable to Trustee	843	-	-	-	843
Payable to auditors	292	-	-	-	292
Payable against purchase of investments	4,600	-	-	-	4,600
Payable against withdrawal / change of plan	35,084	-	-	-	35,084
Accrued expenses and other liabilities	12,757	-	-	-	12,757
	<u>54,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,879</u>
Net assets attributable to redeemable units	<u>13,359,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,359,776</u>

18. PARTICIPANTS' FUND RISK MANAGEMENT

All units and fractions thereof represent an undivided share in the respective sub-fund and rank pari passu as to their rights in the net assets and earnings of that sub-fund. The relevant movements are shown on the 'statement of movement in participants' sub-funds'.

Each participant has a beneficial interest in the Fund proportionate to the units held by such participant in the respective sub-fund in his individual pension account (IPA). The liability of the participant is limited to the number of units, held by each participant in his IPA. These are only redeemable in case of retirement, premature encashment / redemption, death of the participant, and change of Pension Fund Manager, change of allocation schemes and / or rebalancing of the IPA according to the percentages selected allocation schemes.

In accordance with risk management policies stated in note 17, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet early withdrawal requests, such liquidity being augmented by disposal of investments where necessary.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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 or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

For valuation techniques for specific instruments, refer note 3.1.2.2.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Note	Carrying Amounts			Fair Values				
		Amortised cost	At fair value through profit or loss	Financial liabilities measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in'000)									
June 30,2022									
Financial assets - measured at fair value									
- Listed equity securities		-	4,362,271	-	4,362,271	4,362,271	-	-	4,362,271
- Sukuk certificates		-	4,473,693	-	4,473,693	1,050,620	3,423,073	-	4,473,693
		-	8,835,964	-	8,835,964				
Financial assets not measured at fair value									
Bank balances	19.1	4,898,529	-	-	4,898,529				
Investments					-				
- Term deposit receipt / COMs	19.1	100,000	-	-	100,000				
-Commercial Paper		-							
Dividend receivable	19.1	1,020	-	-	1,020				
Deposits and other receivables	19.1	164,139	-	-	164,139				
Receivable against sale of investments	19.1	15,928	-	-	15,928				
Receivable against change of plan / change of fund manager / issuance of units	19.1	-	-	-	-				
		5,179,616	-	-	5,179,616				
		5,179,616	8,835,964	-	14,015,580				
Financial liabilities not measured at fair value									
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	19.1	-	-	1,957	1,957				
Payable to Central Depository Company of Pakistan Limited - Trustee	19.1	-	-	872	872				
Payable to auditors	19.1	-	-	272	272				
Payable against purchase of investments	19.1	-	-	13,579	13,579				
Payable against withdrawal / change of plan	19.1	-	-	10,047	10,047				
Accrued expenses and other liabilities	19.1	-	-	9,646	9,646				
		-	-	36,373	36,373				

	Note	Carrying Amounts				Fair Values			
		Amortised cost	At fair value through profit or loss	Financial liabilities measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
June 30, 2021									
----- (Rupees in'000) -----									
Financial assets - measured at fair value									
- Listed equity securities		-	5,164,056	-	5,164,056	5,164,056	-	-	5,164,056
- Sukuk certificates		-	2,805,921	-	2,805,921	1,050,803	1,755,118	-	2,805,921
		-	7,969,977	-	7,969,977				
Financial assets not measured at fair value									
Bank balances	18.1	3,771,829	-	-	3,771,829				
Investments					-				
- Term deposit receipt / COMs	18.1	1,530,000	-	-	1,530,000				
Dividend receivable	18.1	21,739	-	-	21,739				
Deposits and other receivables	18.1	137,020	-	-	137,020				
Receivable against sale of investments	18.1	7,696	-	-	7,696				
Receivable against change of plan / change of fund manager / issuance of units	18.1	21,422	-	-	21,422				
		5,489,706	-	-	5,489,706				
		5,489,706	7,969,977	-	13,459,683				
Financial liabilities not measured at fair value									
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	18.1	-	-	1,303	1,303				
Payable to Central Depository Company of Pakistan Limited - Trustee	18.1	-	-	843	843				
Payable to auditors	18.1	-	-	292	292				
Payable against purchase of investments	18.1	-	-	4,600	4,600				
Payable against withdrawal / change of plan	18.1	-	-	35,084	35,084				
Accrued expenses and other liabilities	18.1	-	-	12,757	12,757				
		-	-	54,879	54,879				

19.1 The Fund has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

19.2 Financial instruments not measured at FVTPL include net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the respective sub-fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

20. PERFORMANCE TABLE

	For the year ended June 30, 2022	For the year ended June 30, 2021	Percentage change	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2018																																												
	(Rupees in '000')		-----(%)-----	(Rupees in '000) -----																																														
EQUITY SUB FUND																																																		
Net (loss) / income	(506,493)	1,420,501	(136)	232,998	(1,268,816)	(1,070,301)																																												
Net realised gain / (loss) on sale of investments	(275,803)	389,748	(171)	2,777	(310,877)	(397,392)																																												
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	(522,193)	935,236	(156)	121,463	(1,116,081)	(759,404)																																												
Dividend income	333,912	237,520	41	176,627	229,481	260,126																																												
Profit on savings accounts with banks	10,394	9,570	9	19,004	17,620	6,088																																												
Transactions in securities																																																		
Purchases	2,028,368	2,501,487	(19)	5,694,416	2,087,420	2,450,808																																												
Sales	2,307,960	2,301,836	-	5,707,764	2,316,077	1,854,015																																												
Total contribution received	1,755,700	1,500,225	17	1,432,864	1,616,733	1,739,581																																												
Total net asset value	4,592,545	5,511,365	(17)	4,130,564	4,086,115	5,431,850																																												
Net Asset value per unit (Rs.)	485.5458	539.0946	(10)	400.1482	377.5765	494.8205																																												
DEBT SUB FUND																																																		
Net income	385,694	297,676	30	313,094	185,361	74,278																																												
Net realised gain / (loss) on sale of investments	15	6,803	(100)	200	(1,418)	(17,356)																																												
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss'	(8,571)	44,284	(119)	(2,742)	(1,674)	(11,557)																																												
Profit on savings accounts with banks	143,555	79,630	80	144,623	79,474	17,532																																												
Profit on Term Deposit Receipts / COMs	48,628	24,979	95	38,408	48,300	50,442																																												
Profit on Sukuk Certificates and Commercial Paper	254,847	171,525	49	177,836	109,711	73,901																																												
Transactions in securities																																																		
Purchases	5,010,253	2,085,237	140	1,512,914	2,563,841	249,325																																												
Sales	4,193,570	1,772,882	137	666,869	3,152,538	(46,183)																																												
Total contribution received	2,547,509	2,368,842	8	1,951,819	1,434,919	1,254,161																																												
Total net asset value	5,012,235	4,334,385	16	3,178,358	2,807,052	11,701,249																																												
Net Asset value per unit (Rs.)	304.6714	281.2267	8	261.9128	236.1122	220.5205																																												
MONEY MARKET SUB FUND																																																		
Net income	328,525	166,742	97	277,574	141,302	28,316																																												
Net realised gain / (loss) on sale of investments	380	1,609	100	-	122	(2,953)																																												
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss'	(5,370)	3,590	(250)	(4,800)	-	(2,363)																																												
Profit on savings accounts with banks	201,822	95,081	112	235,653	93,200	15,469																																												
Profit on Term Deposit Receipts / COMs	43,685	73,645	(41)	39,451	32,155	13,472																																												
Profit on Sukuk Certificates and Commercial Paper	98,669	45,734	116	27,450	15,603	12,503																																												
Transactions in securities																																																		
Purchases	2,123,450	941,163	126	818,391	1,177,912	-																																												
Sales	2,688,420	464,003	479	(80,939)	1,372,165	(177,392)																																												
Total contribution received	2,832,157	2,189,157	29	2,770,311	2,701,257	-																																												
Total net asset value	4,306,627	3,378,955	27	3,092,338	2,072,836	1,013,598																																												
Net Asset value per unit (Rs.)	293.0581	270.7037	8	257.3454	234.2456	218.2775																																												
GOLD SUB FUND																																																		
Net income	32,143	484	6,541	21,043	18,682	5,403																																												
Net realised gain on sale of investments	-	-	-	261	-	79																																												
Unrealised appreciation on investment in gold	30,701	1,518	1,922	20,655	17,923	6,347																																												
Profit on savings accounts with banks	2,057	1,066	93	1,073	349	133																																												
Transactions in securities																																																		
Purchases	-	-	-	10,757	10,395	-																																												
Sales	-	99,444	(100)	4,704	-	866																																												
Total contribution received	44,880	36,714	22	26,924	20,322	-																																												
Total net asset value	166,727	35,627	368	119,438	84,316	49,960																																												
Net Asset value per unit (Rs.)	196.9220	158.9588	24	158.3880	130.4834	101.5719																																												
Net Asset value per unit (Rs.)	<table border="1"> <thead> <tr> <th colspan="2">Equity sub fund</th> <th colspan="2">Debt sub fund</th> <th colspan="2">Money market sub fund</th> <th colspan="2">Gold Sub Fund</th> </tr> <tr> <th>Lowest issue price</th> <th>Highest issue price</th> <th>Lowest issue price</th> <th>Highest issue price</th> <th>Lowest issue price</th> <th>Highest issue price</th> <th>Lowest issue price</th> <th>Highest issue price</th> </tr> </thead> <tbody> <tr> <td>473.2889</td> <td>564.5848</td> <td>281.2695</td> <td>304.6714</td> <td>270.7423</td> <td>293.0581</td> <td>155.4966</td> <td>204.6029</td> </tr> </tbody> </table>		Equity sub fund		Debt sub fund		Money market sub fund		Gold Sub Fund		Lowest issue price	Highest issue price	Lowest issue price	Highest issue price	Lowest issue price	Highest issue price	Lowest issue price	Highest issue price	473.2889	564.5848	281.2695	304.6714	270.7423	293.0581	155.4966	204.6029	<table border="1"> <thead> <tr> <th>Lowest issue price</th> <th>Highest issue price</th> </tr> </thead> <tbody> <tr> <td>410.0797</td> <td>556.7766</td> </tr> </tbody> </table>		Lowest issue price	Highest issue price	410.0797	556.7766	<table border="1"> <thead> <tr> <th>Lowest issue price</th> <th>Highest issue price</th> </tr> </thead> <tbody> <tr> <td>261.9616</td> <td>281.2267</td> </tr> </tbody> </table>		Lowest issue price	Highest issue price	261.9616	281.2267	<table border="1"> <thead> <tr> <th>Lowest issue price</th> <th>Highest issue price</th> </tr> </thead> <tbody> <tr> <td>257.3812</td> <td>270.7037</td> </tr> </tbody> </table>		Lowest issue price	Highest issue price	257.3812	270.7037	<table border="1"> <thead> <tr> <th>Lowest issue price</th> <th>Highest issue price</th> </tr> </thead> <tbody> <tr> <td>153.7639</td> <td>184.4760</td> </tr> </tbody> </table>		Lowest issue price	Highest issue price	153.7639	184.4760
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21. COMMODITY RISK MANAGEMENT

21.1 Commodity risk

Commodity risk represents the accounting loss that would be recognised at the reporting date due to change in the future market values and the size of the future income, caused by fluctuations in the price of commodities.

Commodity risk arises on the fair value or future cash flows of a commodity that will fluctuate because of the decrease / increase in the price of the gold contract quoted on Pakistan Mercantile Exchange (PMEX).

22. TAXATION

The income of the Fund is exempt from income tax under clause 57(3) (viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, Supertax and any other taxes introduced in Finance Act, 2019 are not applicable to the Fund.

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 16, 2022 by the Board of Directors of the Pension Fund Manager.

24. GENERAL

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

**For Al Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Chief Financial Officer

Director