



Al Meezan
Investment Management Ltd.

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.



**DRAMATIC
UPSWING**
IN BUSINESS CONFIDENCE
WITH
AN IMPROVEMENT
OF



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. Naem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

TRUSTEE

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

AUDITORS

KPMG Taseer Hadi & Co
Chartered Accountants
Sheikh Sultan Trust Buildings, Ground No 2 Beaumont Rd, Civil Lines, Karachi-75530 Pakistan

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
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Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

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

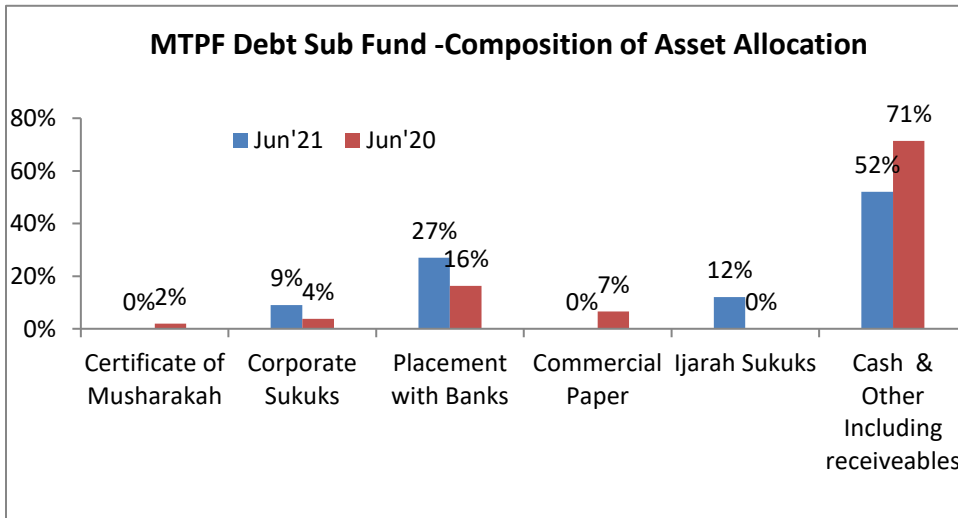
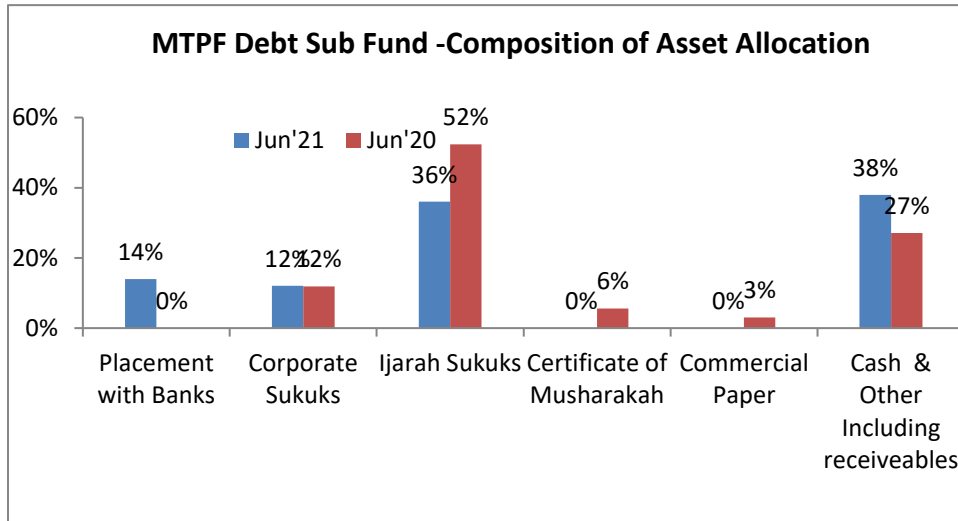
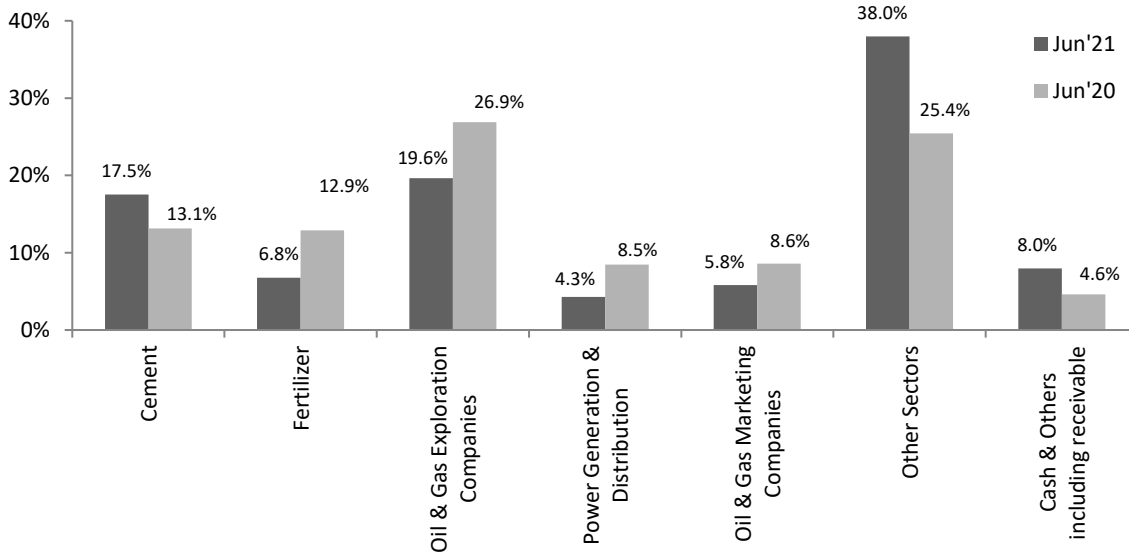
Allocation Scheme	Equity (%)	Debt (%)	Money Market (%)	Gold (%)
High Gold Volatility	70	20	0	10
Medium Gold Volatility	40	40	10	10
Low Gold Volatility	20	60	15	5



Pure. Profit.

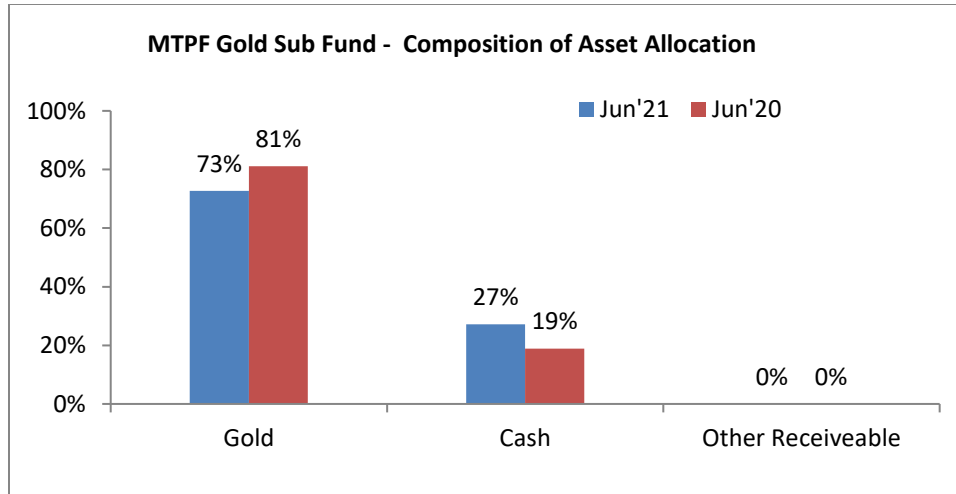


MTPF -Equity Sub Fund - Sector Allocation for the year ended FY20 and FY21





Pure. Profit.



Performance Review

For the period under review, the equity sub-fund provided a return of 34.72%, debt sub-fund provided a return of 7.37%, and money market sub-fund returned 5.19% while the Gold Sub-fund provided a return of 0.36%.

Meezan Tahaffuz Pension Fund		FY21
- Equity sub fund	Voluntary Pension Scheme	34.72%
- Debt sub fund		7.37%
- Money market sub fund		5.19%
- Gold sub fund		0.36%
FY21		
- High Volatility	Voluntary Pension Allocation Scheme	28.71%
- Medium Volatility		19.94%
- Low Volatility		13.29%
- Lower Volatility		6.28%
FY21		
- High Gold Volatility	Voluntary Pension Allocation Scheme	25.82%
- Medium Gold Volatility		17.39%
- Low Gold Volatility		12.17%

Equity Sub Fund

Equity sub fund posted a total gain of Rs. 1,572 million in FY21 as compared to a total gain of Rs. 320 million last year. Total gain comprised of realized and unrealized gain on investments of Rs. 389 million and Rs. 935 million respectively. Dividend income contributed Rs. 237 million, while profit on saving accounts with banks amounted to Rs. 9 million. After accounting for expenses of Rs. 139 million and an element of income and capital loss included in prices of units issued and less those in units redeemed of Rs. 13 million, the Fund posted a net income of Rs. 1421 million. The net assets of the Fund as at June 30, 2021 were Rs. 5,511 million as compared to Rs. 4,130 million at the end of last year. The net asset value per unit as at June 30, 2021 was Rs. 530.0946 as compared to Rs. 400.1482 per unit as on June 30, 2020.



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Debt Sub Fund

The Fund earned a gross income of Rs. 327 million in FY21, as compared to a gross income of Rs. 358 million last year. Total income was primarily due to profit on Sukuks certificates worth Rs. 171 million. Profit on saving accounts at Islamic banks including profit on term deposit receipts contributed Rs. 105 million. On the other side, the fund incurred realised gain and unrealized gain worth Rs. 7 million and 44 million respectively. The fund also incurred expenses totalling to Rs. 73 million and element of gain and capital gains included in prices of units issued and less those in units redeemed of Rs. 44 million, which brought the net income figure to Rs. 298 million. The net assets of the Fund as at June 30, 2021 were Rs. 4,334 million as compared to Rs. 3,178 million at the end of last year. The net asset value per unit as at June 30, 2021 was Rs. 281.2267 as compared to Rs. 261.9128 per unit as on June 30, 2020.

Money Market Sub Fund

The Fund earned a gross income of Rs. 220 million in FY21, as compared to a gross income of Rs. 298 million last year. Total income was primarily due to profit on Sukuks certificates amounting to Rs. 46 million. Profit on saving accounts at Islamic banks including profit on term deposit receipt totalled Rs.169 million. Unrealised gain and realised gain in the sub fund was Rs. 4 million and Rs. 2 million respectively. The fund also incurred expenses totalling Rs. 61 million and element of gain and capital gains included in price of units issued and less those in units redeemed was Rs. 8 million, which brought the net income figure to Rs. 167 million. The net assets of the Fund as at June 30, 2021 were Rs. 3,379 million as compared to Rs. 3,092 million at the end of last year. The net asset value per unit as at June 30, 2021 was Rs. 270.7037 as compared to Rs. 257.3454 per unit as on June 30, 2020.

Gold Sub Fund

The Fund posted a gross income of Rs. 3 million in FY21, as compared to Rs. 22 million last year. Total income was mainly due unrealized gain on investment of Rs. 1.5 million. Profit on saving accounts at Islamic banks was Rs. 1 million. The fund also incurred expenses totalling to Rs. 4 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. 0.48 million. The net assets of the Fund as at June 30, 2021 were Rs. 135 million. The net asset value per unit as at June 30, 2021 was Rs. 158.9588

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. 8.72 million was accrued as charity payable.

Summary of Actual Proxy Voted By the Fund

	Resolutions	For	Against	Abstain
Number	3	3	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.

PERFORMANCE TABLE

EQUITY SUB FUND	
Net income / (loss)	
Net realised gain / (loss) on sale of investments	
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	
Dividend income	
Profit on savings accounts with banks	
Transactions in securities	
Purchases	
Sales	
Total contribution received	
Total net asset value	
Net Asset value per unit (Rs.)	
DEBT SUB FUND	
Net income	
Net realised gain/ (loss) on sale of investments	
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss'	
Profit on savings accounts with banks	
Profit on Term Deposit Receipts	
Profit on Sukuk Certificates	
Transactions in securities	
Purchases	
Sales	
Total contribution received	
Total net asset value	
Net Asset value per unit (Rs.)	
MONEY MARKET SUB FUND	
Net income	
Net realised gain / (loss) on sale of investments	
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss'	
Profit on savings accounts with banks	
Profit on Term Deposit Receipts	
Profit on Sukuk Certificates	
Transactions in securities	
Purchases	
Sales	
Total contribution received	
Total net asset value	
Net Asset value per unit (Rs.)	
GOLD SUB FUND	
Net income / (loss)	
Net realised gain on sale of investments	
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss'	
Profit on savings accounts with banks	
Transactions in securities	
Purchases	
Sales	
Total contribution received	
Total net asset value	
Net Asset value per unit (Rs.)	

Net Asset value per unit (Rs.)

For the year ended June 30, 2021
For the year ended June 30, 2020

For the year ended June 30, 2021	For the year ended June 30, 2020	Percentage change	For the year ended June 30, 2019
----- (Rupees in '000) -----			
1,420,501	232,998	510	- 1,268,816
389,748	2,777	13,935	- 310,877
935,236	121,463	670	- 1,116,081
237,520	176,627	34	229,481
9,570	19,004	- 50	17,620
2,501,487	1,763,634	- 56	2,087,420
2,301,836	1,776,982	- 60	2,316,077
1,500,225	1,432,864	5	1,616,733
5,511,365	4,130,564	33	4,086,115
539.0946	400.1482	35	377.5765
297,676	313,094	- 5	185,361
6,803	200	3,302	- 1,418
44,284	2,742	- 1,715	- 1,674
79,630	144,623	- 45	79,474
24,979	38,408	- 35	48,300
171,525	177,836	- 4	109,711
2,085,237	1,512,914	38	2,563,841
1,772,882	666,869	166	3,152,538
2,368,842	1,951,819	21	1,434,919
4,334,385	3,178,358	36	2,807,052
281.2267	261.9128	7	236.1122
166,742	277,574	- 40	141,302
1,609	-	100	122
3,590	4,800	- 175	-
95,081	235,653	- 60	93,200
73,645	39,451	87	32,155
45,734	27,450	67	15,603
941,163	818,391	15	1,177,912
464,003	80,939	673	1,032,165
2,189,157	2,770,311	- 21	2,701,257
3,378,955	3,092,338	9	2,072,836
270.7037	257.3454	5	234.2456
484	21,043	- 98	18,682
-	261	- 100	-
1,518	20,655	- 93	17,923
1,066	1,073	- 1	349
-	10,757	- 100	10,395
-	4,704	- 100	-
36,714	26,924	36	20,322
135,071	119,438	13	84,316
158.9588	158.3880	-	130.4834

Equity sub fund		Debt sub fund	
Lowest	Highest	Lowest	Highest
issue price	issue price	issue price	issue price
----- (Rupees) -----			
410.0797	556.7766	261.9616	281.2267
294.8513	484.3382	236.1798	261.9128

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



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

August 2, 2021/ Dhu Al-Hijjah 22, 1442

Alhamdulillah, the period from July 01, 2020 to June 30, 2021 was the Fourteenth 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 *Shari'ah* advisors of the Fund and are issuing the report in accordance with clause 8.2.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity

In the capacity of *Shari'ah* Advisor, we have prescribed 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, 2021 and their evaluation according to the screening criteria established by us. (December 31, 2020 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)
Lucky Cement Ltd.	Cement	26.58%	1.36%	2.46%	83.54%	(401.10)	
Mari Petroleum	Oil & Gas Exploration Companies	0.00%	26.87%	3.79%	36%	429.73	1339.82
Engro Corporation Ltd.	Fertilizer	35.22%	25.23%	4.80%	57%	(189.71)	



Oil & Gas Development Company	Oil & Gas Exploration Companies	0.00%	18.90%	4.74%***	29.95%	100.42	103.77
Pakistan State Oil	Oil & Gas Marketing Companies	19.79%	0.00%	0.46%	35%	(33.23)	216
Pakistan Petroleum Ltd.	Oil & Gas Exploration Companies	0.00%	14.34%	2.01%	31%	76.47	90

* These ratios are for the calculation of non-*Shari'ah* Compliant Element in the business and are not relevant for Islamic Banks & Islamic Financial Institutions.

** All interest based debts.

*** Total Assets of OGDC are adjusted with non-cash items arising due to the adoption of IFRS 16 'Leases' in respect of sale agreements with HUPL and UCH-II

- ii. On the basis of information provided by the management, all operations of MTPF for the year ended June 30, 2021 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
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

MEEZAN TAHAFFUZ PENSION FUND

Report of the Trustee pursuant to Rule 31(h) of the Voluntary Pension System Rules, 2005

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, 2021 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 21, 2021



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

Independent Auditors' Report to the participants of Meezan Tahaffuz Pension Fund

We have audited the annexed financial statements comprising:

- i. Statement of Assets and Liabilities;
- ii. Income Statement and Statement of Other Comprehensive Income;
- iii. Statement of Cash Flows;
- iv. Statement of Movement in Participants' Sub Funds;
- v. Statement of Contribution Table; and
- vi. Statement of Number of Units in Issue

of **Meezan Tahaffuz Pension Fund** ("the Fund") as at 30 June 2021 and for the year then ended together with the notes forming part thereof.

Pension Fund Manager's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



KPMG Taseer Hadi & Co.

Opinion

In our opinion:

- a) the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines there under;
- b) a true and fair view is given of the disposition of the Fund as at 30 June 2021 and of the transactions of the Fund for the year ended 30 June 2021 in accordance with the accounting and reporting standards as applicable in Pakistan;
- c) 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;
- d) the cost and expenses debited to the pension fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the pension fund;
- e) proper books and records have been kept by the Pension Fund Manager and the financial statements prepared are in agreement with the pension fund's books and records;
- f) 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; and
- g) no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980.

Date: 07 September 2021

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Aryn Malik



Meezan Tahaffuz Pension Fund
Statement of Assets and Liabilities
As at June 30, 2021

Note	2021					2020 Total	
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total		
----- (Rupees in '000) -----							
ASSETS							
Bank balances	4	338,821	1,626,148	1,769,506	37,354	3,771,829	3,004,797
Investments	5	5,164,056	2,697,241	1,638,680	-	9,499,977	7,527,701
Investment in gold	5.5	-	-	-	99,444	99,444	97,926
Dividend receivable		21,739	-	-	-	21,739	8,284
Deposits and other receivables	6	82,613	40,283	18,811	60	141,767	79,369
Receivable against change of plan / change of fund manager / issuance of units		11,646	9,776	-	-	21,422	-
Receivable against sale of investments		7,696	-	-	-	7,696	9,999
Total assets		5,626,571	4,373,448	3,426,997	136,858	13,563,874	10,728,076
LIABILITIES							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	7	532	421	327	192	1,472	2,005
Payable to Central Depository Company of Pakistan Limited - Trustee	8	395	306	242	10	953	788
Payable to auditors		73	73	73	73	292	253
Payable to Securities and Exchange Commission of Pakistan	9	1,689	1,218	1,043	45	3,995	3,218
Payable against purchase of investments		4,600	-	-	-	4,600	9,989
Payable against withdrawal / change of plan		2,979	2,600	29,505	-	35,084	18,594
Accrued expenses and other liabilities	10	104,938	34,445	16,852	1,467	157,702	172,531
Total liabilities		115,206	39,063	48,042	1,787	204,098	207,378
NET ASSETS		5,511,365	4,334,385	3,378,955	135,071	13,359,776	10,520,698
Contingencies and commitments	13						
PARTICIPANTS' SUB - FUNDS (as per statement attached)		5,511,365	4,334,385	3,378,955	135,071	13,359,776	10,520,698
----- (Number of units) -----							
Number of units in issue (as per statement attached)		10,223,372	15,412,423	12,482,116	849,728		
----- (Rupees) -----							
Net assets value per unit		539.0946	281.2267	270.7037	158.9588		

The annexed notes from 1 to 23 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, 2021

Note	For the year ended June 30, 2021				Total	For the year ended June 30, 2020 Total
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
----- (Rupees in '000) -----						
INCOME						
	-	171,525	45,734	-	217,259	205,286
Profit from sukuk certificates and commercial paper						
Profit on saving accounts with banks	9,570	79,630	95,081	1,066	185,347	400,353
Profit on term deposit receipts / COMs	-	24,979	73,645	-	98,624	77,859
Dividend income	237,520	-	-	-	237,520	176,627
Unrealised appreciation on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1 & 5.2	935,236	44,284	3,590	983,110	113,921
Unrealised appreciation on investment in gold	5.5	-	-	1,518	1,518	20,655
Net realised gain on sale of investments		389,748	6,803	1,609	398,160	3,238
Other income	11	-	-	566	566	381
Total income		1,572,074	327,221	219,659	3,150	2,122,104
EXPENSES						
Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager	7.1	76,150	54,900	47,005	2,006	180,061
Sindh Sales Tax and Federal Excise Duty on remuneration of the Pension Fund Manager	7.2	9,899	7,137	6,111	261	23,408
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	4,018	2,896	2,481	106	9,501
Sindh Sales Tax on remuneration of the Trustee	8.2	522	376	322	14	1,234
Annual fee to Securities and Exchange Commission of Pakistan	9	1,690	1,218	1,043	45	3,996
Auditors' remuneration	14	175	175	175	175	700
Brokerage charges and custodian fee		9,651	345	85	1,035	11,116
Bank and settlement charges		890	38	21	3	952
Charity expense		6,792	-	-	-	6,792
Provision for Sindh Workers' Welfare Fund	12	28,990	6,075	3,403	10	38,478
Total expenses		138,777	73,160	60,646	3,655	276,238
Net income from operating activities		1,433,297	254,061	159,013	(505)	1,845,866
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(12,796)	43,615	7,729	989	39,537
Net income for the year before taxation		1,420,501	297,676	166,742	484	1,885,403
Taxation	21	-	-	-	-	-
Net income for the year after taxation		1,420,501	297,676	166,742	484	1,885,403
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		1,420,501	297,676	166,742	484	1,885,403

The annexed notes from 1 to 23 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 Cash Flows
For the year ended June 30, 2021

Note	For the year ended June 30, 2021				Total	For the year ended June 30, 2020
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
----- (Rupees in '000) -----						
CASH FLOW FROM OPERATING ACTIVITIES						
Net income for the year before taxation	1,420,501	297,676	166,742	484	1,885,403	844,709
Adjustments:						
Unrealised appreciation on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1 & 5.2 (935,236)	(44,284)	(3,590)	-	(983,110)	(113,921)
Unrealised appreciation on investment in gold	5.5 -	-	-	(1,518)	(1,518)	(20,655)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	12,796	(43,615)	(7,729)	(989)	(39,537)	(53,750)
	498,061	209,777	155,423	(2,023)	861,238	656,383
(Increase) / Decrease in assets						
Investments (net)	(199,651)	(312,355)	(477,160)	-	(989,166)	(1,738,080)
Receivable against sale of investments	2,303	-	-	-	2,303	(6,301)
Dividend receivable	(13,455)	-	-	-	(13,455)	6,976
Deposits and other receivables	(72,753)	14,320	(3,915)	(50)	(62,398)	8,473
	(283,556)	(298,035)	(481,075)	(50)	(1,062,716)	(1,728,932)
Increase / (Decrease) in liabilities						
Payable to Al Meezan Investment Management Limited - Pension fund Manager	(256)	(188)	(258)	169	(533)	(10,475)
Payable to Central Depository Company of Pakistan Limited - Trustee	82	70	11	2	165	73
Payable to Securities and Exchange Commission of Pakistan	348	253	164	12	777	118
Payable to auditors	10	10	10	9	39	1
Payable against purchase of investments	(5,389)	-	-	-	(5,389)	9,972
Accrued expenses and other liabilities	17,970	(11,884)	(20,713)	(202)	(14,829)	82,507
	12,765	(11,739)	(20,786)	(10)	(19,770)	82,196
Net cash generated from / (used in) operating activities	227,270	(99,997)	(346,438)	(2,083)	(221,248)	(990,353)
CASH FLOW FROM FINANCING ACTIVITIES						
Receipts of contribution / change of plan / change of fund manager / issuance of units	1,488,579	2,359,066	2,189,157	36,714	6,073,516	6,196,677
Payments on withdrawal / change of plan	(1,556,301)	(1,469,803)	(2,038,556)	(20,576)	(5,085,236)	(5,508,249)
Net cash (used in) / generated from financing activities	(67,722)	889,263	150,601	16,138	988,280	688,428
Net increase / (decrease) in cash and cash equivalents during the year	159,548	789,266	(195,837)	14,055	767,032	(301,925)
Cash and cash equivalents at beginning of the year	179,273	836,882	1,965,343	23,299	3,004,797	3,306,722
Cash and cash equivalents at end of the year	4 338,821	1,626,148	1,769,506	37,354	3,771,829	3,004,797

The annexed notes from 1 to 23 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, 2021

	For the year ended June 30, 2021				Total	For the year ended June 30, 2020
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
----- (Rupees in '000) -----						
Net assets at beginning of the year	4,130,564	3,178,358	3,092,338	119,438	10,520,698	9,050,319
Amount received on issuance of 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) (2020: Equity sub fund: 3,831,823 units; Debt sub fund: 7,903,993 units; Money market sub fund: 11,314,192 units; and Gold sub fund: 187,054 units)	1,500,225	2,368,842	2,189,157	36,714	6,094,938	6,181,918
Amount paid on withdrawal of 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) (2020: Equity sub fund: 4,331,191 units; Debt sub fund: 7,657,452 units; Money market sub fund: 8,146,884 units; and Gold sub fund: 79,153 units)	(1,552,721)	(1,466,876)	(2,061,553)	(20,576)	(5,101,726)	(5,502,498)
	(52,496)	901,966	127,604	16,138	993,212	679,420
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	12,796	(43,615)	(7,729)	(989)	(39,537)	(53,750)
Net realised gain on sale of investments	389,748	6,803	1,609	-	398,160	3,238
Unrealised appreciation on 're-measurement of investments at 'fair value through profit or loss' (net)	935,236	44,284	3,590	-	983,110	113,921
Unrealised appreciation on investment in gold	-	-	-	1,518	1,518	20,655
Other net income / (loss) for the year	95,517	246,589	161,543	(1,034)	502,615	706,895
	1,420,501	297,676	166,742	484	1,885,403	844,709
Net assets at end of the year	5,511,365	4,334,385	3,378,955	135,071	13,359,776	10,520,698

The annexed notes from 1 to 23 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, 2021

	For the year ended June 30, 2021								Total (Rupees in '000)	For the year ended June 30, 2020 (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>3,001,184</u>	<u>1,500,225</u>	<u>8,638,206</u>	<u>2,368,842</u>	<u>8,287,159</u>	<u>2,189,157</u>	<u>221,620</u>	<u>36,714</u>	<u>6,094,938</u>	<u>6,181,918</u>

The annexed notes from 1 to 23 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, 2021

	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>
	For the year ended June 30, 2020			
	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	10,821,954	11,888,635	8,848,986	646,184
Add: Units issued / converted / reallocated during the year	3,831,823	7,903,993	11,314,192	187,054
Less: Units redeemed / converted / reallocated during the year	(4,331,191)	(7,657,452)	(8,146,884)	(79,153)
Total units in issue at the end of the year	<u>10,322,586</u>	<u>12,135,176</u>	<u>12,016,294</u>	<u>754,085</u>

The annexed notes from 1 to 23 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, 2021

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 On April 06, 2021, SECP vide its circular, SCD/CIRCULAR/215/2021, specified investment and allocation policy for private pension funds. Accordingly, the said policies superseded the policies envisaged in the Offering Document with effect from 06 April 2021. The management is in the process of amending the relevant clauses of offering document.

A summary of investment policy for each of the Sub-Fund is as follows:

Equity Sub Fund

As per Offering document (Effective upto April 06, 2021)	As per SECP circular April 06, 2021 (Effective from April 06, 2021)
- At least 90% of net assets shall remain invested in listed equity securities based on quarterly average investment calculated on daily basis;	- At least 90% of net assets shall remain invested in listed equity securities based on rolling average investment of last 90 days calculated on daily basis;
- Investment in single company shall not exceed 10% of net assets or paid-up capital of the investee company, whichever is lower;	- Investment may be made in units of Private Equity and Venture Capital Funds upto 5% of net assets;
- Investment in single sector may be up to 30% of net assets or index weight whichever is higher, subject to maximum of 35%;	- Investment may be made in public offering and pre-initial public offering of equity securities upto 10% of net assets;
- Surplus funds may be invested in Government Securities with maturity of less than one year or deposits with Banks which are rated not less than "A".	- Investment in single company shall not exceed 15% of net assets or paid-up capital of the investee company, whichever is lower;
	- Investment in single sector may be up to 35% of net assets or index weight whichever is higher, subject to maximum of 40%;
	- Surplus funds may be invested in Government Securities with maturity of less than one year or deposits with Banks which are rated not less than "A".

Debt Sub Fund

<p style="text-align: center;">As per Offering document (Effective upto April 06, 2021)</p>	<p style="text-align: center;">As per SECP circular April 06, 2021 (Effective from April 06, 2021)</p>
<ul style="list-style-type: none"> - The Debt Sub-Fund shall consist of debt securities with maturity of not more than 5 years; - At least 25 % of net assets shall be invested in debt securities issued by the Federal Government and up to 25 % of net assets may be deposited with Banks having not less than "AA Plus" rating. <p>However, if such debt securities issued by Federal Government are not available, the assets may be deposited in Islamic Commercial Banks, having not less than "A+" rating or Islamic windows of conventional commercial Banks, having not less than "AA" rating or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government;</p> 	<ul style="list-style-type: none"> - The Debt Sub-Fund shall consist of debt securities with weighted average maturity, other than securities issued by Federal Government, not exceeding 5 years; - At least 25 % of net assets of the Debt Sub-Fund shall be invested in deposit with scheduled commercial banks (excluding TDRs) or government securities not exceeding 90 days' maturity;
<ul style="list-style-type: none"> - Exposure to securities issued by companies of a single sector shall not exceed 20% of net assets except for banking sector for which the exposure limit shall be up to 30% of net assets of Debt Sub-Fund; - Deposits in a single bank shall not exceed 10% of Net Assets. 	<ul style="list-style-type: none"> - Exposure to securities issued by entities of a single sector shall not exceed 25% of net assets; - Exposure to any single entity, other than securities issued by Federal Government, shall not exceed 15% of net assets; - Exposure to security of an entity, other than securities issued by Federal Government, shall not exceed 15% of net assets or 10% of size of the issue of that security, whichever is lower; - Rating of any security in the portfolio, bank and DFI with which funds are placed, shall not be lower than "A+" while rating of any NBFC or Modaraba with which funds are placed shall not be lower than AA.

Money Market Sub Fund

As per Offering document (Effective upto April 06, 2021)	As per SECP circular April 06, 2021 (Effective from April 06, 2021)
<ul style="list-style-type: none"> - The Money Market Sub-Fund consists of short term debt instruments with weighted average time to maturity of assets up to one year; Time to maturity of any security in the portfolio shall not exceed 3 years. 	<ul style="list-style-type: none"> - The Money Market Sub-Fund consists of short term debt instruments with weighted average time to maturity of assets up to one year; - Time to maturity of Shariah compliant Government securities such as Government Ijarah Sukuks may be upto 5 years. - At least 10% of the net assets shall be invested in deposit with scheduled commercial bank (excluding TDRs) or government securities not exceeding 90 days' maturity. - Exposure to securities issued by entities of a single sector shall not exceed 25% of net assets. - Exposure to any single entity, other than securities issued by Federal Government, shall not exceed 15% of net assets; - Exposure to security of an entity, other than securities issued by Federal Government, shall not exceed 15% of net assets or 10% of size of the issue of that security; - Rating of any security in the portfolio, bank and DFI with which funds are placed shall not be lower than "AA" while rating of any NBFC or Modaraba with which funds are placed shall not be lower than "AAA".

Gold Sub Fund

As per Offering document (Effective upto April 06, 2021)	As per SECP circular April 06, 2021 (Effective from April 06, 2021)
<ul style="list-style-type: none"> - The Gold Sub-Fund invests a significant portion of net assets in deliverable gold base contracts available on Pakistan Mercantile Exchange (PMEX). At least 70% of net assets will remain invested in deliverable gold based contracts available at a Commodity Exchange, during the year based on quarterly average investment calculated on daily basis; - Remaining net assets of the Sub-Fund shall be invested in cash and near cash instruments. However, at least 10% of the net assets of the Sub-Fund shall remain invested in cash and near cash instruments based on monthly average calculated on daily basis. 	<ul style="list-style-type: none"> - The Gold Sub-Fund invests a significant portion of net assets in deliverable gold base contracts available on Pakistan Mercantile Exchange (PMEX). At least 70% of net assets will remain invested in deliverable gold based contracts available at a Commodity Exchange, during the year based on rolling average investment of last 90 days calculated on daily basis; - Atleast 10% of the net assets, based on quaterly average investment calculated on daily basis shall remain invested in government securities having less than 90 days' time to maturity or kept as deposits with Islamic commercial banks not rated less than A+ or Islamic windows of commercial banks not rated less than AA; Surplus funds may be invested in government securities having less than 1 year time to maturity or kept as deposits with scheduled commercial banks not rated less than AA; Maximum exposure of the Gold sub-fund shall not at any time exceed 90% of its net assets to ensure no gearing/ leverage by the Sub-Fund.

- 1.3** 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.
- 1.4** 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.
- 1.5** Title to the assets of the Sub Funds is held in the name of CDC as a Trustee of the Fund.
- 1.6** 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.
- 1.7** The Pension Fund Manager has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.8** On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Many governments are still taking stringent steps to help contain the spread of the virus, including vaccination campaigns, requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. Subsequent to the reporting date, the provincial government imposed complete lockdown in Karachi amid increasing Covid cases. This would result in disruption in business activities due to uncertainties created by the fourth wave of COVID-19 which could affect the overall operations and the business in future requiring close monitoring by the management as it is an alarming situation for overall economy of Pakistan. The Fund took all necessary measures during this COVID-19 pandemic situation for smooth execution of fund operations. Management of the Fund based on its assessment considers that there would be no significant impact that will adversely affect the operations and financial position of the Fund in future periods.

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 VIII A of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (the VPS Rules) 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 Standard 9 - Financial Instruments in place of International Accounting Standard 39 (Financial Instruments: Recognition and 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 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2021:

- Interest Rate Benchmark Reform - Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) - the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - Any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
 - There is no substantive change to the other terms and conditions of the lease.
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
 - The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01 2022:
 - IFRS 9 - The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
 - IFRS 16 - The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
 - IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring entities to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to an entity's financial statements.
- The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) - The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) - The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) - The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above improvements are not likely to have significant impact on the Fund's financial statements.

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.

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 amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would 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 considered includes:

- 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 recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- (ii) Dividend income is 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-net

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	2021				2020	
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	
----- (Rupees in '000) -----							
Current accounts		6,279	-	-	-	6,279	66,449
Savings accounts	4.1	332,542	1,626,148	1,769,506	37,354	3,765,550	2,938,348
		<u>338,821</u>	<u>1,626,148</u>	<u>1,769,506</u>	<u>37,354</u>	<u>3,771,829</u>	<u>3,004,797</u>

4.1 The balance in savings accounts carry expected profit which ranges from 1.50% to 7.32% (2020: 3.00% to 13.75%) per annum.

5. INVESTMENTS	Note	2021				2020
		Equity sub fund	Debt sub fund	Money Market sub fund	Total	Total
----- (Rupees in '000) -----						
Investments by category						
At fair value through profit or loss						
Listed equity securities	5.1	5,164,056	-	-	5,164,056	4,029,169
Sukuk certificates	5.2	-	2,078,504	729,451	2,807,955	2,547,886
		<u>5,164,056</u>	<u>2,078,504</u>	<u>729,451</u>	<u>7,972,011</u>	<u>6,577,055</u>
At amortised cost						
Term deposit receipts / COMs	5.3	-	620,000	910,000	1,530,000	720,000
Commercial paper	5.4	-	-	-	-	232,680
Less: Provision for impairment losses	5.2.5	-	(1,263)	(771)	(2,034)	(2,034)
		<u>5,164,056</u>	<u>2,697,241</u>	<u>1,638,680</u>	<u>9,499,977</u>	<u>7,527,701</u>

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 2020	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised gain / (loss) as at June 30, 2021	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										
Honda Atlas Cars	25,000	20,000	-	45,000	-	-	-	-	-	-
Millat Tractors Limited	30,893	57,150	8,505	-	96,548	79,442	104,234	24,792	1.89	0.17
Gandhara Industries Limited	12,700	-	-	12,000	700	85	195	110	-	-
Indus Motor Company Limited	36,420	-	-	36,420	-	-	-	-	-	-
									1.89	0.17
Automobile Parts & Accessories										
Agriauto Industries Limited (Face value of Rs. 5)	63,000	-	-	63,000	-	-	-	-	-	-
Pakistan Suzuki Motors Company Limited	-	174,000	-	174,000	-	-	-	-	-	-
Panther Tyres Limited	-	51,346	-	-	51,346	3,379	3,550	171	0.06	0.04
									0.06	0.04
Commercial Bank										
BankIslami Pakistan Limited	524,500	9,160,500	-	549,000	9,136,000	100,421	102,689	2,268	1.86	0.82
Meezan Bank Limited	-	1,481,659	-	-	1,481,659	162,107	170,998	8,891	3.10	0.10
									4.96	0.92
Cable & Electrical Goods										
Pak Elektron Limited	-	850,000	-	850,000	-	-	-	-	-	-
Cement										
D.G Khan Cement Company Limited	630,500	1,155,000	-	970,500	815,000	92,361	96,105	3,744	1.74	0.19
Lucky Cement Limited	645,356	151,100	-	164,000	632,456	346,161	546,088	199,927	9.91	0.20
Maple Leaf Cement Factory Limited	1,146,114	2,650,000	-	1,331,072	2,465,042	93,506	115,808	22,302	2.10	0.22
Kohat Cement Company Limited	718,820	103,000	-	155,000	666,820	94,420	137,692	43,272	2.50	0.33
Attock Cement Pakistan Limited	500	31,000	-	31,500	-	-	-	-	-	-
Cherat Cement Company Limited	510,500	175,000	-	191,000	494,500	56,071	87,714	31,643	1.59	0.25
Fauji Cement Company Limited	1,730,000	515,000	-	2,200,000	45,000	851	1,035	184	0.02	-
Power Cement Limited	-	3,750,000	-	3,750,000	-	-	-	-	-	-
									17.86	1.19

Name of the investee company	As at 01 July 2020	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised gain / (loss) as at June 30, 2021	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) -----			----- % -----		
Chemical										
Dynea Pakistan Limited (Face value of Rs. 5 each)	-	120,500	-	-	120,500	24,057	26,631	2,574	0.48	0.64
Engro Polymer & Chemicals Limited	3,380,709	1,573,500	-	2,064,000	2,890,209	95,766	136,533	40,767	2.48	0.32
ICI Pakistan Limited	212,520	4,000	-	59,600	156,920	109,069	136,332	27,263	2.47	0.17
Sitara Chemical Industries Limited	36,600	10,200	-	18,200	28,600	8,848	10,067	1,219	0.18	0.13
Lotte Chemical Pakistan Limited	320,000	-	-	320,000	-	-	-	-	-	-
Sitara Peroxide Limited	816,500	-	-	816,500	-	-	-	-	-	-
Ittehad Chemical Limited	279,500	-	-	279,500	-	-	-	-	-	-
Ghani Global Holdings (formerly Ghani Gases Limited)	250,000	909,500	235,450	1,394,950	-	-	-	-	-	-
									5.61	1.26
Engineering										
K.S.B Pumps Company Limited	800	-	-	-	800	115	177	62	-	0.01
International Steels Limited	495,000	100,000	-	213,000	382,000	24,256	35,683	11,427	0.65	0.09
International Industries Limited	222,550	255,000	-	160,000	317,550	54,957	67,009	12,052	1.22	0.24
Agha Steel Industries Limited	-	1,660,000	-	1,079,000	581,000	18,487	19,597	1,110	0.36	0.10
Mughal Iron & Steel Industries	157,500	800,000	109,200	450,000	616,700	47,807	64,383	16,576	1.17	0.21
Aisha Steel Mills Limited	-	1,325,000	-	-	1,325,000	35,517	33,006	(2,511)	0.60	0.17
Ittefaq Iron Industries Limited	-	725,500	-	75,000	650,500	13,457	12,327	(1,130)	0.22	0.45
									4.22	1.27
Fertilizer										
Engro Corporation Limited (note 5.1.1)	1,251,420	162,500	-	325,000	1,088,920	320,915	320,807	(108)	5.82	0.19
Engro Fertilizers Limited	2,922,000	551,359	-	2,631,525	841,834	52,640	59,156	6,516	1.07	0.06
Dawood Hercules Corporation Limited	4,000	-	-	4,000	-	-	-	-	-	-
Fatima Fertilizer Company Limited	25,000	-	-	25,000	-	-	-	-	-	-
									6.89	0.25
Food and Personal Care Products										
National Foods Limited (Face value of Rs. 5)	2,080	100,000	25,520	-	127,600	29,845	29,223	(622)	0.53	0.14
Al-Shaheer Corporation Limited	33,160	-	-	-	33,160	379	661	282	0.01	0.01
At- Tahir Limited	9,149	75,000	914	85,063	-	-	-	-	-	-
Unity Foods Limited	13,169	4,545,000	-	3,648,169	910,000	27,813	40,513	12,700	0.74	0.09
The Organic Meat Company Limited	-	100,000	-	100,000	-	-	-	-	-	-
									1.28	0.24

Name of the investee company	As at 01 July 2020	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised gain / (loss) as at June 30, 2021	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) -----			----- % -----		
Glass & Ceramics										
Ghani Glass Limited	613,000	350,000	337,150	160,000	1,140,150	41,276	54,955	13,679	1.00	0.14
Tariq Glass Industries	242,900	25,000	-	267,900	-	-	-	-	-	-
Shabbir Tiles and Ceramics Limited (Face value of Rs. 5 each)	-	1,479,500	-	100,000	1,379,500	29,129	46,006	16,877	0.83	0.42
Ghani Global Glass Limited	-	101,500	-	100,000	1,500	26	41	15	-	-
									1.83	0.56
Leather & Tanneries										
Bata Pakistan	8,740	-	-	8,740	-	-	-	-	-	-
Service Global Footwear Limited	-	257,445	-	-	257,445	13,696	14,888	1,192	0.27	0.13
									0.27	0.13
Oil and Gas Exploration Companies										
Oil and Gas Development Company Limited	2,856,200	1,353,000	-	1,579,700	2,629,500	278,051	249,881	(28,170)	4.53	0.06
Pakistan Oilfields Limited (note 5.1.2)	702,520	27,000	-	243,961	485,559	171,501	191,242	19,741	3.47	0.17
Pakistan Petroleum Limited	2,687,038	1,190,000	-	1,184,000	2,693,038	241,275	233,836	(7,439)	4.24	0.10
Mari Petroleum Company Limited	277,584	2,760	-	-	280,344	347,553	427,354	79,801	7.75	0.21
									19.99	0.54
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	1,029,740	367,000	-	314,684	1,082,056	193,719	242,651	48,932	4.40	0.23
Attock Petroleum Limited	150,144	-	-	58,300	91,844	28,031	29,485	1,454	0.53	0.09
Sui Northern Gas Pipelines Limited	2,570,600	1,075,000	-	2,535,000	1,110,600	50,390	53,953	3,563	0.98	0.18
Sui Southern Gas Company Limited	142,500	-	-	142,500	-	-	-	-	-	-
Hascol Petroleum Limited	2,588	-	-	-	2,588	35	23	(12)	-	-
Shell Pakistan Limited	-	10,000	-	10,000	-	-	-	-	-	-
Hi-Tech Lubricants	355,000	375,000	-	730,000	-	-	-	-	-	-
									5.91	0.50
Paper and Board										
Packages Limited	216,701	15,000	-	10,000	221,701	79,423	120,871	41,448	2.19	0.25
Cherat Packaging Limited	295,094	-	-	295,094	-	-	-	-	-	-
Century Paper & Board Mills	350,500	259,400	113,000	75,000	647,900	44,975	79,089	34,114	1.44	0.37
Roshan Packages Limited	200,000	167,000	-	326,000	41,000	1,099	1,351	252	0.02	0.03
Security Paper Limited	-	51,900	-	-	51,900	11,689	7,503	(4,186)	0.14	0.09
									3.79	0.74

Name of the investee company	As at 01 July 2020	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised gain / (loss) as at June 30, 2021	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) -----			----- % -----		
Pharmaceuticals										
AGP Limited	938,500	50,000	-	460,200	528,300	58,009	61,985	3,976	1.12	0.19
GlaxoSmithKline Consumer Healthcare	112,500	-	-	-	112,500	30,564	28,135	(2,429)	0.51	0.10
The Searle Company Limited	321,325	175,000	57,863	47,500	506,688	109,628	122,933	13,305	2.23	0.21
Highnoon Laboratories Limited	29,986	10,000	3,998	-	43,984	21,181	26,390	5,209	0.48	0.12
IBL HealthCare Limited	-	121,000	-	-	121,000	14,292	13,447	(845)	0.24	0.22
Ferozsons Laboratories Limited	-	25,000	5,000	-	30,000	7,696	10,585	2,889	0.19	0.08
									4.77	0.92
Power Generation & Distribution										
The Hub Power Company Limited	3,871,807	1,752,000	-	3,399,264	2,224,543	175,033	177,229	2,196	3.22	0.17
K-Electric Limited (Face value Rs. 3.5)	25,580,500	2,000,000	-	12,575,000	15,005,500	47,148	62,723	15,575	1.14	0.05
									4.36	0.22
Refinery										
Attock Refinery Limited	-	325,000	-	200,000	125,000	33,596	32,056	(1,540)	0.58	0.01
National Refinery Limited	-	25,000	-	25,000	-	-	-	-	-	-
									0.58	0.01
Textile Composite										
Nishat Mills Limited	347,700	828,000	-	318,000	857,700	85,631	80,023	(5,608)	1.45	0.24
Feroze1888 Mills Limited	295,000	50,000	-	145,000	200,000	16,878	20,104	3,226	0.36	0.05
Interloop Limited	2,318,500	111,500	-	433,000	1,997,000	90,183	139,850	49,667	2.54	0.23
Kohinoor Textile	-	50,000	-	-	50,000	3,800	3,760	(40)	0.07	0.02
									4.42	0.54
Technology & Communication										
Pakistan Telecommunication Company Limited "A"	208,000	1,000,000	-	1,208,000	-	-	-	-	-	-
Avanceon Limited	143,550	770,000	58,710	445,000	527,260	38,091	48,339	10,248	0.88	0.21
Systems Limited	563,550	25,000	36,505	223,500	401,555	72,288	224,959	152,671	4.08	0.29
Netsol Technologies Limited	55,500	-	-	55,500	-	-	-	-	-	-
									4.96	0.50

Name of the investee company	As at 01 July 2020	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised gain / (loss) as at June 30, 2021	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) -----			----- % -----	
Miscellaneous										
Shifa International Hospital Limited	-	47,800	-	47,800	-	-	-	-	-	-
Synthetic Products Enterprises Limited	-	368,000	16,560	380,000	4,560	202	196	(6)	-	-
Total						4,228,820	5,164,056	935,236		

- 5.1.1** 160,000 shares (June 30, 2020: 145,000 shares) of Engro Corporation Limited having market value of Rs 47.14 million as at June 30, 2021 (2020: Rs. 42.47 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, 2020 : 25,000 shares) of Pakistan Oilfields Limited having market value of Rs. 9.85 million as at June 30, 2021 (June 30, 2020: Rs. 8.765 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, 2021, 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, 2020	Purchases during the year	Sales / Matured during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised (loss) / gain as at June 30, 2021	Market value as a percentage of Net Assets
		-----Number of certificates-----			(Rupees in '000)			-----%	
Property & Real Estate									
Eden Housing Limited	5.2.1.1	500	-	-	500	-	-	-	-
Leasing Companies									
Security Leasing Corporation Limited II	5.2.1.1	154	-	-	154	-	-	-	-
Fertilizer									
Fatima Fertilizer Company Limited	5.2.1.1	9,546	-	6,364	3,182	15,912	15,871	(41)	0.37
Banks									
Dubai Islamic Bank Pakistan Limited	5.2.1.1	57	-	-	57	58,495	58,594	99	1.35
Pharmaceuticals									
AGP Limited	5.2.1.1	200	-	100	100	10,015	10,071	56	0.23
Power Generation & Distribution									
K-electric Limited	5.2.1.1	8,000	-	8,000	-	-	-	-	-
Engro Powergen Thar (Private) Limited	5.2.1.1	12,000	-	12,000	-	-	-	-	-
The Hub Power Holding Limited	5.2.1.1 & 5.2.3	-	2,000	-	2,000	176,145	176,145	-	4.06
Cement & Construction									
Javedan Corporation Limited	5.2.1.1	250	-	21	229	22,916	22,688	(228)	0.52
Steel & Allied Products									
Agha Steels Industries Limited	5.2.1.1 & 5.2.4	50	-	-	50	50,000	49,892	(108)	1.15
Chemicals									
Engro Polymer & Chemicals Limited	5.2.1.1	250	1,500	250	1,500	153,000	153,150	150	3.53
Miscellaneous									
Shakarganj Foods Product Limited	5.2.1.1 & 5.2.6	15	-	-	15	15,300	15,359	59	0.35
International Brand Limited	5.2.1.1	393	-	166	227	22,344	22,516	172	0.52
Government Securities									
Pakistan Energy Sukuk I	5.2.1.1 & 5.2.3	130,000	-	20,000	110,000	550,000	587,125	37,125	13.55
Pakistan Energy Sukuk II	5.2.1.1 & 5.2.3	80,000	12,000	-	92,000	460,240	463,678	3,438	10.70
GOP-Ijarah sukuk XX	5.2.1.1	1,870	1,000	2,870	-	-	-	-	-
GOP-Ijarah sukuk XXI	5.2.1.1	4,500	-	3,020	1,480	148,400	148,932	532	3.44
GOP-Ijarah sukuk XXIII VRR	5.2.1.1	-	1,000	1,000	-	-	-	-	-
GOP-Ijarah sukuk XXIII - FRR	5.2.1.1	-	1,500	1,500	-	-	-	-	-
GOP-Ijarah sukuk XXIV VRR	5.2.1.1	-	6,000	2,500	3,500	350,190	353,220	3,030	8.15
Non-Performing Investments									
	5.2.5					1,263	1,263	-	
Total						2,034,220	2,078,504	44,284	

5.2.1.1 Significant terms and conditions of Sukuk certificates outstanding as at June 30, 2021 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
K-electric Limited	5,000	3 months KIBOR + 1.70%	03-Aug-20	27-Dec-26
Engro Powergen Thar (Private) Limited	5,000	3 months KIBOR + 1.10%	02-Aug-19	02-Aug-24
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
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
The Hub Power Holding Limited	100,000	6 months KIBOR + 2.5%	12-Nov-20	12-Nov-25
GOP-Ijarah sukuk XX	100,000	Weighted average yield of 6 months T-Bills	30-Apr-20	30-Apr-25
GOP-Ijarah sukuk XXI	100,000	Weighted average yield of 6 months T-Bills	29-May-20	29-May-25
GOP-Ijarah sukuk XXIII - VRR	100,000	Weighted average yield of 6 months T-Bills	29-Jul-20	29-Jul-25
GOP-Ijarah sukuk XXIII - FRR	100,000	Weighted average yield of 6 months T-Bills	29-Jul-20	29-Jul-25
GOP-Ijarah sukuk XXIV VRR	100,000	Weighted average yield of 6 months T-Bills	09-Dec-20	09-Dec-25

5.2.2 Held by Money Market Sub-Fund

Name of the Security	Note	As at July 01, 2020	Purchases during the year	Sales / Matured during the year	As at June 30,2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised gain / (loss) as at June 30, 2021	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	154	-	-	154	-	-	-	-
Power Generation & Distribution									
Kot Addu Power Company Limited	5.2.2.1	-	1,400	1,400	-	-	-	-	-
The Hub Power Company Limited	5.2.2.1	-	3,250	-	3,250	325,000	325,000	-	9.62
Government Securities									
GOP-Ijarah sukuk XX	5.2.2.1	1,870	2,000	3,870	-	-	-	-	-
GOP-Ijarah sukuk XXI	5.2.2.1	3,000	-	3,000	-	-	-	-	-
GOP-Ijarah sukuk XXIII - VRR	5.2.2.1	-	500	500	-	-	-	-	-
GOP-Ijarah sukuk XXIV VRR	5.2.2.1	-	4,000	-	4,000	400,090	403,680	3,590	11.95
Non-Performing Investments									
	5.2.5					771	771	-	
Total						725,861	729,451	3,590	

5.2.2.1 Significant terms and conditions of Sukuk certificates outstanding as at June 30, 2021 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
GOP-Ijarah sukuk XX	100,000	Weighted average yield of 6 months T-Bills	30-Apr-20	30-Apr-25
GOP-Ijarah sukuk XXI	100,000	Weighted average yield of 6 months T-Bills	29-May-20	29-May-25
GOP-Ijarah sukuk XXIII - VRR	100,000	Weighted average yield of 6 months T-Bills	29-Jul-20	29-Jul-25
GOP-Ijarah sukuk XXIV VRR	100,000	Weighted average yield of 6 months T-Bills	09-Dec-20	09-Dec-25
Kot Addu Power Company Limited	100,000	3 months KIBOR + 0.70%	08-Dec-20	08-Jun-21
The Hub Power Company Limited	100,000	6 months KIBOR + 1.10%	05-May-21	05-Nov-21

5.2.3 Sukuks of The Hub Power Holding 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 28, 2021 to the fair value of the security. Post to discretionary mark-down the price of Agha Steel Industries Limited has increased from Rs. 98.3059 (MUFAP Price) to Rs. 99.7834 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 contributors 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 in both debt and money market sub fund has also been held as a provision against principal as at June 30, 2021.

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 has also been held as provision against the outstanding principal as at June 30, 2021 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	-
		<u>771</u>	<u>771</u>	<u>-</u>

5.2.6 As at June 30, 2021, 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, 2020	TDR's placed during the year	Matured during the year	As at June 30,2021	Market Value as a Percentage of Net Assets
				----- (Rupees in '000) -----				----- % -----
Bank Islami Limited	A+	October 26, 2020	6.80%	-	300,000	300,000	-	-
Bank Islami Limited	A+	November 26, 2020	6.80%	-	300,000	300,000	-	-
Bank Islami Limited	A+	January 26, 2021	7.00%	-	300,000	300,000	-	-
Bank Islami Limited	A+	February 26, 2021	7.00%	-	400,000	400,000	-	-
Orix Modaraba	AA+	April 29, 2021	7.25%	180,000	-	180,000	-	-
Orix Modaraba	AA+	April 29, 2022	7.60%	-	220,000	-	220,000	5.08
First Habib Modarba	AA+	December 01, 2021	7.55%	-	200,000	-	200,000	4.61
First Habib Modarba	AA+	December 21, 2021	7.55%	-	200,000	-	200,000	4.61
				180,000	1,920,000	1,480,000	620,000	

5.3.2 Held by Money Market Sub-Fund

United Bank Limited	AAA	July 02, 2020	7.35%	500,000	-	500,000	-	-
United Bank Limited	AAA	August 03,2020	6.45%	-	500,000	500,000	-	-
United Bank Limited	AAA	September 03,2020	6.45%	-	500,000	500,000	-	-
United Bank Limited	AAA	October 05,2020	6.50%	-	500,000	500,000	-	-
United Bank Limited	AAA	November 05,2020	6.50%	-	500,000	500,000	-	-
United Bank Limited	AAA	December 05,2020	6.60%	-	500,000	500,000	-	-
United Bank Limited	AAA	January 07,2021	6.85%	-	500,000	500,000	-	-
United Bank Limited	AAA	February 08,2021	6.75%	-	500,000	500,000	-	-
United Bank Limited	AAA	March 08,2021	6.75%	-	500,000	500,000	-	-
United Bank Limited	AAA	April 08,2021	6.90%	-	500,000	500,000	-	-
United Bank Limited	AAA	May 30,2021	6.85%	-	450,000	450,000	-	-
United Bank Limited	AAA	July 05, 2021	7.00%	-	450,000	-	450,000	13.32
Orix Modaraba	AA+	Oct 29,2020	7.21%	40,000	-	40,000	-	-
Orix Modaraba	AA+	Apr 29,2021	7.28%	-	40,000	40,000	-	-
Bank Islami Limited	A+	October 26, 2020	6.80%	-	250,000	250,000	-	-
Bank Islami Limited	A+	November 26, 2020	6.80%	-	250,000	250,000	-	-
Bank Islami Limited	A+	January 26, 2021	7.00%	-	250,000	250,000	-	-
Bank Islami Limited	A+	February 26, 2021	7.00%	-	500,000	500,000	-	-
Bank Islami Limited	A+	March 26, 2021	6.90%	-	500,000	500,000	-	-
Bank Islami Limited	A+	May 26, 2021	7.25%	-	500,000	500,000	-	-
Askari Bank Limited	AA+	April 09, 2021	6.85%	-	500,000	500,000	-	-
Askari Bank Limited	AA+	May 17, 2021	6.85%	-	514,062	514,062	-	-
Askari Bank Limited	AA+	June 01, 2021	6.85%	-	460,000	460,000	-	-
Askari Bank Limited	AA+	September 01, 2021	7.15%	-	460,000	-	460,000	13.61
				540,000	9,624,062	9,254,062	910,000	

5.4 Commercial Papers - at amortised cost

5.4.1 Held by Debt Sub-Fund

Name of Company	Note	Maturity Date	As at July 01, 2020	Placements made during the year	Income Accrued	Matured during the year	As at June 30, 2021	Market Value as a Percentage of Net Assets
----- (Rupees in '000) -----								-----%-----
K-electric Limited CP	5.4.1.1	Oct 06, 2020	96,950	-	3,050	100,000	-	-
K-electric Limited CP	5.4.1.2	Feb 26, 2021	-	96,063	3,937	100,000	-	-
			<u>96,950</u>	<u>96,063</u>	<u>6,987</u>	<u>200,000</u>	<u>-</u>	

5.4.1.1 This commercial paper was placed at discount at a rate of 12.18% (6 months kibar plus 1.15%) and is being amortised over a period of 185 days.

5.4.1.2 This commercial paper was placed at discount at a rate of 8.13% (6 months kibar plus 0.95%) and is being amortised over a period of 184 days.

5.4.2 Held by Money Market Sub-Fund

Name of Company	Note	Maturity Date	As at July 01, 2020	Placements made during the year	Income Accrued	Matured during the year	As at June 30, 2021	Market Value as a Percentage of Net Assets
----- (Rupees in '000) -----								-----%-----
K-electric Limited CP	5.4.2.1	Oct 06, 2020	135,730	-	4,270	140,000	-	-
K-electric Limited CP	5.4.2.2	April 20, 2021	-	134,733	5,267	140,000	-	-
			<u>135,730</u>	<u>134,733</u>	<u>9,537</u>	<u>280,000</u>	<u>-</u>	

5.4.2.1 This commercial paper was placed at discount at a rate of 12.18% (6 months kibar plus 1.15%) and is being amortised over a period of 185 days.

5.4.2.2 This commercial paper was placed at discount at a rate of 7.84% (6 months kibar plus 0.05%) and is being amortised over a period of 182 days.

5.5 Investment in gold

	As at July 01, 2020	Purchases during the year	Sales during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised gain as at June 30, 2021	Market Value as a Percentage of Net Assets
----- (Quantity in Tola) -----					----- (Rupees'000) -----			-----%-----
Tola Gold	926	-	-	926	97,926	99,444	1,518	73.62
Total	<u>926</u>	<u>-</u>	<u>-</u>	<u>926</u>	<u>97,926</u>	<u>99,444</u>	<u>1,518</u>	

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. 99.44 million has been measured at fair value based on the quoted market price in active markets.

6. DEPOSITS AND OTHER RECEIVABLES

	Note	2021				2020
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total
(Rupees in '000)						
Advance against IPO	6.1	72,765	-	-	-	72,765
Security deposits		2,600	100	100	-	2,800
Profit receivable on saving accounts with banks and Term Deposits / COMs		2,501	11,187	12,467	60	26,215
Profit receivable on sukuks certificates		-	28,996	6,244	-	35,240
Advance tax		4,747	-	-	-	4,747
		82,613	40,283	18,811	60	141,767
						79,369

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 (AI Meezan) - PENSION FUND MANAGER

	Note	2021				2020
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total
(Rupees in '000)						
Management remuneration	7.1	471	373	289	170	1,303
Sindh Sales Tax on management fee	7.2	61	48	38	22	169
		532	421	327	192	1,472
						2,005

7.1 As per rule 11 of the Voluntary Pension System Rules, 2005, Al Meezan Investment Management Limited, the Pension Fund Manager of the Fund is allowed to charge an annual management fee of 1.5% (June 30, 2020: 1.5%) 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. Accordingly, the management fee has been accrued at 1.5% per annum of the average daily net assets of the Sub-Funds.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2020: 13%) on the remuneration of the Management Company through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

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

	Note	2021				2020
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total
(Rupees in '000)						
Trustee fee	8.1	349	271	214	9	843
Sindh Sales Tax on Remuneration of the Trustee	8.2	46	35	28	1	110
		395	306	242	10	953
						788

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, 2021 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, 2020: 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 thirtieth of 1% of average annual net asset value of the Fund.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2021				Total	2020 Total
		Equity-sub fund	Debt-sub fund	Money Market sub-fund	Gold sub- fund		
----- (Rupees in '000) -----							
Provision for Sindh Workers' Welfare Fund	12	71,888	22,241	13,506	931	108,566	70,088
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	8,722	-	-	-	8,722	5,630
Brokerage payable		3,461	183	17	-	3,661	4,159
Custodian Charges Payable		-	-	-	374	374	238
Amount received against units to be issued	10.4	3,631	2,243	638	162	6,674	62,711
		<u>104,938</u>	<u>34,445</u>	<u>16,852</u>	<u>1,467</u>	<u>157,702</u>	<u>172,531</u>

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.

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, 2021 would have been higher by Rs. 1.51 (June 30, 2020: Rs. 1.50) per unit, Re. 0.57 (June 30, 2020: Re. 0.73) per unit and Re. 0.20 (June 30, 2020: 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, 2020: 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. 8.72 million (2020: Rs. 5.63 million) is outstanding in this regard after making charity payments of Rs 3.7 million (2020: Rs 3.8 million) to renowned charitable institutions. None of the directors of the Pension Fund Manager of the Fund were interested in any of the donee.

10.4 This represents net amount received in collection account of the Fund on the reporting date (i.e. June 30, 2021 and June 30, 2020 respectively). The units against which were processed subsequent to the year end.

11. 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.

12. 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).

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2021 would have been higher by Rs. 7.03 per unit (June 30, 2020: Rs. 4.16 per unit), Rs. 1.44 per unit (June 30, 2020: Re. 1.33 per unit) and Rs. 1.08 per unit (June 30, 2020: Re. 0.84 per unit) and Rs. 1.10 per unit (June 30, 2020: Rs. 1.22 per unit) for Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Gold Sub-Fund respectively.

13. CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

14. AUDITORS' REMUNERATION

	2021				Total	2020 Total
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
----- (Rupees in '000) -----						
Audit fee	102	102	102	102	408	385
Half yearly review	68	68	68	68	272	124
Out of pocket expenses	5	5	5	5	20	8
	175	175	175	175	700	517

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 15.1** 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.
- 15.2** 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.
- 15.3** Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed.
- 15.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

15.5 Amount outstanding as at year end are as follows:

	2021				2020 Total	
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		Total
----- (Rupees in '000) -----						
Al Meezan Investment Management Limited						
(Al Meezan) - Pension Fund Manager						
Remuneration payable	471	373	289	170	1,303	1,774
Sindh Sales Tax on management fee	61	48	38	22	169	231
Investments as at June 30, 2021: (Equity sub fund: 260,077 units; Gold Sub Fund: 300,000) as at June 30, 2020 (Equity sub fund: 260,077 units; Gold Sub Fund: 300,000 units)	140,206	-	-	47,688	187,894	151,585
Meezan Bank Limited (MBL)						
Bank balance	61,239	3,793	12,486	29,216	106,734	132,052
Profit receivable on saving account	106	17	51	16	190	210
Investment in shares 1,481,659 (June 30, 2020 : nil)	170,998	-	-	-	170,998	-
Central Depository Company of Pakistan Limited (CDC) - Trustee						
Trustee fee payable	349	271	214	9	843	697
Sindh Sales Tax on trustee fee payable	46	35	28	1	110	91
Deposits	100	100	100	-	300	300
Directors and Executives of the Pension Fund Manager						
Investments 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) as at June 30, 2020: (Equity sub fund: 1,083,499 units; Debt sub fund: 591,502 units; Money Market sub fund: 198,447 units; Gold Sub Fund : 209,972 units)	614,560	189,661	58,819	35,962	899,002	672,808

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

	2021				2020 Total	
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		Total
----- (Rupees in '000) -----						
Al Meezan Investment Management Limited						
(Al Meezan) - Pension Fund Manager						
Remuneration for the year	76,150	54,900	47,005	2,006	180,061	144,922
Sindh Sales Tax on management fee	9,899	7,137	6,111	261	23,408	18,840
Meezan Bank Limited (MBL)						
Profit on savings account	2,018	59	101	649	2,827	8,465
Term deposit receipt placed	-	-	-	-	-	800,000
Profit on term deposit receipt	-	-	-	-	-	27,813
Purchase of 1,481,659 shares	162,107	-	-	-	162,107	-
Dividend income	2,222	-	-	-	2,222	-
Central Depository Company of Pakistan Limited (CDC) - Trustee						
Remuneration for the year	4,018	2,896	2,481	106	9,501	8,099
Sindh Sales Tax on trustee fee	522	376	322	14	1,234	1,052
CDS Charges for the year	231	32	13	-	276	255
Directors and Executives of the Pension Fund Manager						
Units issued (Equity Sub Fund: 160,061 units; Debt Sub Fund: 226,528 units; Money Market Sub Fund: 78,473 units; Gold sub fund: 16,367 units)	79,587	62,576	20,960	2,728	165,851	805,977
Units redeemed / reallocated (Equity Sub Fund 103,575 units; Debt Sub Fund: 143,625 units; Money Market Sub Fund: 59,640 units; Gold sub fund: 107 units)	53,172	38,329	14,903	18	106,422	788,456



16 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:

16.1 Market risk

16.1.1 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, 2021 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, 2021, the net income for the year would increase / decrease by Rs. 258.202 million (net off SWWF) (2020: Rs. 201.458 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.

16.1.2 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.

Change in base points

	2021			2020		
	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) -----					
100	20,772	7,287	28,059	21,606	6,179	27,785
(100)	(20,772)	(7,287)	(28,059)	(21,606)	(6,179)	(27,785)

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 30 June 2021 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	
		2021	2020
(Rupees in 000)			
Savings accounts	4	3,765,550	2,938,348
Term deposit receipts / COMs	5	1,530,000	720,000
		<u>5,295,550</u>	<u>3,658,348</u>



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 2021						
Note	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				
----- (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	5.1		-	-	-	5,164,056	5,164,056
	- Sukuk certificates	5.2		-	2,805,921	-	-	2,805,921
	Investments - at amortised cost							
	- Term deposit receipts / COMs	5.3		-	-	-	1,530,000	1,530,000
	Receivable against sale of investments			-	-	-	7,696	7,696
	Deposits and other receivables			-	-	-	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			<u>3,765,550</u>	<u>2,805,921</u>	<u>-</u>	<u>6,833,333</u>	<u>13,404,804</u>
	Off-balance sheet financial instruments			-	-	-	-	-
	Off-balance sheet gap			-	-	-	-	-
	Total interest rate sensitivity gap			<u>3,765,550</u>	<u>2,805,921</u>	<u>-</u>		
	Cumulative interest rate sensitivity gap			<u>3,765,550</u>	<u>6,571,471</u>	<u>6,571,471</u>		

		As at June 30, 2020						
Note	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				
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets								
	Bank balances	4	3% to 13.75%	2,938,348	-	-	66,449	3,004,797
	Investments - at fair value through profit or loss							
	- Listed equity securities	5		-	-	-	4,029,169	4,029,169
	- Sukuk certificates	5		-	2,545,852	-	-	2,545,852
	Investments - at amortised cost							
	- Term deposits receipts / COMs			-	-	-	720,000	720,000
	- Commercial paper			-	232,680	-	-	232,680
	Receivable against sale of investments (net)			-	-	-	9,999	9,999
	Deposits and other receivable			-	-	-	74,622	74,622
	Dividend receivable			-	-	-	8,284	8,284
				2,938,348	2,778,532	-	4,908,523	10,625,403
Financial liabilities								
	Payable to Al Meezan Investment Management Limited - Pension Fund Manager			-	-	-	1,774	1,774
	Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	-	697	697
	Payable to auditors			-	-	-	253	253
	Payable against purchase of investments			-	-	-	9,989	9,989
	Payable against withdrawal / change of plan			-	-	-	18,594	18,594
	Accrued expenses and other liabilities			-	-	-	10,027	10,027
				-	-	-	41,334	41,334
	On-balance sheet gap			2,938,348	2,778,532	-	4,867,189	10,584,069
Off-balance sheet financial instruments								
	Off-balance sheet gap			-	-	-	-	-
				-	-	-	-	-
	Total interest rate sensitivity gap			2,938,348	2,778,532	-		
	Cumulative interest rate sensitivity gap			2,938,348	5,716,880	5,716,880		

16.1.3 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.

16.2 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:

	2021				2020			
	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	1,552,955	63%	403,680	25%	1,682,605	72%	482,200	42%
AAA	-	-	450,000	27%	-	0%	500,000	43%
AA+	576,145	22%	785,000	48%	40,000	2%	40,000	3%
AA-	97,153	4%	-	-	131,231	6%	-	-
AA	175,666	7%	-	-	244,307	10%	-	-
A+	59,963	2%	-	-	20,029	1%	-	-
A	-	-	-	-	125,480	5%	-	-
A-1+	-	-	-	-	96,950	4%	135,730	12%
BBB+	15,359	1%	-	-	-	-	-	-
	2,477,241	99%	1,638,680	100%	2,340,602	100%	1,157,930	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	2021	
		(Rs. in '000)	(%)
AAA	VIS / PACRA	1,200,097	32.00%
AA+	VIS / PACRA	15,249	0.00%
AA	VIS / PACRA	834,477	22.00%
A+	VIS / PACRA	1,721,985	46.00%
A	VIS / PACRA	21	0.00%
		3,771,829	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, 2021 along with comparative is tabulated below:

	2021	2020
	(Rupees in '000)	
Financial assets exposed to credit risk		
Bank balances	3,771,829	3,004,797
Investments	2,379,286	1,333,727
Receivable against sale of investments	7,696	9,999
Dividend receivable	21,739	8,284
Deposits and other receivables	137,020	74,622
Receivable against change of plan / change of fund manager	21,422	-
	6,338,992	4,431,429

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

16.3 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, 2021 and June 30, 2020 is tabulated below:

	2021				Total
	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>



2020

	Maturity up to				Total
	Three months	Six months	One year	More than one year	
----- (Rupees in '000) -----					
Financial liabilities					
Payable to Pension Fund Manager	1,774	-	-	-	1,774
Payable to Trustee	697	-	-	-	697
Payable to auditors	253	-	-	-	253
Payable against purchase of investments	9,989	-	-	-	9,989
Payable against withdrawal / change of plan	18,594	-	-	-	18,594
Accrued expenses and other liabilities	10,027	-	-	-	10,027
	<u>41,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,334</u>
Net assets attributable to redeemable units	<u>10,520,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,520,698</u>

17. 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 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 16, 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.

18. 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 30,2021								
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	-	2,805,921	-	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			

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, 2020								
Financial assets - measured at fair value								
- Listed equity securities	-	4,029,169	-	4,029,169	4,029,169	-	-	4,029,169
- Sukuk certificates	-	2,545,852	-	2,545,852	-	2,545,852	-	2,545,852
	-	6,575,021	-	6,575,021				
Financial assets not measured at fair value								
Bank balances	18.1	3,004,797	-	3,004,797				
Investments								
- Commercial papers	18.1	232,680	-	232,680				
- Term deposit / COMs	18.1	720,000	-	720,000				
Dividend receivable	18.1	8,284	-	8,284				
Deposits and other receivables	18.1	74,622	-	74,622				
Receivable against sale of investments	18.1	9,999	-	9,999				
Receivable against change of plan / change of fund manager / issuance of units	18.1	-	-	-				
		4,050,382	-	4,050,382				
		4,050,382	6,575,021	10,625,403				
Financial liabilities not measured at fair value								
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	18.1	-	-	1,774	1,774			
Payable to Central Depository Company of Pakistan Limited - Trustee	18.1	-	-	697	697			
Payable to auditors	18.1	-	-	253	253			
Payable against purchase of investments	18.1	-	-	9,989	9,989			
Payable against withdrawal / change of plan	18.1	-	-	18,594	18,594			
Accrued expenses and other liabilities	18.1	-	-	10,027	10,027			
		-	-	41,334	41,334			

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

18.2 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.

19. PERFORMANCE TABLE

	For the year ended June 30, 2021	For the year ended June 30, 2020	Percentage change	For the year ended June 30, 2019	For the year ended June 30, 2018	For the year ended June 30, 2017
	(Rupees in '000)		------(%)-----		(Rupees in '000)	
EQUITY SUB FUND						
Net income / (loss)	1,420,501	232,998	510	(1,268,816)	(1,070,301)	983,882
Net realised gain / (loss) on sale of investments	389,748	2,777	13,935	(310,877)	(397,392)	262,772
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	935,236	121,463	670	(1,116,081)	(759,404)	499,111
Dividend income	237,520	176,627	34	229,481	260,126	189,475
Profit on savings accounts with banks	9,570	19,004	(50)	17,620	6,088	10,049
Transactions in securities						
Purchases	2,501,487	5,694,416	(56)	2,087,420	2,450,808	2,904,774
Sales	2,301,836	5,707,764	(60)	2,316,077	1,854,015	1,937,982
Total contribution received	1,500,225	1,432,864	5	1,616,733	1,739,581	-
Total net asset value	5,511,365	4,130,564	33	4,086,115	5,431,850	5,806,229
Net Asset value per unit (Rs.)	539.0946	400.1482	35	377.5765	494.8205	592.3200
DEBT SUB FUND						
Net income	297,676	313,094	(5)	185,361	74,278	118,284
Net realised gain/ (loss) on sale of investments	6,803	200	3,302	(1,418)	(17,356)	103
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss'	44,284	(2,742)	(1,715)	(1,674)	(11,557)	17,117
Profit on savings accounts with banks	79,630	144,623	(45)	79,474	17,532	53,711
Profit on Term Deposit Receipts / COMs	24,979	38,408	(35)	48,300	50,442	22,259
Profit on Sukuk Certificates and Commercial Paper	171,525	177,836	(4)	109,711	73,901	53,251
Transactions in securities						
Purchases	2,085,237	1,512,914	38	2,563,841	249,325	814,971
Sales	1,772,882	666,869	166	3,152,538	(46,183)	813,828
Total contribution received	2,368,842	1,951,819	21	1,434,919	1,254,161	-
Total net asset value	4,334,385	3,178,358	36	2,807,052	11,701,249	11,701,249
Net Asset value per unit (Rs.)	281.2267	261.9128	7	236.1122	220.5205	214.5900
MONEY MARKET SUB FUND						
Net income	166,742	277,574	(40)	141,302	28,316	27,952
Net realised gain / (loss) on sale of investments	1,609	-	100	122	(2,953)	-
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss'	3,590	(4,800)	(175)	-	(2,363)	2,931
Profit on savings accounts with banks	95,081	235,653	(60)	93,200	15,469	18,530
Profit on Term Deposit Receipts / COMs	73,645	39,451	87	32,155	13,472	2,745
Profit on Sukuk Certificates and Commercial Paper	45,734	27,450	67	15,603	12,503	7,987
Transactions in securities						
Purchases	941,163	818,391	15	1,177,912	-	285,848
Sales	464,003	(80,939)	(673)	1,372,165	(177,392)	155,343
Total contribution received	2,189,157	2,770,311	(21)	2,701,257	-	-
Total net asset value	3,378,955	3,092,338	9	2,072,836	1,013,598	662,819
Net Asset value per unit (Rs.)	270.7037	257.3454	5	234.2456	218.2775	212.1800
GOLD SUB FUND						
Net income / (loss)	484	21,043	(98)	18,682	5,403	(4,493)
Net realised gain on sale of investments	-	261	(100)	-	79	-
Unrealised appreciation on investment in gold	1,518	20,655	(93)	17,923	6,347	(3,112)
Profit on savings accounts with banks	1,066	1,073	(1)	349	133	138
Transactions in securities						
Purchases	-	10,757	(100)	10,395	-	734
Sales	-	4,704	(100)	-	866	-
Total contribution received	36,714	26,924	36	20,322	-	-
Total net asset value	135,071	119,438	13	84,316	49,960	43,243
Net Asset value per unit (Rs.)	158.9588	158.3880	-	130.4834	101.5719	90.5900



Net Asset value per unit (Rs.)	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
	----- (Rupees) -----							
For the year ended June 30, 2021	410.0797	556.7766	261.9616	281.2267	257.3812	270.7037	153.7639	184.4760
For the year ended June 30, 2020	294.8513	484.3382	236.1798	261.9128	234.3065	257.3454	128.8130	158.3880

20. COMMODITY RISK MANAGEMENT

20.1 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).

21. 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, 2015 is also not applicable on the Fund.

22. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 09, 2021 by the Board of Directors of the Pension Fund Manager.

23. 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