



Al Meezan
Investment Management Ltd.

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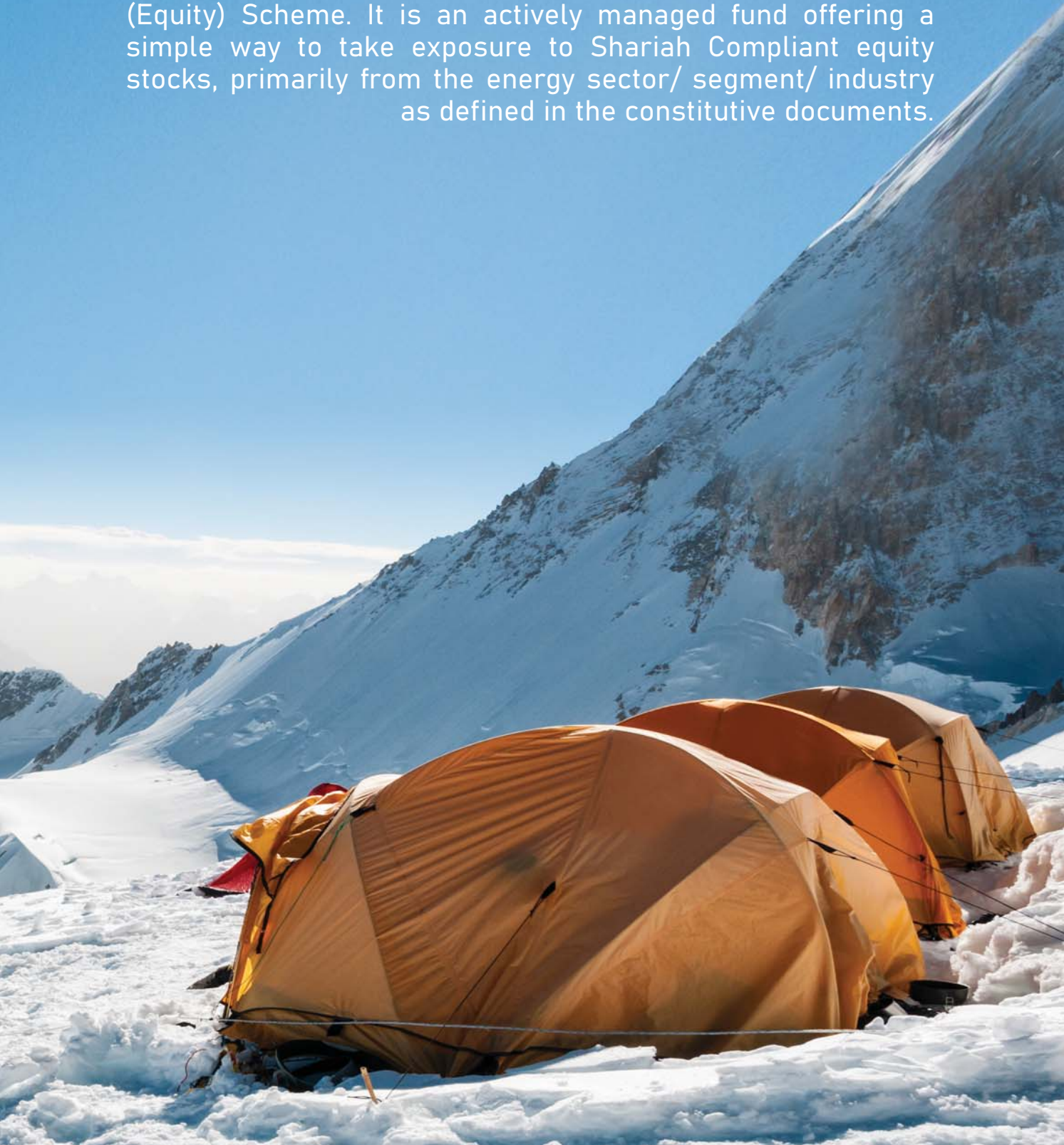
An investor should not be overwhelmed by
volatile conditions in pursuit of heights.

Height 8,035 meters,
belongs to the range Baltoro Karakoram



MEEZAN ENERGY FUND (MEF)

Meezan Energy Fund is a Shariah Compliant Energy Sector (Equity) Scheme. It is an actively managed fund offering a simple way to take exposure to Shariah Compliant equity stocks, primarily from the energy sector/ segment/ industry as defined in the constitutive documents.



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Mr. Salman Muslim

BOARD AUDIT COMMITTEE

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

BOARD RISK MANAGEMENT COMMITTEE

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

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	Member
Mr. Faiz ur Rehman	Subject Matter Expert

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Allied Bank Limited
Al Baraka Islamic Bank B.S.C (E.C)
Bank Al Habib Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



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REPORT OF THE FUND MANAGER Meezan Energy Fund (MEF)

Type of Fund

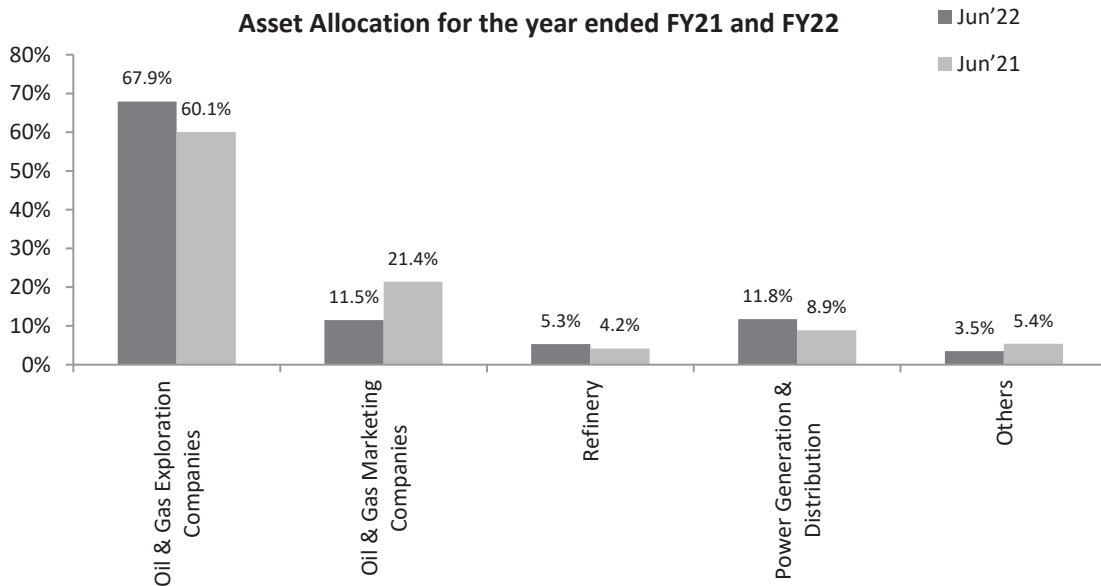
Sector specific open end equity fund. The fund was launched on November 29, 2016.

Objective

The objective of MEF is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector/segment/industry as defined in the constitutive documents, and provide maximum total return to the shareholders for the given level of risk, while abiding by the Regulations and any other prevailing rules and regulations.

Strategy, Investment Policy and Asset Allocation

The performance of MEF is directly linked to the performance of the energy sector of the equity market. The fund manager, Al Meezan Investment Management Limited, actively manages the fund with an aim to provide maximum risk adjusted total return to the investors. To control risk, the exposure in growth stocks is balanced against that of high dividend stocks. Moreover, the fund manager strives to reduce equity exposure in times when the market is trading above valuations while increasing equity exposure near troughs.

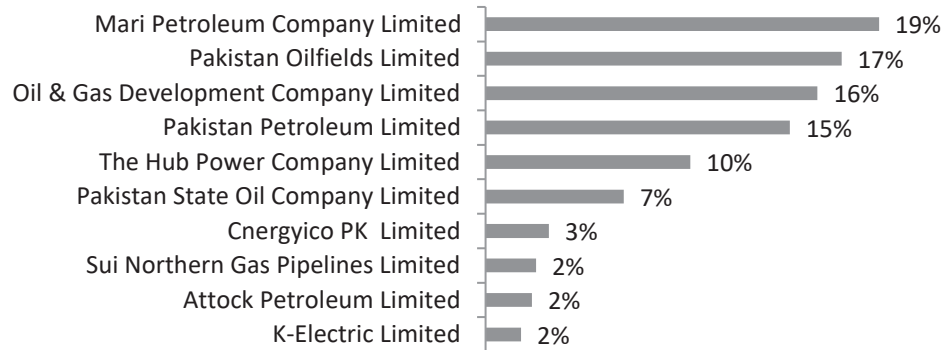




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Top Holdings



Performance Review

During FY22, Meezan Energy Fund (MEF) provided a negative return of 8.10% to its investors while the KSE Meezan Index (KMI 30) – Benchmark depreciated by 10.25% to close at 68,766 pts.

	<u>MEF</u>	<u>KMI-30 (Benchmark)</u>
Net Asset Value (NAV) as on June 30, 2021 –Rs.	34.30	76,622
Net Asset Value (NAV) as on June 30, 2022 –Rs.	31.52	68,766
Change (Points)	-2.78	-7,855
Return During the Period	-8.10%	-10.25%

The Fund earned a total loss of Rs. 27 million in fiscal year 2022 as compared to total income of Rs. 81 million last year. Total loss comprised of realized and unrealized losses on investments of Rs. 23 million and Rs. 48 million respectively. Dividend income contributed Rs. 44 million to income, while profit on saving accounts with banks amounted to Rs. 0.5 million. After accounting for expenses of Rs. 17 million, the Fund posted a net loss of Rs. 43 million. The net assets of the Fund as at June 30, 2022 were Rs. 438 million as compared to Rs. 584 million at the end of last year depicting a decrease of 25%. The net asset value per unit as at June 30, 2022 was Rs. 31.5217 as compared to Rs. 34.2992 per unit as on June 30, 2021.

Charity Statement

The Fund purifies the income earned by setting aside an amount payable by the Management Company out of the income of the Trust to charitable / welfare organizations, in consultation with Shariah Advisor, representing income that is Haram. During the year ended June 30, 2022 an amount of Rs. 2 million was accrued as charity payable.

Distributions

There is NIL distribution by the Fund during the fiscal year ended June 30, 2022.

SWWF Disclosure

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by MEF amounting to Rs. 2.71 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This



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reversal of provision has contributed towards an increase in NAV of the MEF by 0.51%. This is one-off event and is not likely to be repeated in the future.

Breakdown of unit holdings by size:

(As on June 30, 2022)

Range (Units)	No. of investors
1 - 9,999	1,269
10,000 - 49,999	132
50,000 - 99,999	13
100,000 - 499,999	9
500,000 and above	3
Total	1,426

Summary of Actual Proxy Voted By the Fund

	Resolutions	For	Against	Abstain
Number	4	4	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

	2022	2021	2020
Net assets (Rs. '000) (ex-distribution)	437,914	584,310	541,866
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	31.5217	34.2992	30.0200
Offer price per unit as at June 30, (Rs.) (ex-distribution)	32.5903	35.4619	31.0376
Highest offer price per unit (Rs.)	35.8241	38.5236	43.6558
Lowest offer price per unit (Rs.)	30.7461	30.2164	23.9526
Highest redemption price per unit (Rs.)	34.6495	37.2605	42.2244
Lowest redemption price per unit (Rs.)	29.7380	29.2257	23.1673
Distribution (%)			
Interim	N/A	N/A	N/A
Final	N/A	N/A	N/A
Date of distribution			
Interim	N/A	N/A	N/A
Final	N/A	N/A	N/A
Income distribution (Rupees in '000)	N/A	N/A	N/A
Growth distribution (Rupees in '000)	N/A	N/A	N/A
Total return (%)	(8.10)	14.25	(10.04)

	One Year	Two Year	Three Year
Average annual return as at June 30, 2022 (%)	-8.10%	2.47%	-1.88%

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 Energy Fund

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

Alhamdulillah, the period from July 01, 2021 to June 30, 2022 was the Sixth year of operations of Meezan Energy Fund (MEF) under management of Al Meezan Investment Management Limited (Al Meezan). We, Meezan Bank Limited, are the *Shariah* advisors of the Fund and are issuing the report in accordance with clause 8.2.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the *Shariah* compliance of the Fund's activity

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

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure *Shari'ah* compliance in line with the *Shari'ah* guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

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

Company Name	(i)	(ii)**	(iii)	(iv)	(v)	(vi)	
	Nature of Business	Debt to Assets (<37%)	Non-Compliant Investments (<33%)	Non-Compliant Income to Gross Revenue (<5%)	Illiquid Assets to Total Assets (>25%)	Net Liquid Assets vs. Share Price (B>A)	
						Net Liquid Assets per Share (A)	Share Price (B)
Pakistan Oilfields Ltd.	Oil & Gas Exploration Companies	0.00%	0.09%	3.42%	36.35%	24.84	357.62
Oil & Gas Development Company Ltd.	Oil & Gas Exploration Companies	0.00%	21.69%	4.22%	27.26%	116.37***	86.20



Mari Petroleum Ltd	Oil & Gas Exploration Companies	0.45%	14.42%	2.86%	49.63%	295.94	1654.23
Pakistan Petroleum Ltd.	Oil & Gas Exploration Companies	0.00%	16.70%	2.53%	26.13%	96.98***	79.04
The Hub Power Co. Ltd.	Power Generation & Distribution Company	33.91%	3.85%	4.50%	58.76%	(42.73)	71.34
Pakistan State Oil Co. Ltd.	Oil and Gas Marketing Companies	32.44%	0.00%	0.63%	39.97%	(133.30)	181.89

- * These ratios are for the calculation of non-*Shari'ah* Compliant Element in the business.
** All interest based debts.
*** Shares are considered 'Compliant' based on the reasoning mentioned in clause 8 of Shariah Standard 59.

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

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

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

Dr. Muhammad Imran Ashraf Usmani

For and on behalf of Meezan Bank
Shari'ah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ENERGY FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Energy Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 14, 2022



INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Energy Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Energy Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer notes 5 and 6 to the financial statements)	
	Investments and balances with banks constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2022 amounted to Rs 430.357 million and balances with banks aggregated to Rs 5.571 million. The existence and proper valuation of investments and existence of balances with banks for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; andObtained bank reconciliation statements and tested reconciling items on a sample basis.

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**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

AGG



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Dated: September 21, 2022
Karachi
UDIN: AR202210081NI2WdSmnC



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

	Note	2022 (Rupees in '000)	2021
Assets			
Balances with banks	5	5,571	18,782
Investments	6	430,357	578,360
Receivable against conversion of units		61	8,251
Dividend receivable		197	1,764
Receivable against sale of investments		6,571	-
Advance, deposits and other receivable	7	3,062	4,094
Preliminary expenses and floatation costs	8	-	83
Total assets		<u>445,819</u>	<u>611,334</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	9	343	761
Payable to Central Depository Company of Pakistan Limited - Trustee	10	81	113
Payable to the Securities and Exchange Commission of Pakistan	11	101	105
Payable to Meezan Bank Limited		2	33
Payable against redemption and conversion of units		5,103	20,927
Accrued expenses and other liabilities	12	2,275	5,085
Total liabilities		<u>7,905</u>	<u>27,024</u>
Net assets		<u>437,914</u>	<u>584,310</u>
Unit holders' fund (as per statement attached)		<u>437,914</u>	<u>584,310</u>
Contingencies and commitments	13		
		(Number of units)	
Number of units in issue		<u>13,892,447</u>	<u>17,035,689</u>
		(Rupees)	
Net asset value per unit		<u>31.5217</u>	<u>34.2992</u>

The annexed notes 1 to 27 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	Note	2022 (Rupees in '000)	2021
Income			
Net realised (loss) / gain on sale of investments		(23,341)	51,874
Dividend income		43,539	27,923
Profit on savings accounts with banks		549	753
Other income		381	-
		21,128	80,550
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	(47,654)	203
Total (loss) / income		(26,526)	80,753
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company	9.1	10,084	10,523
Sindh Sales Tax on remuneration of the Management Company	9.2	1,311	1,368
Allocated expenses	9.3	555	545
Selling and marketing expenses	9.4	2,017	2,105
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	1,008	1,052
Sindh Sales Tax on remuneration of the Trustee	10.2	131	137
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	101	105
Auditors' remuneration	14	303	284
Charity expense		1,732	1,086
Fees and subscription		565	565
Brokerage expense		1,120	3,134
Bank and settlement charges		399	532
Legal and professional charges		184	-
Amortisation of preliminary expenses and floatation costs	8.1	83	200
(Reversal of provision) / provision for Sindh Workers' Welfare Fund (SWWF)	12.2	(2,709)	1,182
Total expenses		16,884	22,818
Net (loss) / income for the year before taxation		(43,410)	57,935
Taxation	16.1	-	-
Net (loss) / income for the year after taxation		(43,410)	57,935
Allocation of net income for the year			
Net income for the year after taxation		-	57,935
Income already paid on units redeemed		-	(25,988)
		-	31,947
Accounting income available for distribution			
- Relating to capital gains		-	31,947
- Excluding capital gains		-	-
		-	31,947

The annexed notes 1 to 27 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



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

	2022	2021
	(Rupees in '000)	
Net (loss) / income for the year after taxation	(43,410)	57,935
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	<u><u>(43,410)</u></u>	<u><u>57,935</u></u>

The annexed notes 1 to 27 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

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

	2022			2021		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)					
Net assets at the beginning of the year	974,734	(390,424)	584,310	964,237	(422,371)	541,866
Issue of 27,624,153 units (2021: 71,397,288 units)						
- Capital value (at net asset value per unit at the beginning of the year)	947,486		947,486	2,143,347	-	2,143,347
- Element of (loss) / income	(46,201)		(46,201)	286,483	-	286,483
Total proceeds on issuance of units	901,285	-	901,285	2,429,830	-	2,429,830
Redemption of 30,767,395 units (2021: 72,411,758 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,055,297	-	1,055,297	2,173,801	-	2,173,801
- Element of (loss) / income	(51,026)	-	(51,026)	245,532	25,988	271,520
Total payments on redemption of units	1,004,271	-	1,004,271	2,419,333	25,988	2,445,321
Total comprehensive (loss) / income for the year	-	(43,410)	(43,410)	-	57,935	57,935
Distribution during the year	-	-	-	-	-	-
Net (loss) / income for the year less distribution	-	(43,410)	(43,410)	-	57,935	57,935
Net assets at the end of the year	871,748	(433,834)	437,914	974,734	(390,424)	584,310
Accumulated loss brought forward						
- Realised loss		(390,627)			(422,342)	
- Unrealised income / (loss)		203			(29)	
		<u>(390,424)</u>			<u>(422,371)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			31,947	
- Excluding capital gains		-			-	
		-			31,947	
Net loss for the year after taxation		(43,410)			-	
Accumulated loss carried forward		<u>(433,834)</u>			<u>(390,424)</u>	
Accumulated loss carried forward						
- Realised loss		(386,180)			(390,627)	
- Unrealised (loss) / income		(47,654)			203	
		<u>(433,834)</u>			<u>(390,424)</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			<u>34.2992</u>			<u>30.0200</u>
Net asset value per unit at the end of the year			<u>31.5217</u>			<u>34.2992</u>

The annexed notes 1 to 27 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



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

	Note	2022 (Rupees in '000)	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the year before taxation		(43,410)	57,935
Adjustments for:			
Amortisation of preliminary expenses and floatation costs	8.1	83	200
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	47,654	(203)
		4,327	57,932
Decrease / (increase) in assets			
Investments - net		100,349	(60,052)
Dividend receivable		1,567	(1,655)
Receivable against sale of investments		(6,571)	30,650
Advance, deposits and other receivable		1,032	33
		96,377	(31,024)
(Decrease) / increase in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		(418)	(926)
Payable to Central Depository Company of Pakistan Limited - Trustee		(32)	9
Payable to Meezan Bank Limited		(31)	(312)
Payable to the Securities and Exchange Commission of Pakistan		(4)	(4)
Payable against purchase of investments - net		-	(2,776)
Accrued expenses and other liabilities		(2,810)	296
		(3,295)	(3,713)
Net cash generated from operating activities		97,409	23,195
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		909,475	2,429,803
Payment against redemption and conversion of units		(1,020,095)	(2,437,430)
Net cash used in financing activities		(110,620)	(7,627)
Net (decrease) / increase in cash and cash equivalents during the year		(13,211)	15,568
Cash and cash equivalents at the beginning of the year		18,782	3,214
Cash and cash equivalents at the end of the year	5	5,571	18,782

The annexed notes 1 to 27 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Energy Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 09, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 26, 2016 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shariah-e-Faisal, Karachi 74400, Pakistan.

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

1.2 The objective of the Fund is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

1.3 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The Fund is categorised as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by the SECP.

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

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

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

3.4 Critical accounting estimates and judgments

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

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 4.2 and 6).

3.5 Accounting convention

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

3.6 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

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

4.2 Financial assets

4.2.1 Initial recognition and measurement

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

4.2.2 Classification and subsequent measurement

4.2.2.1 Equity instruments

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

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

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

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

4.2.3 Impairment

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

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

4.2.4 Regular way contracts

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

4.2.5 Derecognition

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

4.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value and subsequently stated at amortised cost.

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

4.4 Offsetting of financial assets and financial liabilities

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

4.5 Provisions

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

4.6 Net asset value per unit

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

4.7 Issue and redemption of units

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

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

4.8 Distribution to unit holders

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

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

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

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

4.10 Revenue recognition

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

4.11 Expenses

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

4.12 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2021	Purchased during the year	Bonus / right shares	Sold during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Unrealised appreciation / (diminution) as at June 30, 2022	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
		----- (Number of shares) -----			----- (Rupees in '000) -----			----- % -----			
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (note 6.1.2)	57,143	21,040	-	28,759	49,424	77,836	85,985	8,149	19.64	19.99	0.04
Oil and Gas Development Company Limited	903,016	510,000	-	491,000	922,016	85,078	72,535	(12,543)	16.56	16.85	0.02
Pakistan Oilfields Limited (note 6.1.2)	226,280	86,137	-	120,700	191,717	74,941	77,800	2,859	17.77	18.08	0.07
Pakistan Petroleum Limited (note 6.1.2)	1,214,418	335,000	-	564,382	985,036	82,911	66,500	(16,411)	15.19	15.45	0.04
									69.16	70.37	0.17
Oil and Gas Marketing Companies											
Attock Petroleum Limited	31,500	-	-	-	31,500	10,112	10,121	9	2.31	2.35	0.03
Hascol Petroleum Limited	4,011	-	-	4,011	-	-	-	-	-	-	-
Hi-Tech Lubricants Limited	86,000	-	17,200	103,200	-	-	-	-	-	-	-
Pakistan State Oil Company Limited (note 6.1.2 & 6.1.3)	363,878	122,000	-	310,000	175,878	35,015	30,223	(4,792)	6.90	7.02	0.04
Shell Pakistan Limited	23,800	-	-	23,800	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	487,300	315,000	-	480,000	322,300	14,517	11,026	(3,491)	2.52	2.56	0.05
Sui Southern Gas Company Limited	400,000	-	-	400,000	-	-	-	-	-	-	-
									11.73	11.93	0.12
Power Generation and Distribution											
The Hub Power Company Limited	526,444	465,000	-	335,000	656,444	51,521	44,750	(6,771)	10.22	10.41	0.05
K - Electric Limited (note 6.1.1)	2,953,500	1,300,000	-	1,700,000	2,553,500	9,992	7,763	(2,229)	1.77	1.80	0.01
									11.99	12.21	0.06
Refinery											
Attock Refinery Limited	39,500	39,500	-	53,500	25,500	4,132	4,482	350	1.02	1.04	0.01
Cnergyco PK Limited	1,330,000	1,800,000	-	533,000	2,597,000	26,744	13,868	(12,876)	3.17	3.22	0.02
National Refinery Limited	-	29,000	-	8,000	21,000	5,212	5,304	92	1.21	1.23	0.01
Pakistan Refinery Limited	-	330,000	-	330,000	-	-	-	-	-	-	-
									5.40	5.49	0.04
Total as at June 30, 2022						478,011	430,357	(47,654)	98.28	100.00	
Total as at June 30, 2021						578,157	578,360	203			

6.1.1 All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which has face value of Rs 3.5 each.

6.1.2 Investments include 65,000 shares of Pakistan Petroleum Limited, 26,500 shares of Pakistan Oilfields Limited, 4,000 shares of Mari Petroleum Limited and 5,000 shares of Pakistan State Oil Company Limited, having market value of Rs 4.388 million, Rs. 10.754 million, Rs. 6.959 million and Rs. 0.859 million respectively as at June 30, 2022 (2021: 65,000 shares of Pakistan Petroleum Limited, 26,500 shares of Pakistan Oilfields Limited, 4,000 shares of Mari Petroleum Limited and 5,000 shares of Pakistan State Oil Company Limited, having market value of Rs 5.644 million, Rs. 10.437 million, Rs. 6.098 million and Rs. 1.121 million respectively) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

6.1.3 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, 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 Schemes (CISs) through their Trustees 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 of 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 had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall 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 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, the CISs had filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh had issued notices to the relevant parties and had ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at June 30, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.002 million (2021: Rs. 1.308 million).

	Note	2022 (Rupees in '000)	2021
6.2 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'			
Market value of investments	6.1	430,357	578,360
Less: carrying value of investments	6.1	478,011	578,157
		<u>(47,654)</u>	<u>203</u>
7 ADVANCE, DEPOSITS AND OTHER RECEIVABLE			
Profit receivable on balances with banks		31	63
Security deposit with Central Depository Company of Pakistan Limited		100	100
Security deposit with National Clearing Company of Pakistan Limited		1,500	2,500
Advance tax	7.1	1,431	1,431
		<u>3,062</u>	<u>4,094</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during prior years, withholding tax on dividend and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on dividends and profit on bank deposits amounts to Rs 1.431 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2022	2021
(Rupees in '000)			
8 PRELIMINARY EXPENSES AND FLOATATION COSTS			
At the beginning of the year		83	283
Less: amortisation during the year	8.1	83	200
At the end of the year		-	83

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

	Note	2022	2021
(Rupees in '000)			
9 PAYABLE TO AI MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	9.1	146	67
Sindh Sales Tax payable on remuneration of the Management Company	9.2	19	9
Allocated expenses payable	9.3	3	55
Selling and marketing expenses payable	9.4	148	601
Sales load payable		24	26
Sindh Sales Tax on sales load payable		3	3
		343	761

9.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2021: 2%) per annum of the average annual net assets of the Fund during the year ended June 30, 2022. The remuneration is payable to the Management Company monthly in arrears.

9.2 During the year, an amount of Rs 1.311 million (2021: Rs 1.368 million) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 1.301 million (2021: Rs 1.480 million) has been paid to the Management Company which acts as a collecting agent.

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

The Management Company, based on its own discretion, has charged such expenses at the following rates during the year ended June 30, 2022, subject to total expense charged being lower than actual expense incurred:

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

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

	Note	2022	2021
(Rupees in '000)			
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable	10.1	72	100
Sindh Sales Tax payable on remuneration of the Trustee	10.2	9	13
		81	113

- 10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as follows:

Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.2% per annum of net assets
- Over Rs. 1,000 million	Rs. 2 million plus 0.1% per annum of net assets exceeding Rs 1,000 million.

- 10.2 During the year, an amount of Rs 0.131 million (2021: Rs 0.137 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.135 million (2021: Rs 0.136 million) was paid to the Trustee which acts as a collecting agent.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

	Note	2022	2021
(Rupees in '000)			
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		195	195
Printing charges payable		-	34
Shariah advisor fee payable		264	266
Charity payable	12.1	1,623	1,041
Capital gain tax payable		112	186
Provision for Sindh Workers' Welfare Fund (SWWF)	12.2	-	2,709
Brokerage payable		81	624
Zakat payable		-	30
		2,275	5,085

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

During the year ended June 30, 2022, Non-Shariah Compliant income amounting to Rs 1.732 million (2021: Rs 1.086 million) was charged as an expense in the books of the Fund, and Rs 1.350 million was disbursed to following charitable welfare organisations respectively:

S. No.	Charitable Organisations	Amount Rupees in '000
1	Afzaal Memorial Thalassemia Foundation	400
2	Health and Nutrition Development Society (HANDS)	950
	Total	1,350

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

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

13 CONTINGENCIES AND COMMITMENTS

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

14 AUDITORS' REMUNERATION	2022	2021
	(Rupees in '000)	
Annual audit fee	213	212
Fee for half yearly review of condensed interim financial statements	74	54
Out of pocket expenses	16	18
	303	284

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 3.89% (2021: 4.34%) which includes 0.33% (2021: 0.60%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

16 TAXATION

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

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

17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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

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

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

Balances	2022	2021
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	146	67
Sindh Sales Tax payable on remuneration of the Management Company	19	9
Allocated expenses payable	3	55
Selling and marketing expenses payable	148	601
Sales load payable	24	26
Sindh Sales Tax on sales load payable	3	3
Investment of 2,671,102 units (2021: 3,263,145 units)	84,198	111,923
Meezan Bank Limited		
Balances with bank	5,159	17,265
Profit receivable on savings account	20	16
Sales load payable	2	29
Sindh Sales Tax on sales load payable	-	4
Shariah advisor fee payable	264	266
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	72	100
Sindh Sales Tax payable on remuneration of the Trustee	9	13
Security deposit	100	100
Directors and executives of the Management Company		
Investment of 439,242 units (2021: 219,868 units)	13,846	7,541
Unit holders holding 10% or more of units of the Fund		
Investment of 4,134,635 units (2021: 4,298,505 units)	130,331	147,435
Transactions during the year		
	2022	2021
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration of the Management Company	10,084	10,523
Sindh Sales Tax on remuneration of the Management Company	1,311	1,368
Allocated expenses	555	545
Selling and marketing expenses	2,017	2,105
Units issued: 149,173 units (2021: 431,954 units)	5,061	15,000
Units redeemed: 741,216 units (2021: 2,548,000 units)	25,000	85,000
Meezan Bank Limited		
Profit on savings account	217	251
Shariah advisor fee	537	537
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,008	1,052
Sindh Sales Tax on remuneration of the Trustee	131	137
CDS charges	34	93
Directors and executives of the Management Company		
Units issued: 682,933 units (2021: 1,825,628 units)	22,755	60,375
Units redeemed: 463,559 units (2021: 1,629,690 units)	15,138	56,406
Unit holders holding 10% or more of units of the Fund		
Units redeemed: 163,870 units (2021: nil units)	5,367	-

18 FINANCIAL INSTRUMENTS BY CATEGORY

2022		
At amortised cost	At fair value through profit or loss	Total

(Rupees in '000)

Financial assets

Balances with banks	5,571	-	5,571
Investments	-	430,357	430,357
Receivable against conversion of units	61	-	61
Dividend receivable	197	-	197
Receivable against sale of investments	6,571	-	6,571
Deposits and other receivable	1,631	-	1,631
	<u>14,031</u>	<u>430,357</u>	<u>444,388</u>

Financial liabilities

Payable to AI Meezan Investment Management Limited - Management Company	343	-	343
Payable to Central Depository Company of Pakistan Limited - Trustee	81	-	81
Payable to Meezan Bank Limited	2	-	2
Payable against conversion and redemption of units	5,103	-	5,103
Accrued expenses and other liabilities	540	-	540
	<u>6,069</u>	<u>-</u>	<u>6,069</u>

2021		
At amortised cost	At fair value through profit or loss	Total

(Rupees in '000)

Financial assets

Balances with banks	18,782	-	18,782
Investments	-	578,360	578,360
Receivable against conversion of units	8,251	-	8,251
Dividend receivable	1,764	-	1,764
Deposits and other receivable	2,663	-	2,663
	<u>31,460</u>	<u>578,360</u>	<u>609,820</u>

Financial liabilities

Payable to AI Meezan Investment Management Limited - Management Company	761	-	761
Payable to Central Depository Company of Pakistan Limited - Trustee	113	-	113
Payable against conversion and redemption of units	20,927	-	20,927
Payable to Meezan Bank Limited	33	-	33
Accrued expenses and other liabilities	1,119	-	1,119
	<u>22,953</u>	<u>-</u>	<u>22,953</u>

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and regulations laid down by the SECP.

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2022, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net (loss) / income for the year and net assets of the Fund would have been higher / lower by Rs. 0.037 million (2021: Rs. 0.177 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, the Fund did not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

As at June 30, 2022					
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
------(Rupees in '000)-----					
Financial assets					
Balances with banks	4.29% - 16.25%	3,675	-	1,896	5,571
Investments		-	-	430,357	430,357
Receivable against conversion of units		-	-	61	61
Dividend receivable		-	-	197	197
Receivable against sale of investments		-	-	6,571	6,571
Deposits and other receivable		-	-	1,631	1,631
		3,675	-	440,713	444,388
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	343	343
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	81	81
Payable to Meezan Bank Limited		-	-	2	2
Payable against conversion and redemption of units		-	-	5,103	5,103
Accrued expenses and other liabilities		-	-	540	540
		-	-	6,069	6,069
On-balance sheet gap (a)		3,675	-	434,644	438,319
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a + b)		3,675	-	-	-
Cumulative profit rate sensitivity gap		3,675	3,675	3,675	-

As at June 30, 2021						
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
------(Rupees in '000)-----						
Financial assets						
Balances with banks	2.24% - 7.20%	17,738	-	-	1,044	18,782
Investments		-	-	-	578,360	578,360
Receivable against conversion of units		-	-	-	8,251	8,251
Dividend receivable		-	-	-	1,764	1,764
Deposits and other receivable		-	-	-	2,663	2,663
		17,738	-	-	592,082	609,820
Financial liabilities						
Payable to AI Meezan Investment Management Limited - Management Company		-	-	-	761	761
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	113	113
Payable against conversion and redemption of units		-	-	-	20,927	20,927
Payable to Meezan Bank Limited		-	-	-	33	33
Accrued expenses and other liabilities		-	-	-	1,119	1,119
		-	-	-	22,953	22,953
On-balance sheet gap (a)		17,738	-	-	569,129	586,867
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a + b)		17,738	-	-		
Cumulative profit rate sensitivity gap		17,738	17,738	17,738		

(ii) Currency risk

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

(iii) Price risk

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

The Fund is exposed to equity price risk on investments held by the Fund classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 20% of net assets and issued capital of the investee company while there is no sector exposure limit.

In case of 1% increase / decrease in KMI 30 index on June 30, 2022, with all other variables held constant, the total comprehensive (loss) / income of the Fund for the year would increase / decrease by Rs. 4.304 million (2021: Rs. 5.784 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI 30 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

19.2 Liquidity risk

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

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

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemption requests during the year ended June 30, 2022.

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

As at 30 June, 2022						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						
Financial assets						
Balances with banks	5,571	-	-	-	-	5,571
Investments	-	-	-	-	430,357	430,357
Receivable against conversion of units	61	-	-	-	-	61
Dividend receivable	197	-	-	-	-	197
Receivable against sale of investments	6,571	-	-	-	-	6,571
Deposits and other receivable	31	-	-	-	1,600	1,631
	12,431	-	-	-	431,957	444,388
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	343	-	-	-	-	343
Payable to Central Depository Company of Pakistan Limited - Trustee	81	-	-	-	-	81
Payable to Meezan Bank Limited	2	-	-	-	-	2
Payable against redemption and conversion of units	5,103	-	-	-	-	5,103
Accrued expenses and other liabilities	-	540	-	-	-	540
	5,529	540	-	-	-	6,069
Net financial assets / (liabilities)	6,902	(540)	-	-	431,957	438,319
As at 30 June, 2021						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						
Financial assets						
Balances with banks	18,782	-	-	-	-	18,782
Investments	-	-	-	-	578,360	578,360
Receivable against conversion of units	8,251	-	-	-	-	8,251
Dividend receivable	1,764	-	-	-	-	1,764
Deposits and other receivable	63	-	-	-	2,600	2,663
	28,860	-	-	-	580,960	609,820
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	761	-	-	-	-	761
Payable to Central Depository Company of Pakistan Limited - Trustee	113	-	-	-	-	113
Payable against conversion and redemption of units	20,927	-	-	-	-	20,927
Payable to Meezan Bank Limited	33	-	-	-	-	33
Accrued expenses and other liabilities	-	1,119	-	-	-	1,119
	21,834	1,119	-	-	-	22,953
Net financial assets / (liabilities)	7,026	(1,119)	-	-	580,960	586,867

19.3 Credit risk

19.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arises from deposits with banks and financial institutions, profit receivable on bank deposits, dividend receivable and receivable against conversion of units and sale of investments.

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

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

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees in '000)			
Balances with banks	5,571	5,571	18,782	18,782
Investments	430,357	-	578,360	-
Receivable against conversion of units	61	61	8,251	8,251
Dividend receivable	197	197	1,764	1,764
Receivable against sale of investments	6,571	6,571	-	-
Deposits and other receivable	1,631	1,631	2,663	2,663
	<u>444,388</u>	<u>14,031</u>	<u>609,820</u>	<u>31,460</u>

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

19.3.2 Credit quality of financial assets

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

Ratings	% of financial assets exposed to credit risk	
	2022	2021
AAA	93.44	92.16
AA+	5.88	6.92
A+	0.68	0.92
	<u>100.00</u>	<u>100.00</u>

19.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2022 and June 30, 2021 are unsecured and are not impaired.

22 UNIT HOLDING PATTERN OF THE FUND

Category	2022			2021		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investment (%)	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investment (%)
Individuals	1,421	330,245	75.41	1,413	420,616	71.98
Associated companies / Directors	1	84,198	19.23	2	117,719	20.15
Retirement funds	1	19,166	4.38			
Others	3	4,305	0.98	7	45,975	7.87
Total	1,426	437,914	100.00	1,422	584,310	100.00

23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2022		2021	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Al Habib Capital Markets (Private) Limited	9.54%	Taurus Securities Limited	10.58%
Darson Securities Limited	7.80%	AKD Securities Limited	9.42%
AKD Securities Limited	7.00%	EFG Hermes Pakistan Limited	7.19%
Taurus Securities Limited	6.96%	Standard Capital Securities (Private) Limited	5.94%
BMA Capital Management Limited	6.45%	Spectrum Securities (Private) Limited	5.24%
KASB Securities (Private) Limited	6.25%	Intermarket Securities (Private) Limited	4.97%
Aba Ali Habib Securities (Private) Limited	6.01%	Optimus Capital Management (Private) Limited	4.65%
Intermarket Securities Limited	6.00%	Insight Securities (Private) Limited	4.07%
Summit Capital (Private) Limited	5.49%	Foundation Securities (Private) Limited	4.05%
AKIK Capital (Private) Limited	5.29%	Top Line Securities (Private) Limited	3.93%

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

24.2 The Fund Manager of the Fund is Mr. Ahmed Hassan. Other Funds being managed by the Fund Manager are as follows:

- Al Meezan Mutual Fund; and
- Meezan Tahaffuz Pension Fund

25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

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

26 GENERAL

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

27 DATE OF AUTHORISATION FOR ISSUE

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

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

Chief Executive Officer

Chief Financial Officer

Director