



Al Meezan
Investment Management Ltd.

AM1
Rating by VIS & PACRA

EVOLVING
for
EXCELLENCE





AL MEEZAN FAMILY OF FUNDS



Meezan
Rozana Amdani
Fund



Meezan
Cash Fund



Meezan
Islamic Income Fund



Meezan
Sovereign Fund



Meezan
Daily Income Fund



Meezan
Fixed Term Fund



Meezan
Islamic Fund



Al Meezan
Mutual Fund



KSE-Meezan
Index Fund



Meezan
Dedicated Equity
Fund



Meezan
Energy Fund



Meezan
Tahaffuz Pension
Fund



Meezan
Balanced Fund



Meezan
Asset Allocation
Fund



Meezan
Gold Fund



Meezan
Pakistan Exchange
Traded Fund



Meezan
Financial Planning
Fund of Funds



Meezan
Strategic Allocation
Fund



Meezan
Strategic Allocation
Fund-II



Meezan
Strategic Allocation
Fund-III

TABLE *of* CONTENTS

05 **Who We Are**

06 **Core Values**

07 **Vision and Mission**

09 **Milestones for FY 2023**

11 **Board of Directors' Profile**

18 **Directors' Report**

◆ **Fund Information**

◆ **Report of the Fund Manager**

◆ **Report of the Shariah Advisor**

◆ **Trustee Report to the Unitholders**

◆ **Independent Auditors' Report to the Unitholders**

◆ **Statement of Assets and Liabilities**

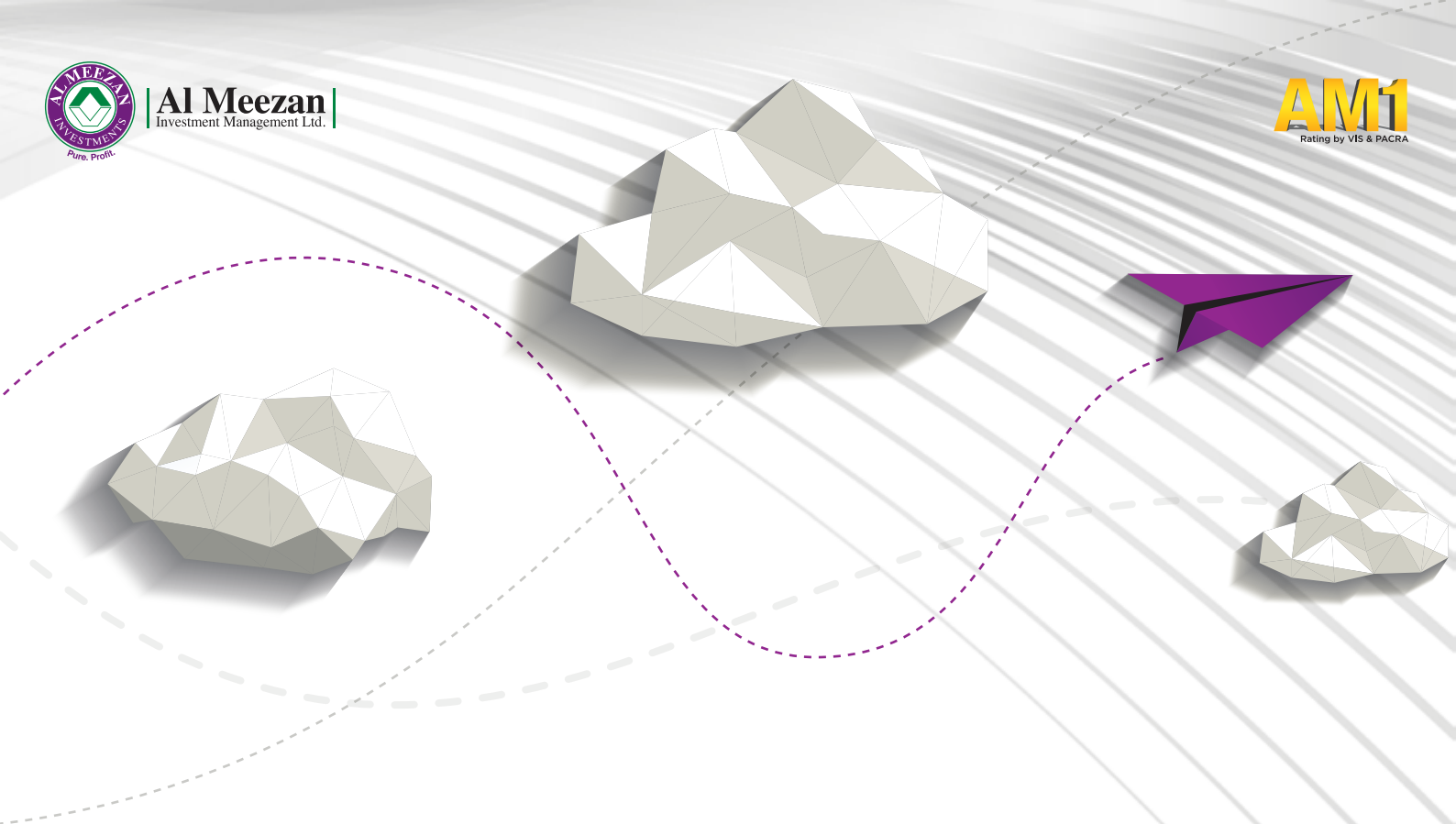
◆ **Income Statement**

◆ **Statement of Comprehensive Income**

◆ **Statement of Movement in Unitholders' Fund**

◆ **Cash Flow Statement**

◆ **Notes to & Forming Part of the Financial Statements**



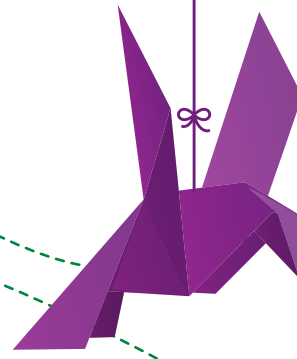
MRAF	MCF	MIIF	MSF	MDIF	MFTF	MIF	AMMF	KMIF	MDEF	MEF	MTPF	MBF	MAAF	MGF	MPETF	MFPF	MSAF	MSAF-II	MSAF-III
48	87	123	162	197	244	290	330	369	406	444	481	528	569	608	641	674	718	762	804
49	88	124	163	198	245	291	331	370	407	445	482	529	570	609	642	675	719	763	805
52	91	127	166	205	256	295	335	374	411	449	486	533	574	612	646	679	723	766	808
53	92	128	167	206	257	296	336	375	412	450	487	534	575	613	647	680	724	767	809
54	93	129	168	207	258	297	337	376	413	451	488	535	576	614	648	681	725	768	810
58	97	133	172	211	262	301	341	380	417	455	491	539	580	618	652	685	729	772	814
59	98	134	173	212	263	302	342	381	418	456	492	540	581	619	653	687	731	774	815
60	99	135	174	213	264	303	343	382	419	457	492	541	582	620	654	689	733	776	816
61	100	136	175	214	265	304	344	383	420	458	-	542	583	621	655	690	734	778	817
62	101	137	176	215	266	305	345	384	421	459	193	543	584	622	656	692	738	780	818
63	102	138	177	216	267	306	346	385	422	460	497	544	585	623	657	694	740	782	819



Al Meezan
Investment Management Ltd.

AM1
Rating by VIS & PACRA

WHO *we are*



Al Meezan Investments has a vision: **To make Shariah Compliant Investing a first choice for investors.** With the largest and most diverse customer base of over 204,000 investors, ranging from institutions and businesses to individuals and High Net Worth clients, we offer investment solutions, mutual funds and investment advisory services catering to specific needs of each of our customers.


Our aim is to **innovate and consistently perform**, thereby facilitating investors in achieving their financial objectives in a Shariah compliant manner. Our philosophy is based on our 5 Core Values (Shariah Compliance, Ethical Standards, Professional Excellence, Service Excellence, Social Responsibility) which enables us to perform in harmony with our mission to establish Al Meezan as a leading and trusted brand for savings and investments.

As the **Largest Fund Manager in Pakistan** with over Rs.303 Billion assets under management (as of 30th June, 2023) and with the highest management quality rating of **AM1 awarded by VIS & PACRA**, we offer a comprehensive range of **Shariah Compliant investment** solutions ranging from equity, balanced, asset allocation, fixed income, money market, capital preservation, fund of fund, commodity, Open End Islamic CIS as per SECP's Circular No.3 of 2022 and voluntary pension scheme. Depending on each investor's need, we provide expert guidance to them to achieve their financial objectives.

Our Separately Managed Accounts, popularly known as SMAs, offer clients a relatively customized option to Portfolio structuring and Investment Management. Under this Investment Advisory service, we offer our esteemed clients with a cost-effective solution to draft their own portfolio objectives and requirements, all the while, providing expert guidance and suggestions on how to achieve their investment objective.

OUR CORE VALUES

OUR CORE VALUES ARE THE **5 PILLARS** OF OUR FOUNDATION

A large, stylized purple origami bird in flight, positioned on the left side of the page, partially overlapping the main text area.

They reflect and reinforce our character and standing as an organization. These values depict the paradigm of our internal and external expectations: Our dealings with members of the organization, our customers, the shareholders and the communities we serve. Our corporate culture is based on these values and serves as a beacon of guidance for all our employees.

Our values are not about what we do or how we do it in fact they are about who we are and why we exist. These values, which fuel our drive to achieve newer milestones at every step of our journey to success are:

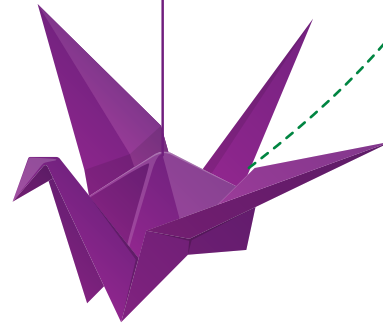
Shariah *Compliance*

We ensure that all business operations and activities are Shariah Compliant. As a Shariah Compliant entity we are also accountable for ensuring that rulings and decisions made by the regulators, Shariah Board and Shariah Advisors are complied with across the organization.



Al Meezan
Investment Management Ltd.

AM1
Rating by VIS & PACRA



Vision

To make Shariah compliant investing a first choice for investors.

Mission

To establish Al Meezan as a leading and trusted brand for savings and investments by offering innovative Shariah compliant investment solutions through ethical conduct, value added services and optimal returns, while protecting the interest of all stakeholders

Ethical *Standards*

We practice high ethical standards at work and in our services. Maintaining high ethical standards in the workplace translates in prioritizing the interest of the client, acting with integrity, competence and diligence, and respecting our dealings with the public, clients, prospective clients and colleagues.

Professional *Excellence*

Professional excellence is about achieving excellence as an employee. It is at the core of being a “professional.” Ensuring our approach to work and the people we work with—supervisors, colleagues and/or customers is in a professional and respectful manner.

Service *Excellence*

Service excellence is an attitude engrained in every department and employee. From support staff to the CEO, we simply go beyond delivering products and helping customers achieve their financial objectives. It is essential that we provide a unique customer experience by proactively anticipating and exceeding customers needs every time. Excellence is a consistent, premium service at every point of contact which is set by our service-oriented tone that drives our company’s strategy at every level.

Social *Responsibility*

We work in an ethical framework, which suggests that as an entity we have an obligation to act for the benefit of our society at large. We want to contribute towards sustainable development not only through our products but also through the way we conduct business.

Milestones for FY 2023



Successfully maintained **AM1** Rating-Highest Management Quality Rating in Pakistan by **VIS & PACRA**



Category Leader as the **Largest Shariah Compliant Manager** of private sector:

- ◆ Money Market Fund - Meezan Rozana Amdani Fund
- ◆ Income Fund - Meezan Daily Income Fund
- ◆ Pension Fund - Meezan Tahaffuz Pension Fund



One of the **Largest Investor Base** of Over **204,000 Customer** (as of June 30th, 2023)



New Product Launches

Launch of Meezan Paaidaar Munafa Plan Series

- ◆ MPMP-I
- ◆ MPMP-II
- ◆ MPMP-III
- ◆ MPMP-IV
- ◆ MPMP-V
- ◆ MPMP-VI
- ◆ MPMP-VII
- ◆ MPMP-VIII



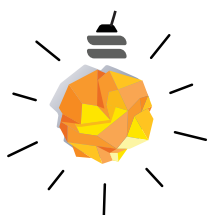
Total number of Transactions done in the Year: **2,634,170**

Milestones for FY 2023



Awards and Recognition

- ◆ **Best Fund Over 10 Years Bond PKR** – Meezan Islamic Income Fund – Type B by Refinitiv Lipper Fund Awards
- ◆ **Best Asset Management Company of the Year FY 2022** by CFA Society Pakistan
- ◆ **Best Islamic Asset Management Company** by 16th Consumer Choice Awards 2022
- ◆ **CEO of the Year** by 16th Consumer Choice Awards 2022
- ◆ **Best Mobile Application in the Financial Sector** by 16th Consumer Choice Awards 2022
- ◆ **Asset Management Company of the Year** by IFFSA Awards



Innovative Investment Solutions

-Wherever You Are, Whenever You Want

- ◆ Full-fledged Digital Account Opening
- ◆ Launch of New Website-**Same Vision. New Look.**



Mr. Ariful Islam Chairman

Mr. Ariful Islam is a senior banker with over 35 years of experience with various banks in Bahrain and Pakistan.

He is a Chartered Accountant from England and Wales and a Fellow member of the Institute of Chartered Accountants of Pakistan.

He joined Meezan Bank in April 1999 as the Bank's first Chief Operating Officer. Currently, Mr. Ariful Islam is Deputy CEO of Meezan Bank Limited. He is a 'Certified Director' from IBA, Karachi. He is also the Chairman of the Board of Al Meezan Investment Management Limited – the Bank's asset management subsidiary, and a Director on the Board of Honda Atlas Cars (Pakistan) Limited.

Ms. Danish Zuberi Independent Director

Ms. Danish is an Advocate of the High Court and advises corporates and family run businesses on a wide variety of corporate and commercial matters, taxation, oil and gas, competition, arbitration and mediation.

Ms. Danish commenced her career at the premier litigation set namely, Fazle Ghani, Advocates and thereafter established her independent practice. She was the General Counsel of Pakistan Petroleum Limited before taking up a partnership at Vellani & Vellani.

Ms. Danish has been certified by CEDR as a Mediator. She also has a keen interest in human rights law and has served on boards of various non-profit organisations.

EDUCATION

LLB, University of Wales, Aberystwyth – 1994

Barrister at Law – 1995

Mr. Feroz Rizvi Independent Director

Mr. Feroz Rizvi is a Chartered Accountant, having qualified from England & Wales. He has over 45 years of local and international experience in some of the largest companies in the world.

He started his career in Pakistan with ICI Pakistan Ltd, a subsidiary of ICI PLC, one of the largest chemical companies in the world. In 1985 he joined Petromin Refinery Riyadh, KSA, as Finance and Cost Accounting Manager, rejoining ICI Pakistan in 1989.

In 1996, he was seconded to ICI PLC's headquarters in London. During his secondment, he spearheaded ICI PLC's strategic shift from industrial to consumer and specialized chemicals, leading to a major acquisition of four companies from Unilever PLC for USD 8 billion, as part of the group's major strategic priority. Subsequently, he led the integration of the new companies in the ICI PLC's European structure. Besides this acquisition, he was also responsible for several divestments of ICI PLC's major industrial chemical businesses in accord with the group's strategic move. Back in Pakistan after the secondment, he completed the demerger of ICI Pakistan's Paints and PTA businesses into separate listed companies, facilitating the sale of the latter to Lotte (a Korean conglomerate) and the former's transfer to Akzo Nobel Ltd, a Dutch company that had earlier acquired ICI PLC. In ICI Pakistan, he also implemented the state-of-the-art SAP ERP system across the group and a centralized shared services department. He retired from ICI Pakistan Ltd as CFO and Finance Director. He has also been President and Chief Executive of the Pakistan Institute of Corporate Governance.

Mr. Rizvi has extensive experience in corporate and financial strategy, taxation, corporate governance, restructuring, and mergers & acquisitions. Besides ICI Pakistan Ltd, he has also been a board member of Pakistan PTA Ltd, Faysal Asset Management Ltd, Atlas Insurance Ltd, Engro Chemicals and Polymers Ltd, Honda Atlas Car Company Ltd, and Pakistan Oxygen Ltd. Currently, beside Al Meezan Investment Management Ltd, he is on the board of ILink (Pvt) Ltd.

He is an alumnus of INSEAD France and Wharton Business School USA and lectures on corporate governance, business strategy, and related areas to board members and other senior executives.

Mr. Furquan R Kidwai Independent Director

Mr. Furquan R Kidwai is the Founder & CEO of Dawaai (Pvt.) Limited. He is a technology entrepreneur who has built the largest health technology company in Pakistan over the past five years.

Prior to this journey, Mr. Kidwai was an investment banker for over eight years in London and New York where, in his last role, was the Head of CEEMEA Financing as well as a Senior Vice President in the Fixed Income trading business at the Royal Bank of Scotland. Before joining RBS, Mr. Furquan worked as an Associate at Merrill Lynch and Lehman Brothers in their London and New York offices. He has also served as a member of the Board of Imperial College of Science, Technology and Medicine, London.

Mr. Furquan read International Relations for a Master's degree at Cambridge University. He also has an MSc in Financial Mathematics with specialization in Risk Management from Imperial College London and BEng in Computer Systems from Bristol University.

Mr. Mohammad Shoab, CFA
Chief Executive Officer

Mr. Mohammad Shoab is the founding CEO of Al Meezan Investment Management Ltd, which is the largest Asset Management Company in Pakistan as on June 30th, 2023. His journey spans from setting up Pakistan's First Shariah Compliant Asset Management Company in Pakistan to making it the Largest AMC in the industry with funds under management of over PKR 303 Billion.

He got an MBA from IBA in 1988 and got his CFA charter from CFA Institute, USA in 1999. He has to his credit setting up CFA Society Pakistan in 2002 and serving it as its founder President.

He has received many accolades for his contribution in promoting Shariah compliant investing as well as CFA program as a tool to improve skillset of Pakistani investment professionals. He was recognized as the "Most Influential CFA Charter Holder" by CFA Institute Magazine, in 2006, and was awarded another accolade of "Volunteer of the Year: Lifetime Achievement Award" in 2019 by CFA Institute.

He has been an active volunteer in many areas in the financial sector and some of his volunteer roles include; Nominee Director of SECP on Board of Pakistan Stock Exchange, Board Member of Institute of Financial Capital Markets in Pakistan, Chairman, Mutual Funds Association of Pakistan, Board Member Pakistan Institute of Corporate Governance etc.

In December 2021 he was recognized by Asia Asset Management as "One of the Top 25 Leaders in Asset Management" in Asia and in the year 2022, he was recognized as "CEO of the Year" by 16th Consumers Choice Awards.

He has also participated in Advanced Management Program (AMP) at Harvard Business School alongside global business leaders and CEOs, which reflects his commitment to lifelong learning.

He is board member of CFA Society Pakistan and holds the portfolios of Advocacy and GIPS Chair. He is also director on the board of Mutual Funds Association of Pakistan. Additionally, he has been nominated as a Member in the Committee formed by SECP for promoting Islamic Finance in the Non-Banking Financial Sector.

He has participated in various seminars, conferences and workshops across the globe during his 30-year career in managing investments.

Mr. Muhammad Abdullah Ahmed
Nominee Director- MBL

Mr. Abdullah is currently Senior Executive Vice President-Group Head of Corporate & Institutional Banking at Meezan Bank. He has over 20 years of banking and treasury dealing experience. He has also previously worked at Bank of America NA, National Bank of Pakistan and KASB Bank before joining Meezan Bank in 2005.

Mr. Abdullah has a Bachelors and Masters in Business Administration from the Institute of Business Administration, University of Karachi. He is a fellow of the Association Cambiste Internationale (ACI) in financial markets trading - The Financial Markets Association, Paris in financial markets trading and a fellow of the Institute of Bankers Pakistan. He is also a certified Financial Risk Manager (FRM) from the Global Association of Risk Professionals (GARP), USA.

Mr. Abdullah is an active member of the local Financial Markets Association of Pakistan (FMAP) and was elected to the executive committee as office bearer in 2000, 2008 and 2009, his last office being the General Secretary of the FMAP for the years 2009-2012. He is currently a member of the Pakistan Banks Association (PBA) sub-committee on Treasury and Capital Markets since 2010 and of the technical committee of the Financial Markets Association of Pakistan since 2012.

Mr. Naeem Sattar **Nominee Director- PKIC**

Mr. Naeem, Company Secretary at PKIC, is FCMA, Fellow Member of the Institute of Cost and Management Accountant of Pakistan.

He has over 22 years of experience in the financial sector. His work experience includes the fields of Accounting, Taxation, Budgeting, and Corporate Secretarial. He has also worked with M/s. A. F. Ferguson & Co - Chartered Accountants.

Mr. Saad Ur Rahman Khan **Nominee Director - PKIC**

Mr. Saad Ur Rahman Khan has an extensive banking career spanning more than 30 years in the area of Retail, Trade, SME, Commercial, Corporate, Investment Banking, Financial Institution, International Banking and Risk Management.

He is currently serving as Managing Director / Director of Pakistan Kuwait Investment Company (Private) Limited (PKIC). Currently, he is also serving as nominee director of PKIC on the Board of Meezan Bank Limited and National Clearing Company of Pakistan Limited.

Mr. Saad started his professional journey with MCB Bank Limited in 1993, he has since held numerous senior roles in large local and multinational banks including Citibank, National Bank of Pakistan, Habib Bank Limited and Bank Alfalah Limited. He has also served as a director on the Boards of Alfalah Asset Management Limited, NBP Fund Management Limited, National Bank of Pakistan Kazakhstan, National Bank of Pakistan Tajikistan, Sapphire Wind Power Company Limited and Triconboston Consulting Corporation (Private) Limited. Mr. Saad is a graduate of Institute of Business Administration (IBA), Karachi.

Ms. Shazia Khurram
Nominee Director - MBL

Ms. Shazia Khurram, Senior Retail Banking Executive with over 20 years of experience in retail banking business, product development, wealth management, consumer assets, sales and customer experience.

Entrepreneurial-minded and motivational leader recognized for consistently exceeding customer expectations and organizational goals through diverse situational challenges while upholding company values with utmost integrity. Notable experience in development of digital products and services.

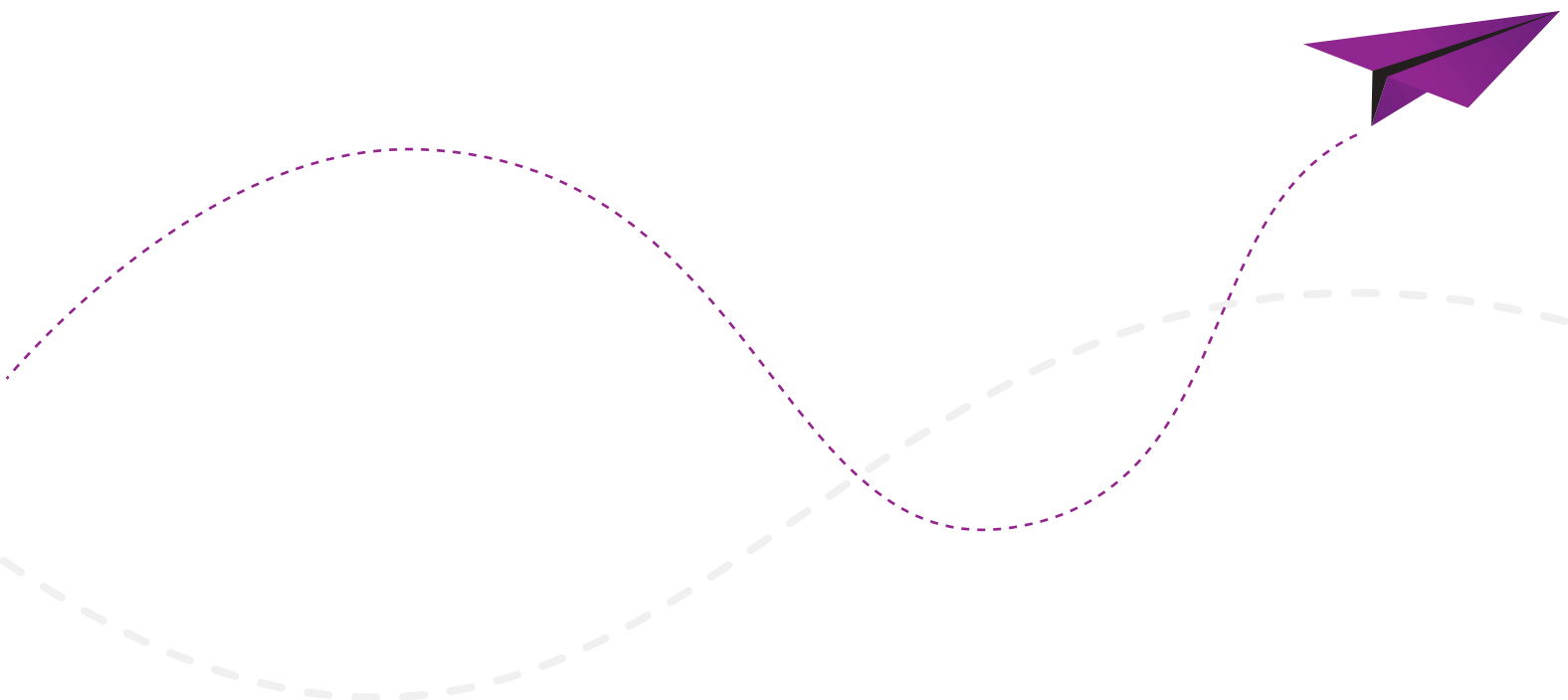
Mr. Tariq Mairaj
Nominee Director- MBL

Mr. Tariq Mairaj is working as EVP & Financial Controller at Meezan Bank Limited.

Mr. Tariq is an experienced Finance Professional with more than 12 years of experience in Financial Control function and is a fellow member of Institute of Chartered Accountants of Pakistan.

Prior to joining Meezan Bank, Mr. Tariq was associated with KPMG Taseer Hadi & Co. (a member firm of the KPMG Network of independent member firms affiliated with KPMG International).

Mr. Tariq has also conducted sessions on Islamic Finance as Trainer with IBA - Centre for Excellence in Islamic Finance.



OUR Branch NETWORK



SOUTHERN REGION

FTC Branch, Karachi

Ground Floor, Finance and Trade Centre,
Shahrah-e-Faisal, Karachi;
Tel: (92-21) 111-633-926, 35630722-26

Sales Hub, Karachi

Banglow # 43-5-E/2, Shah Abdul Latif Road,
PECHS Block 6, Karachi.
Tel: (92-21) 34559262-5

North Nazimabad Branch, Karachi

Shop # G-1, G-2, Ground Floor, Ajwa Residency,
B-1, Block-L, North Nazimabad, Karachi.
Tel: (92-21) 36641491-4, 021-37132530, 021-36100074

Bahadurabad Branch, Karachi

Shop # 4, Ground floor, Adam Arcade, B.M.C.H
Society, Shaheed-e-Millat Road, Block #3, Karachi.
Tel: (92-21) 34923112-6

DHA Branch, Karachi

Shop # 01 Ground Floor, Sunset Commercial St-02,
Khayaban-e-Jami, Near Baitussalam Masjid, Phase IV,
D.H.A Karachi.
Tel: (92-21) 35802411-4

Gulshan-e-Iqbal Branch, Karachi

Shop # 02, Ground Floor, Shelozon Center,
Block 15, Gulshan-e-Iqbal Karachi.
Tel: (92-21) 34990491-4

Site Area Branch, Karachi

Shop # 22, Ground Floor S.P Chamber,
Plot # B/9-B-1, SITE Area, Karachi.
Tel: (92-21) 32570051-2

DHA, Badar Commercial Branch, Karachi

Plot # 8C, Shop # 03, Street # 10, Badar
Commercial, DHA Phase V, Karachi.
Tel: (92-21) 35171381-4, 021-37131680-1,
021-37131683-4

Gulistan-e-Jauhar Branch, Karachi

Plot # B11, Shop # 06, Ground Floor, Alam Shah
Bukhari Apartment (Right Opposite Hilltop Banquet
Hall), Block -19, Gulistan-e-Jauhar, Karachi.
Tel: (92-21) 34187181-84

Clifton Branch, Karachi

Shop # 3, Ground Floor, Plot # D-39,
Tabba Tower Gizri Road, Karachi.
Tel: (92-21) 35155219-21

Hyderabad Branch

Shop # A-1, 1 & 2, Mezzanine Floor
Shifa Heaven, Main Auto Bhan Road Hyderabad.
Tel: (92-22) 3821277-80

CENTRAL REGION

Gulberg Branch, Lahore

Ground Floor, Leeds Centre, Gulberg III,
Main Boulevard, Lahore.
Tel: (92-42) 111-633-926,
042-35783608-12, 042-32560548

DHA Branch, Lahore

1st Floor, Meezan Bank T Block Branch, Plot No. 7,
CCA-2, T Block, Phase II, DHA Lahore.
Tel: (92-42) 35747060-3, 042-32560125

Johar Town Branch, Lahore

Plot No.39, Block-L, M.A. Johar Town Scheme,
Abdul Haq Road, Lahore.
Tel: (92-42) 32510568, 042-32510561, 042-32510562

Faisalabad Branch (Susan Road)

Shop # 27, 1st Floor Plot # 27,
Susan Road Near Chenab Market
Faisalabad.
Tel: 041-8503267-9, (92-41)5250001



Multan Branch

1st Floor, Meezan Bank Rasheedabad Chowk
Branch, Aneesa Plaza Rasheedabad Chowk,
Khanewal Road Multan.
Tel: (92- 61) 6305911-3, (061) 2001001-2

Gujranwala Branch

Ground Floor, 387-A, Model Town,
Gujranwala.
Tel: (92-55) 842205-8

Sialkot Branch

Second Floor Meezan Bank, Qayum Plaza,
Aziz Shaheed Road, Sialkot Cant, Sialkot.
Tel: (92-52) 4290460-2

Gujrat Branch

P-1037, Ground Floor, G.T Road, IX Block,
Gujrat.
Tel: (92-53) 3724766-67

Bahawalpur Branch

Shop # 27, Ground Floor Liberty Square,
Fuji Basti Chowk, Airport Road,
Bahawalpur Cantt .
Tel: (92-301) 1121912

NORTHERN REGION

Islamabad Branch

Office No. 7 Ground Floor, Buland Markaz
Jinnah Avenue Blue Area, Islamabad.
Tel: (92-51) 7080414-15, 051-7080408

Peshawar Branch

Office No. 6-D, Ground Floor, 6 Saddar Road,
Peshawar Cantt, Peshawar.
Tel: (92-91) 5271911-14

Abbottabad Branch

Office No. 2, 3rd Floor Zaman Plaza,
Near Ayub Medical Complex,
Mansehra Road, Abbottabad.
Tel: (92-992) 414123-24

Rawalpindi Branch

Plot # 17, Zubair Plaza, 1st Floor, Chaklala
Scheme III, Main Commercial Area Rawalpindi
Cantt, Rawalpindi.
Tel: (92-51) 5766364-6



DIRECTORS' REPORT – FUNDS UNDER MANAGEMENT COMPANY

The Board of Directors of Al Meezan Investment Management Limited is pleased to present the financial statements of the following open-end funds and a voluntary pension scheme for the year ended June 30, 2023.

Money Market Fund

1. Meezan Rozana Amdani Fund
2. Meezan Cash Fund

Income Funds

3. Meezan Islamic Income Fund
4. Meezan Sovereign Fund
5. Meezan Daily Income Fund

Shariah Compliant Fixed Rate/Return or Open-end CIS as per SECP's Circular No. 3 of 2022

6. Meezan Fixed Term Fund

Equity Funds

7. Meezan Islamic Fund
8. Al Meezan Mutual Fund
9. KSE-Meezan Index Fund
10. Meezan Dedicated Equity Fund
11. Meezan Energy Fund

Pension Fund

12. Meezan Tahaffuz Pension Fund

Balanced Fund

13. Meezan Balanced Fund

Asset Allocation Fund

14. Meezan Asset Allocation Fund

Commodity Fund

15. Meezan Gold Fund

Exchange Traded Fund

16. Meezan Pakistan Exchange Traded Fund

Funds of Funds

17. Meezan Financial Planning Fund of Fund
18. Meezan Strategic Allocation Fund
19. Meezan Strategic Allocation Fund-II
20. Meezan Strategic Allocation Fund-III



Economic Review

Pakistan's economy grappled with multiple issues during the fiscal year 2023, which culminated in a muted GDP growth of 0.3%. Average inflation reached to a multi-decade high of 29% while a balance of payment crisis, created by large external debt repayments, led to a sharp drawdown of the country's forex reserves to precarious levels. Furthermore, the worst flooding in a decade delayed important policy responses from the authorities to contain the crisis. During FY23, while the nominal GDP grew by 27% YoY to PKR 84.7 trillion, in USD terms it declined by 9% YoY to USD 342 billion on account of significant PKR devaluation. Similarly, per capita GDP declined by 11% YoY to USD 1,568. Moody's rating agency lowered Pakistan's sovereign debt rating to Caa3 from Caa1, during the second half of FY23, reflecting very precarious liquidity and external position. Subsequent to the year end, the Fitch credit rating agency upgraded Pakistan's long-term foreign currency issuer default rating to CCC from CCC- in July-23, after an agreement with IMF.

The IMF Board completed the combined seventh and eighth reviews of the Extended Fund Facility (EFF); while it also approved an extension of the program till the end of Jun-23 and augmenting the program size from USD 6.0 bn to USD 6.5 bn. However, the EFF program could not be successfully completed due to various disagreements between the government and the IMF on policy measures and economic targets. Nonetheless, by the end of FY23, the IMF and Pakistan reached a staff-level agreement for a new program – a nine-month USD 3 bn Stand-by Arrangement (SBA) - which will assist Pakistan in addressing the near-term balance-of-payments concerns more effectively.

Inflation averaged 29% during FY23 compared with 12% during FY22; which led the SBP to increase the policy rate cumulatively by 825bps to 22%. Key factors behind the higher inflation were global commodity super cycle, increase in power and gas tariffs, increase in GST and second-round effects of PKR devaluation. The government is targeting average inflation of 21% for FY24 and year end inflation projected by IMF is 16% in June 2024.

On the external front, the Current Account Deficit (CAD) moderated to USD 2.6 billion during FY23, down from USD 17.5 billion during last year. While exports declined by 14% YoY to USD 27.9 billion, imports contracted more sharply by 27% YoY to USD 52.0 billion. Key reasons for the reduction in imports were significantly slower economic activity, the demand destruction caused by the large rupee devaluation, along with strict restrictions on non-essential imports imposed by the SBP. Hence the trade deficit contracted 38% YoY to USD 24.1 billion, from USD 39.1 billion during the same period last year. Worker remittances declined by 14% YoY to USD 27.0 billion during FY23 as the wide difference between the open market and interbank exchange rate diverted inflows towards informal channels. Foreign exchange reserves of the SBP decreased to only USD 4.5 billion as of June-23, from USD 9.8 billion reported on Jun-22; the level was equivalent to around four weeks' import cover. Amid dwindling foreign exchange reserves, delays in the continuation of the IMF program and continued large debt repayments, the PKR depreciated by 40% against the USD during FY23 in the interbank market to close at Rs. 286.0/USD.

The combined impact of waning demand, import contraction and supply disruptions limited FBR's ability to meet its revenue target during the year. The FBR collected Rs 7.1 trillion during FY23, showing an increase of 16% YoY. Importantly, however, the collection fell short of both the original/revised fiscal targets and the growth in the collection was lower even than the average inflation during the year - thus resulting in a decline in the tax-to-GDP ratio for FY23. On the financing side, the central government debt increased by 23% or Rs. 11.1 trillion in 11MFY23 to Rs. 59.0 trillion, with the majority of this increase coming from funds raised through long-term PIBs and the impact of PKR devaluation on external debt.



Money Market Review

During the fiscal year 2023, the central bank increased the policy rate sharply by a cumulative 825 bps to 22% to control inflationary pressures and manage external imbalances to arrest the declining parity of PKR. On the liquidity front, the money market remained stable due to regular short- and medium-term open market operations (OMO) by the SBP below the discount rate, ensuring that the overnight rates remain close to the policy and T-bills rates. The table below summarizes the changes in fixed-income instrument yields and PKR versus USD during the year:

Description	30-Jun-22	27-Jun-23	Change
KIBOR 3 Months	15.16%	22.91%	775
KIBOR 6 Months	15.35%	22.97%	762
KIBOR 12 Months	15.73%	23.27%	754
T-Bill 1 Month	13.75%	22.36%	861
T-Bill 3 Months	14.98%	22.65%	767
T-Bill 6 Months	15.15%	22.87%	772
T-Bill 12 Months	15.30%	22.93%	763
PIB 3 Year	13.45%	19.47%	602
PIB 5 Year	12.93%	16.08%	315
PIB 10 Year	12.92%	15.32%	240
US\$ Inter Bank	204.85	285.99	81.14
US\$ Open Market	205.00	290.00	85.00

In the market for Shariah Compliant instruments, GoP Ijarah prices showed a downward trend, especially in fixed-rate Ijarah due to the rise in interest rates. The table below summarizes the details of Ijarah/Sukuk:

Floating Rate Ijarah

Ijarah	Type	Coupon	Remaining Life	Next Reset	Issue Size (bn)	Issue Date	Maturity	Reval			Change
								30-Jun	27-Jun	YTM	
XX	Floater - 5 years	20.69%	1.84	30-Oct-23	76.39	30-Apr-20	30-Apr-25	96.96	96.42	23.18%	-0.54
XXI	Floater - 5 years	21.82%	1.92	29-Nov-23	74.62	29-May-20	29-May-25	100.03	99.36	22.32%	-0.67
XXII	Floater - 5 years	21.92%	1.99	24-Jun-23	47.24	24-Jun-20	24-Jun-25	99.68	99.08	22.82%	-0.60
XXIII	Floater - 5 years	17.65%	2.09	29-Jul-23	186.91	29-Jul-20	29-Jul-25	99.50	99.40	21.85%	-0.10
XXIV	Floater - 5 years	21.84%	2.45	9-Dec-23	227.26	9-Dec-20	9-Dec-25	99.78	99.71	22.00%	-0.07
XXV	Floater - 5 years	21.86%	3.28	6-Oct-23	190.53	6-Oct-21	6-Oct-26	99.70	99.44	22.13%	-0.26
XXVI	Floater - 5 years	21.84%	3.34	29-Oct-23	584.86	29-Oct-21	29-Oct-26	99.93	99.26	22.20%	-0.67
XXVII	Floater - 5 years	21.94%	3.84	27-Oct-23	563.32	27-Apr-22	27-Apr-27	99.68	99.39	22.23%	-0.29
XXVIII	Floater - 5 years	21.94%	4.33	26-Oct-23	243.85	26-Oct-22	26-Oct-27	0.00	99.73	22.12%	0.00
XXIX	Floater - 3 years	16.56%	2.53	5-Jul-23	105.96	5-Jan-23	5-Jan-26	0.00	99.00	22.10%	0.00
XXX	Floater - 1 year	17.84%	0.65	20-Aug-23	5.51	20-Feb-23	20-Feb-24	0.00	98.73	23.04%	0.00
XXXI	Floater - 1 year	20.32%	0.70	8-Sep-23	19.74	8-Mar-23	8-Mar-24	0.00	100.11	21.90%	0.00
XXXII	Floater - 1 year	22.68%	0.81	17-Oct-23	97.88	17-Apr-23	17-Apr-24	0.00	100.06	22.77%	0.00
XXXIII	Floater - 1 year	22.67%	0.90	22-Nov-23	79.81	22-May-23	22-May-24	0.00	100.07	23.99%	0.00
PES I	Floater - 10 years	20.86%	5.68	1-Sep-23	200.00	1-Mar-19	1-Mar-29	106.80	106.80	18.89%	0.00
PES II	Floater - 10 years	21.96%	6.90	21-Nov-23	199.97	21-May-20	21-May-30	100.70	100.02	22.03%	-0.68
		21.35%		Total	2903.83						



Fixed Rate Ijarah

Ijarah	Type	Coupon	Remaining Life	Next Coupon	Issue Size (bn)	Issue Date	Maturity	Reval			Change
								30-Jun	27-Jun	YTM	
XXIII	Fixed - 5 years	8.37%	2.09	29-Jul-23	44.59	29-Jul-20	29-Jul-25	93.48	85.70	16.74%	-7.78
XXIV	Fixed - 5 years	9.45%	2.57	20-Jul-23	8.25	20-Jan-21	20-Jan-26	93.78	88.00	15.26%	-5.78
XXV	Fixed - 5 years	9.70%	3.28	6-Oct-23	12.73	6-Oct-21	6-Oct-26	94.00	89.00	13.98%	-5.00
XXVI	Fixed - 5 years	11.40%	3.47	15-Jun-23	323.83	15-Dec-21	15-Dec-26	96.00	90.08	15.18%	-5.92
XXVII	Fixed - 5 years	12.49%	3.84	27-Oct-23	60.89	27-Apr-22	27-Apr-27	99.31	92.37	15.17%	-6.94
XXVIII	Fixed - 5 years	12.49%	4.39	16-May-23	0.25	16-Nov-22	16-Nov-27	0.00	97.37	13.29%	0.00
XXIX	Fixed - 1 Year	17.50%	0.65	20-Aug-23	0.00	20-Feb-23	20-Feb-24	0.00	98.04	20.71%	0.00
XXX	Fixed - 1 Year	20.70%	0.70	8-Sep-23	1.15	8-Mar-23	8-Mar-24	0.00	100.28	20.06%	0.00
XXXI	Fixed - 1 Year	21.25%	0.81	17-Oct-23	11.29	17-Apr-23	17-Apr-24	0.00	100.11	20.92%	0.00
XXXII	Fixed - 3 Years	18.24%	2.81	17-Oct-23	25.01	17-Apr-23	17-Apr-26	0.00	100.00	18.20%	0.00
XXXIII	Fixed - 1 Year	21.30%	0.90	22-Nov-23	1.25	22-May-23	22-May-24	0.00	100.00	21.19%	0.00
Total					489.24						

The central bank continued to conduct GoP Ijarah Sukuk auctions during the year and new assets were also added to tap excess liquidity from the market. The central bank borrowed a total of Rs. 805 billion from Islamic participants during FY23. The central bank also introduced 1-year and 3-year tenors for raising money through fixed rate and floating rate Ijarah. The SBP raised Rs 206 billion through the auction of 3-year Ijarah, while Rs. 273 billion were raised in the 1-year tenor. The corporate sector continued facing challenges in raising money through long-tenor Sukuk; however, there is an increase in the issuance of shorter-tenor corporate instruments during the year.

Equity Review

During the fiscal year 2023, the Pakistan stock market moved sideways due to economic contraction amid policy tightening measures, a balance-of-payment crisis, dwindling FX reserves and a delay in the continuation of the IMF program. The market de-rated to multi-decade low valuations (forward P/E ratio of 3.4x). The KMI-30 index during FY23 made a high of 73,770 points (rising by 7.3%) and closed at 70,748 points (up 2.9%) for the year, while the KSE-100 index after making a high of 43,677 (rising by 5.1%) closed at 41,453 points (down 0.2%) for the year. Total volumes traded in the KMI-30 index stocks improved by 4% YoY to 56 million shares during FY23, while volumes in the KSE-100 index stocks decreased by 21% YoY to 90 million shares.

Corporate earnings during the year showed meaningful improvement despite challenging economic conditions; as the index heavyweight sectors, such as Oil and Gas Exploration & Production, Fertilizer, Banks and Cement posted double-digit earnings growth. A notable positive development during the year was Pakistan's removal from the FATF grey list. Foreign selling was also not witnessed during FY23, unlike in preceding years where heavy foreign selling was seen. Buybacks by key corporates also added to liquidity in the market and sustained it from decline. During the year, corporates bought back around Rs. 24 billion worth of shares. The government was successful in converting the much-delayed ninth review with the IMF into a new nine-month Stand-by Arrangement (SBA) by the end of FY23. Pakistan's dollar bonds rallied after the country reached a staff-level agreement with the IMF. We have also seen appreciation in the stock market immediately after the news of the new IMF agreement as it will help Pakistan avert a default-like situation, pass important reforms and build its forex reserves from precarious levels.

US Federal Reserve continued tightening policy initiated on March-22, witnessing a hefty rise during FY23 taking the benchmark rate in a range of 5% to 5.25%, the highest pace of rise since the 1980s. This headwind has so far not disrupted the performance of equity markets evident from the MSCI World returning over 16.5% during the year. Emerging markets mostly bore the brunt of the aforementioned monetary tightening due to their limited ability to absorb large capital outflows. This is evident from the performance of the MSCI Emerging Markets Index, which saw a decline of 1% during FY23.

Major contributors to the Index:

Among the key sectors, Fertilizer, Cement and Technology were the best-performing sectors. The top contributing stocks in the KMI-30 index during the year were:

Major Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Engro Corp Ltd Pakistan	1,771	26.96
Systems Ltd	945	23.73
Dawood Hercules Corp Ltd	888	36.47
Pakistan Oilfields Ltd	754	17.68

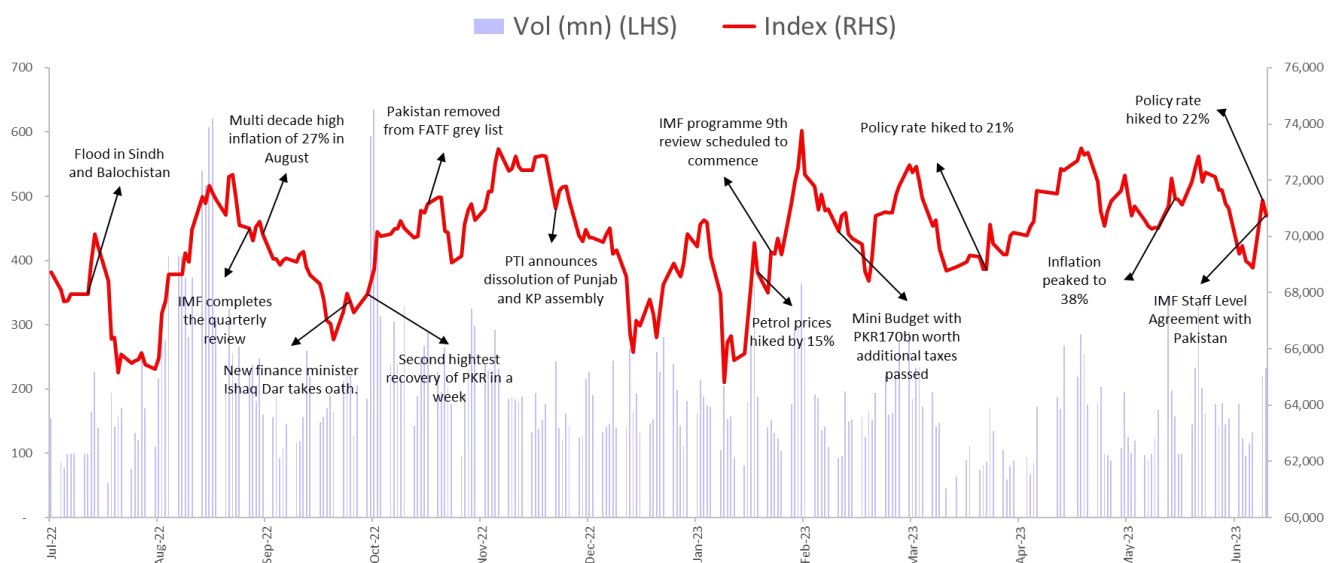
On the flip side, Pharmaceuticals, Refinery and Engineering sectors were amongst the key worst-performing sectors. The key laggards in the KMI-30 index during the year were:

Major Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Pakistan State Oil Co Ltd	-977	-31.32
Searle Co Ltd	-788	-56.06
Engro Polymer & Chemicals Ltd	-771	-37.93
Millat Tractors Ltd	-414	-7.64

Equity Flows

Foreigners' activity remained largely mixed during the year, generating a total net inflow of around USD 1.5 million. Foreign buying was mainly concentrated in the Technology sector (USD 43.3 million) and Oil & Gas Exploration sector (USD 27.4 million), while positions were liquidated from Commercial Banks (USD 54.1 million) and Fertilizer (USD 10.2 million) sectors. On the local front, Companies were net buyers of USD 99.7 million mainly due to buy-backs by various companies during the year. Individuals continued to be the main suppliers of liquidity to the market with an overall buying of USD 84.0 million. Mutual Funds were sellers of USD 144.5 million worth of securities while Insurance Companies sold a total of USD 124.3 million worth of securities.

The following graph shows the movement of the KMI-30 during the year along with key driving factors:





Mutual Fund Industry Review

During FY23, AUMs of the mutual fund industry increased by 29% to Rs. 1,622 billion. Shariah Compliant AUMs grew by 53.9% in FY23 to Rs. 743 billion, which brought the share of Shariah Compliant funds to around 45.8% in the overall mutual fund industry. Al Meezan's share in the Mutual Funds industry stood at 18.7% while amongst the Shariah Compliant Funds, it held a 40.8% market share as of June 30, 2023. Meezan Tahaffuz Pension Fund's market share in the Pension Fund category stood at 34.6% while amongst the Shariah Compliant Funds, it held 53.0% market share at FY23 end.

The change in AUMs of industry in FY23 over FY22 is as under:

	FY22	FY23	Change
	(Rs. In Billion)		(%)
<u>Sovereign, Money Market and Income Funds</u>			
Shariah Compliant Funds	370	648	75
Conventional Funds	627	764	22
Total Funds	997	1,412	42
<u>Equity Funds (Including Index Tracker Funds)</u>			
Shariah Compliant Funds	66	47	(29)
Conventional Funds	121	88	(28)
Total Funds	187	134	(28)
<u>Voluntary Pension Funds</u>			
Shariah Compliant Funds	27	32	21
Conventional Funds	14	17	22
Total Funds	41	50	21
<u>Capital Protected, balanced, and asset allocation Funds</u>			
Shariah Compliant Funds	20	15	(24)
Conventional Funds	10	9	(7)
Total Funds	30	25	(18)
<u>Commodity Funds</u>			
Shariah Compliant Funds	0.6	1.3	123
Total Funds	0.6	1.3	123



Performance Review (Funds)

The table below depicts a summary of the FY23 performance of funds under our management:

Funds	Type	Net Assets Rs. in millions	Growth in Net Assets for FY23 (%)	Returns for FY23 (%)	Benchmark for FY23 (%)	
Money Market/Fixed Income Funds						
Meezan Rozana Amdani Fund (MRAF)	Money Market	96,006	31.95	16.83	6.23	
Meezan Cash Fund (MCF)	Money Market	25,882	91.94	16.11	6.23	
Meezan Islamic Income Fund (MIIF)	Income	11,474	-38.34	14.86	6.06	
Meezan Sovereign Fund (MSF)	Income	8,133	31.26	15.37	6.06	
Meezan Daily Income Fund (MDIP-1)	Income	91,147	197.39	16.86	6.06	
Meezan Daily Income Fund – MMMP*	Income	5,543	-	15.28	6.52	
Meezan Sehl Account Plan (MDIF-SEHL)	Income	4	-	8.72	7.08	
MFTF-Meezan Paidar Munafa Plan-III*	Open End Islamic CIS as per SECP's Circular No.3 of 2022	543	-	20.28	6.38	
MFTF-Meezan Paidar Munafa Plan-IV*		4,564	-	19.96	6.41	
MFTF-Meezan Paidar Munafa Plan-V*		10,171	-	21.88	6.75	
MFTF-Meezan Paidar Munafa Plan-VI*		989	-	19.74	6.75	
MFTF-Meezan Paidar Munafa Plan-VII*		567	-	-	-	
MFTF-Meezan Paidar Munafa Plan-VIII*		4,064	-	18.45	7.16	
Equity Funds						
Meezan Islamic Fund (MIF)	Equity	17,155	-27.99	-2.54	2.88	
Al Meezan Mutual Fund (AMMF)	Equity	3,153	-29.15	-0.28	2.88	
KSE Meezan Index Fund (KMIF)	Equity	2,585	-0.97	0.69	2.88	
Meezan Dedicated Equity Fund (MDEF)	Equity	406	-46.09	-0.56	2.88	
Meezan Energy Fund (MEF)	Equity	452	3.21	-2.13	2.88	
Pension Fund Scheme						
Meezan Tahaffuz Pension Fund	Pension Fund Scheme					
Equity sub Fund		3,458	-24.71	0.21		
Debt sub Fund		5,252	4.78	14.39		
Money Market sub Fund		8,031	86.49	15.87		
Gold Sub Fund		416	149.24	48.60		
Balanced Fund						
Meezan Balanced Fund (MBF)	Balanced	1,689	-36.06	4.87	4.55	
Asset Allocation Fund						
Meezan Asset Allocation Fund (MAAF)	Asset Allocation	454	-46.60	0.35	3.28	
Commodity Fund						
Meezan Gold Fund (MGF)	Commodity	1,346	122.86	52.45	48.39	
Exchange Traded						
Meezan Pakistan Exchange Traded Fund (MZNP-ETF)	Exchange Traded	69	-25.84	-1.32	-1.04	
Fund of Funds						
Meezan Financial Planning Fund of Fund						
Aggressive	Fund of Fund	64	-77.94	1.13	3.72	
Moderate		62	-37.84	5.29	4.64	
Conservative		59	-58.01	9.81	5.59	
MAAP-I		71	-14.87	3.20	3.74	
Meezan Strategic Allocation Fund						
MSAP-I	Fund of Fund	188	-50.78	3.30	3.60	
MSAP-II		160	-50.27	3.37	3.51	
MSAP-III		131	-39.06	3.26	3.66	
MSAP-IV		77	-26.97	2.87	3.60	
MSAP-V		34	-31.31	2.65	3.72	
MSAP-MCPP-III		155	-20.99	11.95	5.36	
Meezan Strategic Allocation Fund - II						
MSAP-II -MCPPIV		Fund of Fund	237	-62.00	10.16	5.17
MSAP-II -MCPPIV			43	-32.20	11.36	5.22
MSAP-II -MCPPIV			29	-55.02	16.32	6.27
MSAP-II -MCPPIV	25		-36.81	15.82	6.39	
Meezan Strategic Allocation Fund - III						
MSAP-II -MCPPIV	Fund of Fund	237	-44.37	11.61	5.58	

* Launched MMMP (Oct 29, 2022), MDIF-SEHL (Jun 19, 2023), MPMP-III (Mar 29, 2023), MPMP-IV (Apr 12, 2023), MPMP-V (May 28, 2023), MPMP-VI (May 22, 2023), MPMP-VII (Jun 22, 2023) & MPMP-VIII (Jun 05, 2023)



Meezan Rozana Amdani Fund

The net assets of Meezan Rozana Amdani Fund (MRAF) at June 30, 2023 were Rs. 96,006 million compared to Rs. 72,760 million at June 30, 2022, an increase of 32%. The net asset value (NAV) per unit at June 30, 2023 was Rs. 50.00. During the year the fund provided an annualized return of 16.83% as compared to the benchmark annualized return of 6.23%. At year end, 25% of the fund was placed in Term Deposit Receipts, 4% in Islamic Corporate Sukuks, and 68% of the total assets were placed with Islamic Banks or windows of Islamic banks and 3% in Others.

Meezan Cash Fund

The net assets of Meezan Cash Fund (MCF) at June 30, 2023 were Rs. 25,882 million compared to Rs. 13,485 million at June 30, 2022, an increase of 92%. The net asset value (NAV) per unit at June 30, 2023 was Rs. 51.0165 as compared to Rs. 50.6141 on June 30, 2022 translating into an annualized return of 16.11% as compared to the benchmark annualized return of 6.23%. At year end, 13% of the fund was placed in Islamic Corporate Sukuks, 19% of the fund was placed in Term Deposit Receipts and 64% of the total assets were placed with Islamic Banks or windows of Islamic banks and 4% in Others.

Meezan Islamic Income Fund

The net assets of Meezan Islamic Income Fund (MIIF) at June 30, 2023 were Rs. 11,474 million compared to Rs. 18,609 million at June 30, 2022, a decrease of 38%. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 51.6491 compared to Rs. 51.5323 per unit on June 30, 2022 translating into an annualized return of 14.86% compared to the benchmark annualized return of 6.06%. At year end, the fund was 17% invested in Islamic Corporate Sukuks, 61% in GoP Ijarah / Govt. Guaranteed Sukuks, and 19% of the total assets were placed with Islamic Banks or windows of Islamic banks and 3% in Others.

Meezan Sovereign Fund

The net assets of Meezan Sovereign Fund (MSF) at June 30, 2023 were Rs. 8,133 million compared to Rs. 6,196 million at June 30, 2022, an increase of 31%. The net asset value (NAV) per unit at June 30, 2023 was Rs. 52.1375 as compared to Rs. 51.6654 per unit on June 30, 2022 translating into an annualized return of 15.37% compared to the benchmark annualized return of 6.06%. At year end, the fund was 65% invested in GoP Ijarah/Govt. Guaranteed Sukuks, and 31% of the total assets were placed with Islamic Banks or windows of Islamic banks and 4% in Others.

Meezan Daily Income Fund

Meezan Daily Income Fund – MDIP – I

The net **assets** of the plan at June 30, 2023 were Rs. 91,147 million compared to Rs. 30,649 million at June 30, 2022, an increase of 197%. The net asset value (NAV) per unit at June 30, 2023 was Rs. 50.00. During the year the plan provides an annualized return of 16.86% as compared to the benchmark annualized return of 6.06%. At year end, 21% of the fund was placed in Term Deposit Receipts, 5% in Islamic Corporate Sukuks and 72% of the total assets were placed with Islamic Banks or windows of Islamic banks and 2% in Others.

Meezan Daily Income Fund (Meezan Mahana Munafa Plan)

Meezan Mahana Munafa Plan was launched on October 29, 2022. The net assets of the plan as at June 30, 2023 stood at Rs. 5,543 million. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 50.00. During the year the plan provides an annualized return of 15.28% as compared to the benchmark annualized return of 6.52%. At year end, 99% of the total assets were placed with Islamic Banks or windows of Islamic banks and 1% in Others.



Meezan Sehl Account Plan - MDIF-SEHL

Meezan Sehl Account Plan was launched on June 19, 2023. The net assets of the plan as at June 30, 2023 stood at Rs. 4 million. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 50.1314. During the year the plan provides an annualized return of 8.72% as compared to the benchmark annualized return of 7.08%. At year end, 100% of the total assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Fixed Term Fund

Meezan Paaidaar Munafa Plan - III

Meezan Paaidaar Munafa Plan - II was launched on March 29, 2023. The net assets of the plan as at June 30, 2023 stood at Rs. 543 million. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 50.0964. During the period the plan provides an annualized return of 20.27% as compared to the benchmark annualized return of 6.38%. At year end, the plan was 90% was placed in Corporate Sukuks, 4% of the total assets were placed with Islamic Banks or windows of Islamic banks and 6% in Others.

Meezan Paaidaar Munafa Plan - IV

Meezan Paaidaar Munafa Plan - IV was launched on April 12, 2023. The net assets of the plan as at June 30, 2023 stood at Rs. 4,564 million. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 50.1020. During the period the plan provides an annualized return of 19.92% as compared to the benchmark annualized return of 6.41%. At year end, the plan was 95% was placed in Corporate Sukuks, 1% of the total assets were placed with Islamic Banks or windows of Islamic banks and 4% in Others.

Meezan Paaidaar Munafa Plan - V

Meezan Paaidaar Munafa Plan - V was launched on May 28, 2023. The net assets of the plan as at June 30, 2023 stood at Rs. 10,171 million. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 50.0973. During the period the plan provides an annualized return of 21.87% as compared to the benchmark annualized return of 6.75%. At year end, the plan was 98% was placed in Term Deposit Receipts, 1% of the total assets were placed with Islamic Banks or windows of Islamic banks and 1% in Others.

Meezan Paaidaar Munafa Plan - VI

Meezan Paaidaar Munafa Plan - VI was launched on May 22, 2023. The net assets of the plan as at June 30, 2023 stood at Rs. 989 million. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 50.1025. During the period the plan provides an annualized return of 19.65% as compared to the benchmark annualized return of 6.75%. At year end, the plan was 95% was placed in Corporate Sukuks, 3% of the total assets were placed with Islamic Banks or windows of Islamic banks and 2% in Others.

Meezan Paaidaar Munafa Plan - VII

Meezan Paaidaar Munafa Plan - VII was launched on June 22, 2023. The net assets of the plan as at June 30, 2023 stood at Rs. 567 million. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 50.00.

Meezan Paaidaar Munafa Plan - VIII

Meezan Paaidaar Munafa Plan - VIII was launched on June 05, 2023. The net assets of the plan as at June 30, 2023 stood at Rs. 4,064 million. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 50.0507. During the period the plan provides an annualized return of 18.54% as compared to the benchmark annualized return of 7.16%. At year end, the plan was 94% was placed in Term Deposit



Receipts, 5% of the total assets were placed with Islamic Banks or windows of Islamic banks and 1% in Others.

Meezan Islamic Fund

The net assets of Meezan Islamic Fund (MIF) as at June 30, 2023 stood at Rs. 17,155 million compared to Rs. 23,822 million at the end of June 30, 2022, a decrease of 28%. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 54.8025 in comparison to Rs. 56.2315 per unit as on June 30, 2022 translating into negative return of 2.54% during the year compared to the benchmark return of KSE Meezan Index (KMI 30) of 2.88%.

Al Meezan Mutual Fund

The net assets of Al Meezan Mutual Fund (AMMF) as at June 30, 2023 were Rs. 3,153 million compared to Rs. 4,451 million at the end of June 30, 2022, a decrease of 29%. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 15.6760 compared to Rs. 15.7208 per unit on June 30, 2022 translating into negative return of 0.28% during the year compared to the benchmark return of KSE Meezan Index (KMI 30) of 2.88%.

KSE Meezan Index Fund

The net assets of KSE Meezan Index Fund (KMIF) as at June 30, 2023 were Rs. 2,585 million compared to Rs. 2,610 million at June 30, 2022, a decrease of 1%. The net asset value (NAV) per unit at June 30, 2023 was Rs. 64.9320 as compared to Rs. 65.0795 per unit on June 30, 2022 translating into a return of 0.69% during the year compared to the benchmark return of KSE Meezan Index (KMI 30) of 2.88%.

Meezan Dedicated Equity Fund

The net assets of Meezan Dedicated Equity Fund (MDEF) as at June 30, 2023 were Rs. 406 million compared to Rs. 753 million at June 30, 2022, a decrease of 46%. The net asset value per unit (NAV) at June 30, 2023 was Rs. 39.9919 as compared to Rs. 40.2161 per unit on June 30, 2022 translating into a negative return of 0.56% during the year compared to the benchmark return of KSE Meezan Index (KMI 30) of 2.88%.

Meezan Energy Fund

The net assets of Meezan Energy Fund (MEF) as at June 30, 2023 were Rs. 452 million compared to Rs. 438 million in June 2021, an increase of 3%. The net asset value (NAV) per unit as at June 31, 2023 was Rs. 30.8497 as compared to Rs. 31.5217 per unit on June 30, 2022, translating into a negative return of 2.13% during the year compared to the benchmark return of KSE Meezan Index (KMI 30) of 2.88%.

Meezan Tahaffuz Pension Fund (MTPF)

MTPF comprises of four sub-funds, namely Equity sub-fund, Debt sub-fund, Money Market sub-fund and Gold sub-fund. For the year ended June 30, 2023, the equity sub-fund provided a return of 0.21% and gold sub-fund provided a return of 48.60%, while the debt and money market sub-funds provided annualized returns of 14.39% and 15.87% respectively. Performance review for each sub fund is given as under:

Equity Sub Fund

The net assets of this sub fund stood at Rs. 3,458 million at June 30, 2023 compared to Rs. 4,593 million at June 30, 2022, a decrease of 25%. The net asset value (NAV) per unit of the plan was Rs. 486.5451 at the end of June 30, 2023 as compare to Rs. 485.5458 as at June 30, 2022.

Debt Sub Fund

The net assets of this sub fund stood at Rs. 5,252 million at June 30, 2023 compared to Rs. 5,012 million at June 30, 2022, an increase of 5%. The net asset value per (NAV) unit of the plan was Rs. 348.5006 at the end of June 30, 2023 as compare to Rs. 304.6714 as at June 30, 2022.



Money Market Sub Fund

The net assets of this sub fund stood at Rs. 8,031 million at June 30, 2023 compared to Rs. 4,307 million at June 30, 2022, an increase of 86%. The net asset value (NAV) per unit of the plan was Rs. 339.5715 at the end of June 30, 2023 as compare to Rs. 293.0581 as at June 30, 2022.

Gold Sub Fund

The net assets of this sub fund stood at Rs. 416 million at June 30, 2023 compared to Rs. 167 million at June 30, 2022, an increase of 149%. The net asset value (NAV) per unit of the plan was Rs. 292.6303 at the end of June 30, 2023 as compare to Rs. 196.9220 as at June 30, 2022.

Meezan Balanced Fund

The net assets of Meezan Balanced Fund (MBF) as at June 30, 2023 were Rs. 1,689 million compared to Rs. 2,641 million at June 30, 2022, a decrease of 36%. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 15.5966 as compared to Rs. 15.6153 per unit on June 30, 2022 translating into a return of 4.87% during the year compared to the benchmark return of 4.55%.

Meezan Asset Allocation Fund

The net assets of Meezan Asset Allocation Fund (MAAF) as at June 30, 2023 were Rs. 454 million compared to Rs. 850 million at June 30, 2022, a decrease of 47%. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 39.8599 as compared to Rs. 40.0109 per unit on June 30, 2022 translating into a return of 0.35% during the year compared to the benchmark return of 3.28%.

Meezan Gold Fund

The net assets of the fund as at June 30, 2023 were 1,346 million compared to Rs. 604 million at June 30, 2022, an increase of 123%. The net asset value (NAV) per unit at June 30, 2023 was Rs. 157.4219 as compared to Rs. 103.9100 per unit on June 30, 2022 translating into a return of 52.45% during the year compared to the benchmark return of 48.39%.

Meezan Pakistan Exchange Traded Fund

The net assets of Meezan Pakistan Exchange Traded Fund (MPETF) as at June 30, 2023 were Rs. 69 million compared to Rs. 94 million in June 2022, a decrease of 26%. The net asset value (NAV) per unit as at June 30, 2023 was Rs. 7.8147 per unit as compared to Rs. 7.9189 translating into a negative return of 1.32% during the year compared to the benchmark negative return of MZNPI of 1.04%.

Meezan Financial Planning Fund of Funds

Aggressive Allocation Plan

The net assets of the plan were Rs. 64 million as at June 30, 2023 compared to Rs. 290 million at June 30, 2022. The plan provided a return of 1.13% during the year compared to the benchmark return of 3.72%.

Moderate Allocation Plan

The net assets of the plan were Rs. 62 million as at June 30, 2023 compared to Rs. 100 million at June 30, 2022. The plan provided a return of 5.29% during the year compared to the benchmark return of 4.64%.



Conservative Allocation Plan

The net assets of the plan as at June 30, 2023 were Rs. 59 million compared to Rs. 141 million at June 30, 2022. The plan provided a return of 9.81% during the year compared to the benchmark return of 5.59%.

Meezan Asset Allocation Plan-I

The net assets of the plan as at June 30, 2023 were Rs. 71 million compared to Rs. 84 million at June 30, 2022. The plan provided a return of 3.20% during the year compared to the benchmark return of 3.74%.

Meezan Strategic Allocation Fund

Meezan Strategic Allocation Plan-I

The net assets of the plan as at June 30, 2023 were Rs. 188 million compared to 383 million at June 30, 2022. The plan provided a return of 3.30% during the year compared to the benchmark return of 3.60%.

Meezan Strategic Allocation Plan-II

The net assets of the plan as at June 30, 2023 were Rs. 160 million compared to Rs. 322 million at June 30, 2022. The plan provided a return of 3.37% during the year compared to the benchmark return of 3.51%.

Meezan Strategic Allocation Plan-III

The net assets of the plan as at June 30, 2023 were Rs. 131 million compared to Rs. 214 million at June 30, 2022. The plan provided a positive return of 3.26% during the year compared to the benchmark positive return of 3.66%.

Meezan Strategic Allocation Plan-IV

The net assets of the plan as at June 30, 2023 were Rs. 77 million compared to Rs. 105 million at June 30, 2022. The plan provided a positive return of 2.87% during the year compared to the benchmark positive return of 3.60%.

Meezan Strategic Allocation Plan-V

The net assets of the plan as at June 30, 2023 were Rs. 34 million compared to Rs. 49 million at June 30, 2022. The plan provided a positive return of 2.65% during the year compared to the benchmark positive return of 3.72%.

Meezan Capital Preservation Plan-III

The net assets of the plan as at June 30, 2023 were Rs. 155 million compared to Rs. 196 million at June 30, 2022. The plan provided a positive return of 11.95% during the year compared to the benchmark positive return of 5.36%.

Meezan Strategic Allocation Fund -II

Meezan Capital Preservation Plan-IV

The net assets of the plan as at June 30, 2023 were Rs. 237 million compared to Rs. 623 million at June 30, 2022. The plan provided a positive return of 10.16% during the year compared to the benchmark positive return of 5.17%.

Meezan Capital Preservation Plan-V

The net assets of the plan as at June 30, 2023 were Rs. 43 million compared to Rs. 63 million at June 30, 2022. The plan provided a positive return of 11.36% during the year compared to the benchmark positive return of 5.22%.



Meezan Capital Preservation Plan-VI

The net assets of the plan as at June 30, 2023 were Rs. 29 million compared to Rs. 65 million at June 30, 2022. The plan provided a positive return of 16.32% during the year compared to the benchmark positive return of 6.27%.

Meezan Capital Preservation Plan-VII

The net assets of the plan as at June 30, 2023 were Rs. 25 million compared to Rs. 40 million at June 30, 2022. The plan provided a positive return of 15.82% during the year compared to the benchmark positive return of 6.39%.

Meezan Strategic Allocation Fund -III

Meezan Capital Preservation Plan-IX

The net assets of the plan as at June 30, 2023 were Rs. 237 million compared to Rs. 427 million at June 30, 2022. The plan provided a positive return of 11.61% during the year compared to the benchmark positive return was 5.58%.

Outlook

After witnessing a turbulent year marred by political and economic crises, the Government is targeting around 3.5% GDP growth for FY24 on the back of growth in the agriculture sector (3.5%), manufacturing (4.3%) and services (3.6%), as the focus shifts from stabilization to growth. Political uncertainty can be expected to taper off post-culmination of general elections. On the monetary side, the combined impact of 1) high base effect, 2) decline in global commodity prices and 3) expected PKR stability can keep inflation in check. However, continued engagement with the IMF will likely keep interest rates upward sticky for the most part of FY24. Furthermore, while the IMF SBA can be expected to lessen the liquidity woes of the country in the near term, the next elected government would nonetheless have to re-engage with the fund for another longer-tenor program.

On the fixed-income side, Sukuk issuances are expected to continue as the government is committed to increasing the share of Islamic sources of finance. Fixed Income funds are well positioned to absorb any change in the policy rate, however, given high financing costs we may see a decline in spreads offered by corporates which may lead to a reduction in borrowing rates. Due to high financing costs, banks will also face difficulties due to the increasing risk of non-performing loans.

For the equity market, we expect the new IMF program as the key trigger for FY24, which will help Pakistan achieve much-needed fiscal discipline and potentially progress towards a growth path. The program should also open up other external finance avenues for Pakistan to shore up its forex reserves to a comfortable level, at least to an equivalent of two months of import cover. Inflow from friendly countries has started to arrive. Another key trigger would be the general elections as a new government with a fresh mandate will have ample time for structural reforms. Historical data shows that the performance of PSX is closely intertwined with the external account prospects of the country. When the external account prospects improve, the market provides good returns in the subsequent years. Valuations continue to remain very attractive, by historical averages, with the market trading at a forward P/E ratio of around 3.4x compared to its long-term average P/E of about 7.9x and promising a handsome dividend yield of 9.6%, while selected blue chips are offering dividend yield in excess of 15%.



Auditors

S. R. No	Fund Name	Name of auditors as of June 30, 2023	Status of appointment for the year ending June 30, 2024
1	Meezan Rozana Amdani Fund	M/s EY Ford Rhodes, Chartered Accountants	M/s A.F. Ferguson & Co., Chartered Accountants have been approved by the Board on recommendation of Board Audit Committee to be the auditors of the Funds.
2	Meezan Cash Fund		
3	Meezan Islamic Income Fund		
4	Meezan Sovereign Fund		
5	Meezan Daily Income Fund		
6	Meezan Islamic Fund		
7	Al Meezan Mutual Fund		
8	KSE-Meezan Index Fund		
9	Meezan Dedicated Equity Fund		
10	Meezan Energy Fund		
11	Meezan Balanced Fund		
12	Meezan Asset Allocation Fund		
13	Meezan Pakistan Exchange Traded Fund		
14	Meezan Fixed Term Fund		
15	Meezan Gold Fund		
16	Meezan Financial Planning Fund of Funds		
17	Meezan Strategic Allocation Fund		
18	Meezan Strategic Allocation Fund - II		
19	Meezan Strategic Allocation Fund - III		
20	Meezan Tahaffuz Pension Fund	M/s Yousuf Adil & Co., Chartered Accountants	M/s Yousuf Adil & Co., Chartered Accountants have been approved by the Board on the recommendation of Board Audit Committee to be the auditors of the Funds.

Board Meetings

Details of Board Meetings and attendance therein is given in the notes to the financial statements of the Funds.

Board Audit Committee (BAC)

During the year ended June 30, 2023, four BAC meetings were held, the attendance of the members in these meetings was as under;

Name of Director	05-Aug-22	12-Oct-22	09-Feb-23	11-Apr-23
Mr. Feroz Rizvi	✓	✓	✓	✓
Mr. Naeem Sattar	✓	✓	✓	✓
Mr. Tariq Mairaj	✓	✓	✓	✓



Board Risk Management Committee (BRMC)

During the year ended June 30, 2023, four BRMC meetings were held, the attendance of the members in these meetings was as under;

Name of Director	15-Aug-22	11-Oct-22	10-Feb-23	10-Apr-23
Mr. Mubashar Maqbool	✓	✓	✓	✓
Mr. Moin M. Fudda	✓	✓	✓	✓
Mr. Furquan R. Kidwai	✓	✓	✓	✓

Human Resource & Remuneration Committee (HR&RC)

During the year ended June 30, 2023, three HR&RC meetings were held, the attendance of the members in these meetings was as under;

Name of Director	15-Aug-22	10-Feb-23	5-Jun-23
Mr. Ariful Islam	✓	✓	✓
Mr. Mubashar Maqbool	✓	✓	✓
Mr. Moin M. Fudda	✓	✓	✓
Mr. Furquan Kidwai	✓	✓	✓
Mr. Mohammad Shoab, CFA	✓	✓	✓

Board IT Committee (BITC)

During the year ended June 30, 2023, four BITC meetings were held, the attendance of the members in these meetings was as under;

Name of Director/Subject Matter Expert	27-Jul-22	5-Oct-22	3-Feb-23	6-Apr-23
Mr. Furquan Kidwai	✓	✓	✓	✓
Mr. Mohammad Shoab, CFA	✓	✓	✓	✓
Mr. Faiz ur Rehman, Head of IT at MBL-Subject Matter Expert	✓	✓	✓	✓

Mr. Moin M. Fudda resigned from the Board of Al Meezan on June 9, 2023. Ms. Shazia Khurram, the Nominee Directors from Meezan Bank Limited has been appointed by the Board in the Board meeting held on July 4, 2023 in his place and replaced Mr. Moin M. Fudda on the Board Risk Management Committee. Subsequent to the year end, Mr. Mubashar Maqbool, Nominee Director from Pakistan Kuwait Investment Company (Private) Limited, has resigned from the Board on July 18, 2023, and his replacement Mr. Saad Ur Rahman Khan, Nominee Director from Pakistan Kuwait Investment Company (Private) Limited, was appointed to the Board in the Board meeting held on August 7, 2023. His appointment is subject to approval of Securities and Exchange Commission of Pakistan. The Board expressed its gratitude to Mr. Moin M. Fudda and Mr. Mubashar Maqbool for their valuable contribution to the Board.



Acknowledgement

We take this opportunity to thank our valued investors for reposing their faith in Al Meezan Investments, the largest asset management company in Pakistan. We also thank the regulator, the Securities and Exchange Commission of Pakistan and our Trustee, the Central Depository Company of Pakistan for their support. Likewise, we would like to thank the members of the Shariah Supervisory Board of Meezan Bank for their continued assistance and support on Shariah aspects of fund management.

Mohammad Shoaib, CFA

Chief Executive Officer

Date: August 7, 2023

Director



ڈائریکٹرز رپورٹ مینیجمنٹ کمپنی کے زیر انتظام فنڈز

المیزان انویسٹمنٹ مینیجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے عرصہ کے لیے مندرجہ ذیل اوپن اینڈ فنڈز اور انسٹریٹس پنشن اسکیم کے مالیاتی گوشوارے پیش کرتے ہوئے اظہارِ مسرت کرتا ہے۔

منی مارکیٹ فنڈ

- میزان روزانہ آمدنی فنڈ
- میزان کیش فنڈ

آگم فنڈز

- میزان اسلامک آگم فنڈ
- میزان سوورن فنڈ
- میزان ڈیلی آگم فنڈ

شرعیہ کھلائٹ فکسڈ ریٹ / ریٹرن یا اوپن اینڈ سی آئی ایس بمطابق ایس ای سی پی سرکلر نمبر 3 آف 2022

- میزان فکسڈ ٹرم فنڈ

ایکویٹی فنڈز

- میزان اسلامک فنڈ
- المیزان میوچل فنڈ
- کے ایس ای - میزان انڈیکس فنڈ
- میزان ڈیڈ ویلجیٹ ایکویٹی فنڈ
- میزان انرجی فنڈ

پنشن فنڈ

- میزان تحفظ پنشن فنڈ

ہیلنڈ فنڈ

- میزان ہیلنڈ فنڈ

ایسیٹ ایلوکیشن فنڈ

- میزان ایسیٹ ایلوکیشن فنڈ

کموڈٹی فنڈ

- میزان گولڈ فنڈ

ایکس چینج ٹریڈ فنڈ

- میزان پاکستان ایکس چینج ٹریڈ فنڈ

فنڈ آف فنڈز

- میزان فنانشل پلاننگ فنڈ آف فنڈ
- میزان اسٹریٹجک ایلوکیشن فنڈ
- میزان اسٹریٹجک ایلوکیشن فنڈ - II
- میزان اسٹریٹجک ایلوکیشن فنڈ - III

اقتصادی جائزہ

پاکستان کی معیشت مالی سال 2023 کے دوران متعدد مسائل سے دوچار رہی، جس کی وجہ سے جی ڈی پی کی شرح نمو 0.3 فیصد رہی۔ اوسط مہنگائی کئی دہائیوں کی بلند ترین سطح 29 فیصد تک پہنچ گئی جبکہ ادائیگیوں کے توازن کا بحران، جو بیرونی قرضوں کی بڑی ادائیگیوں سے پیدا ہوا، ملک کے غیر ملکی زرمبادلہ کے ذخائر میں تیزی سے کمی کی وجہ سے خطرناک سطح تک پہنچ گیا۔ مزید برآں، ایک دہائی میں آنے والا بدترین سیلاب، بحران پر قابو پانے کے لیے حکام کی جانب سے اہم پالیسی ردعمل میں تاخیر کی وجہ بنا۔ جب کہ مالی سال 23 کے دوران، نامینل (Nominal) جی ڈی پی 27 فی صد سالانہ بڑھ کر 84.7 ٹریلین روپے ہو گئی، امریکی ڈالر کے لحاظ سے پاکستانی روپے کی قدر میں قابل ذکر قدر کمی کی وجہ سے یہ 9 فی صد کم ہو کر 342 ارب ڈالر ہو گئی۔ اسی طرح، فی کس جی ڈی پی 11 فی صد سالانہ کمی کے بعد 1,568 ارب ڈالر رہ گئی۔ موڈرنیزنگ ایجنسی نے مالی سال 23 کی دوسری ششماہی کے دوران، پاکستان کے سوورن قرض کی درجہ بندی Caa1 سے کم کر کے Caa3 کر دی، جو کہ انتہائی غیر یقینی سیالیت اور بیرونی صورت حال کی عکاسی کرتی ہے۔ سال کے اختتام کے بعد Fitch کریڈٹ ریٹنگ ایجنسی نے عالمی مالیاتی ادارے (IMF) کے ساتھ ایک معاہدے کے بعد، جولائی-23 میں پاکستان کی طویل مدتی غیر ملکی کرنسی جاری کرنے والی ڈیفالٹ ریٹنگ کو CCC- سے اپ گریڈ کر کے CCC کر دیا۔

آئی ایم ایف بورڈ نے توسیعی فنڈسہولت (EFF) کے ساتویں اور آٹھویں مشترکہ جائزے مکمل کر لیے، جبکہ اس نے جون 23 کے آخر تک پروگرام کی توسیع اور پروگرام کے حجم کو 16.0 ارب ڈالر سے بڑھا کر 6.5 ارب ڈالر کرنے کی بھی منظوری دی۔ تاہم، پالیسی اقدامات اور اقتصادی اہداف پر حکومت اور آئی ایم ایف کے درمیان مختلف اختلافات کی وجہ سے ای ایف ایف پروگرام کا میانی سے مکمل نہ ہوسکا۔ بہر حال، مالی سال 23 کے آخر تک، آئی ایم ایف اور پاکستان نے نومبر کے دوران یہ 3 ارب ڈالر مالیت کا اسٹیٹ بانی ارتھمنٹ (SBA) کے تحت ایک نیا اسٹاف لیول معاہدہ کیا، جو پاکستان کو قلیل مدت میں ادائیگیوں کے توازن کو زیادہ موثر طور پر حل کرنے میں مدد فراہم کرے گا۔

مالی سال 23 کے دوران افراط زر کی اوسط شرح 29 فیصد رہی جبکہ مالی سال 22 کے دوران 12 فیصد تھی، جس کی وجہ سے اسٹیٹ بینک نے پالیسی ریٹ کو مجموعی طور پر 825 بیس پوائنٹس بڑھا کر 22 فی صد کر دیا۔ افراط زر کی بلند شرح کے پیچھے کلیدی عوامل عالمی اجناس کا سپر سائیکل، بجلی اور گیس کے نرخوں میں اضافہ، جی ایس ٹی میں اضافہ اور روپے کی قدر میں کمی کے دوسرے راؤنڈ کے اثرات تھے۔ حکومت مالی سال 24 کے لیے اوسطاً 21 فی صد مہنگائی کا ہدف بنا رہی ہے اور آئی ایم ایف کا اندازہ ہے کہ مالی سال کے اختتام تک جون 2024 میں مہنگائی میں اضافے کی شرح 16 فیصد رہے گی۔

بیرونی ادائیگیوں کے محاذ پر، مالی سال 23 کے دوران جاری کھاتوں کا خسارہ (CAD) 2.6 ارب ڈالر رہ گیا، جو گزشتہ مالی سال کے دوران 17.5 ارب ڈالر تھا، جبکہ برآمدات سالانہ بنیاد پر 14 فی صد کمی سے 27.9 ارب ڈالر اور درآمدات زیادہ تیزی سے کم ہو کر 27 فی صد سالانہ کمی کے بعد 52 ارب امریکی ڈالر ریکارڈ کی گئیں۔ درآمدات میں کمی کی اہم وجوہات میں نمایاں طور پر سست معاشی سرگرمیاں، روپے کی قدر میں بڑی کمی کی وجہ سے طلب میں کمی، اس کے ساتھ ساتھ اسٹیٹ بینک کی جانب سے عائد کردہ غیر ضروری درآمدات پر سخت پابندیاں تھیں۔ اس طرح تجارتی خسارہ 38 فی صد سالانہ کم ہو کر 24.1 ارب ڈالر ہو گیا، جو گزشتہ سال کی اسی مدت کے دوران 39.1 ارب ڈالر تھا۔ سمندر پار پاکستانیوں کی ترسیلات زر مالی سال 23 کے دوران 14 فی صد سالانہ کمی سے 27 ارب ڈالر گئیں کیونکہ اوپن مارکیٹ اور انٹرنیشنل ایکسچینج ریٹ کے درمیان بڑے فرق نے ترسیلات زر کو غیر رسمی ذرائع کی طرف موڑ دیا۔ اسٹیٹ بینک کے زرمبادلہ کے ذخائر جون 23 تک کم ہو کر صرف 14.5 ارب ڈالر رہ گئے، جو کہ جون 22 میں 9.8 ارب ڈالر تھے، جو کہ تقریباً چار ہفتوں کے درآمدی کور کے برابر تھے۔ گرتے ہوئے زرمبادلہ کے ذخائر، آئی ایم ایف پروگرام کے تسلسل میں تاخیر اور قرضوں کی بڑی ادائیگیوں کے جاری رہنے کے درمیان، مالی سال 23 کے دوران انٹرنیشنل مارکیٹ میں امریکی ڈالر کے مقابلے میں پاکستانی روپیہ 40 فی صد کم ہو کر US\$/286 پر بند ہوا۔

طلب میں کمی، درآمدی سکڑاؤ اور رسد میں رکاوٹوں کے مشترکہ اثرات نے ایف بی آر کی سال کے دوران اپنے ٹیکس اکٹھا کرنے کے ہدف کو حاصل کرنے کی صلاحیت کو محدود کر دیا۔ ایف بی آر نے FY'23 کے دوران 7.1 ٹریلین روپے اکٹھے کیے، جو کہ 16 فی صد سالانہ اضافہ ہے۔ تاہم، اہم بات یہ ہے کہ مجموعی وصولی، اصل/نظر ثانی شدہ مالیاتی اہداف، دونوں سے کم رہی اور مجموعی اضافہ سال کے دوران اوسط مہنگائی سے بھی کم تھا۔ اس طرح مالی سال 23 کے لیے جی ڈی پی میں محصولات کے تناسب میں کمی واقع ہوئی۔ فنانسنگ کا جائزہ لیا جائے تو مرکزی حکومت کا قرض مالی سال 23 کے 11 ماہ کے دوران 23 فی صد یا 11.1 ٹریلین روپے بڑھ کر 59 ٹریلین روپے ہو گیا، جس میں زیادہ تر اضافہ طویل مدتی پاکستان سرمایہ کاری بانڈز (PIBs) کے ذریعے حاصل کیے گئے فنڈ ز اور پاکستانی کرنسی کی قدر میں کمی کے بیرونی قرضوں پر اثرات سے آتا ہے۔

بازار زر کا جائزہ

Description	30-Jun-22	27-Jun-23	Change
KIBOR 3 Months	15.16%	22.91%	775
KIBOR 6 Months	15.35%	22.97%	762
KIBOR 12 Months	15.73%	23.27%	754
T-Bill 1 Month	13.75%	22.36%	861
T-Bill 3 Months	14.98%	22.65%	767
T-Bill 6 Months	15.15%	22.87%	772
T-Bill 12 Months	15.30%	22.93%	763
PIB 3 Year	13.45%	19.47%	602
PIB 5 Year	12.93%	16.08%	315
PIB 10 Year	12.92%	15.32%	240
US\$ Inter Bank	204.85	285.99	81.14
US\$ Open Market	205.00	290.00	85.00

مالی سال 2023 کے دوران، مرکزی بینک نے افراط زر کے دباؤ پر قابو پانے اور ڈالر کے مقابلے میں روپے کی گرتی شرح تبادله کو روکنے کے لیے بیرونی عدم توازن کو سنبھالنے کے لیے پالیسی ریٹ کی شرح کو مجموعی طور پر 825bps بڑھا کر 22 فی صد کر دیا۔ سیالیت کا جائزہ لیا جائے تو مرکزی بینک کی جانب سے ڈسکاؤنٹ ریٹ کے مقابلے میں کم شرح پر تسلسل سے مختصر اور درمیانی مدت کے اوپن مارکیٹ آپریشنز (او ایم او) کی وجہ سے منی مارکیٹ مستحکم رہی، اور اس بات کو یقینی بنایا گیا کہ قلیل مدتی شرح، پالیسی اور ٹی بلز کی شرح کے قریب رہے۔ نیچے دی گئی جدول میں سال کے دوران فیکسڈ انکم انسٹرومنٹ پر ایملڈ اور پاکستانی روپے (PKR) کی امریکی ڈالر (USD) کے مقابلے میں شرح تبادله میں ہونے والی تبدیلیوں کا خلاصہ پیش کیا گیا ہے:

شرعی اصولوں کے مطابق انسٹرومنٹس کی مارکیٹ میں شرح سود میں اضافے کی وجہ سے، GoP اجارہ خاص طور پر فلسڈ شرح اجارہ کی قیمتوں میں کمی کا رجحان دیکھا گیا۔

درج ذیل جدول میں اجارہ/صلوک کی تفصیلات کا خلاصہ کیا گیا ہے:

فلوٹنگ شرح اجارہ

Ijarah	Type	Coupon	Remaining Life	Next Reset	Issue Size (bn)	Issue Date	Maturity	Reval			Change
								30-Jun	27-Jun	YTM	
XX	Floater - 5 years	20.69%	1.84	30-Oct-23	76.39	30-Apr-20	30-Apr-25	96.96	96.42	23.18%	-0.54
XXI	Floater - 5 years	21.82%	1.92	29-Nov-23	74.62	29-May-20	29-May-25	100.03	99.36	22.32%	-0.67
XXII	Floater - 5 years	21.92%	1.99	24-Jun-23	47.24	24-Jun-20	24-Jun-25	99.68	99.08	22.82%	-0.60
XXIII	Floater - 5 years	17.65%	2.09	29-Jul-23	186.91	29-Jul-20	29-Jul-25	99.50	99.40	21.85%	-0.10
XXIV	Floater - 5 years	21.84%	2.45	9-Dec-23	227.26	9-Dec-20	9-Dec-25	99.78	99.71	22.00%	-0.07
XXV	Floater - 5 years	21.86%	3.28	6-Oct-23	190.53	6-Oct-21	6-Oct-26	99.70	99.44	22.13%	-0.26
XXVI	Floater - 5 years	21.84%	3.34	29-Oct-23	584.86	29-Oct-21	29-Oct-26	99.93	99.26	22.20%	-0.67
XXVII	Floater - 5 years	21.94%	3.84	27-Oct-23	563.32	27-Apr-22	27-Apr-27	99.68	99.39	22.23%	-0.29
XXVIII	Floater - 5 years	21.94%	4.33	26-Oct-23	243.85	26-Oct-22	26-Oct-27	0.00	99.73	22.12%	0.00
XXIX	Floater - 3 years	16.56%	2.53	5-Jul-23	105.96	5-Jan-23	5-Jan-26	0.00	99.00	22.10%	0.00
XXX	Floater - 1 year	17.84%	0.65	20-Aug-23	5.51	20-Feb-23	20-Feb-24	0.00	98.73	23.04%	0.00
XXXI	Floater - 1 year	20.32%	0.70	8-Sep-23	19.74	8-Mar-23	8-Mar-24	0.00	100.11	21.90%	0.00
XXXII	Floater - 1 year	22.68%	0.81	17-Oct-23	97.88	17-Apr-23	17-Apr-24	0.00	100.06	22.77%	0.00
XXXIII	Floater - 1 year	22.67%	0.90	22-Nov-23	79.81	22-May-23	22-May-24	0.00	100.07	23.99%	0.00
PES I	Floater - 10 years	20.86%	5.68	1-Sep-23	200.00	1-Mar-19	1-Mar-29	106.80	106.80	18.89%	0.00
PES II	Floater - 10 years	21.96%	6.90	21-Nov-23	199.97	21-May-20	21-May-30	100.70	100.02	22.03%	-0.68
		21.35%		Total	2903.83						

فلسڈ شرح اجارہ

Ijarah	Type	Coupon	Remaining Life	Next Coupon	Issue Size (bn)	Issue Date	Maturity	Reval			Change
								30-Jun	27-Jun	YTM	
XXII	Fixed - 5 years	8.37%	2.09	29-Jul-23	44.59	29-Jul-20	29-Jul-25	93.48	85.70	16.74%	-7.78
XXIV	Fixed - 5 years	9.45%	2.57	20-Jul-23	8.25	20-Jan-21	20-Jan-26	93.78	88.00	15.26%	-5.78
XXV	Fixed - 5 years	9.70%	3.28	6-Oct-23	12.73	6-Oct-21	6-Oct-26	94.00	89.00	13.98%	-5.00
XXVI	Fixed - 5 years	11.40%	3.47	15-Jun-23	323.83	15-Dec-21	15-Dec-26	96.00	90.08	15.18%	-5.92
XXVII	Fixed - 5 years	12.49%	3.84	27-Oct-23	60.89	27-Apr-22	27-Apr-27	99.31	92.37	15.17%	-6.94
XXVIII	Fixed - 5 years	12.49%	4.39	16-May-23	0.25	16-Nov-22	16-Nov-27	0.00	97.37	13.29%	0.00
XXX	Fixed - 1 Year	17.50%	0.65	20-Aug-23	0.00	20-Feb-23	20-Feb-24	0.00	98.04	20.71%	0.00
XXX	Fixed - 1 Year	20.70%	0.70	8-Sep-23	1.15	8-Mar-23	8-Mar-24	0.00	100.28	20.06%	0.00
XXXI	Fixed - 1 Year	21.25%	0.81	17-Oct-23	11.29	17-Apr-23	17-Apr-24	0.00	100.11	20.92%	0.00
XXXII	Fixed - 3 Years	18.24%	2.81	17-Oct-23	25.01	17-Apr-23	17-Apr-26	0.00	100.00	18.20%	0.00
XXXIII	Fixed - 1 Year	21.30%	0.90	22-Nov-23	1.25	22-May-23	22-May-24	0.00	100.00	21.19%	0.00
				Total	489.24						

مرکزی بینک نے سال کے دوران GoP اجارہ صلوک نیلام کرنے کا سلسلہ جاری رکھا اور بازار زر سے اضافی سیالیت حاصل کرنے کے لیے نئے اثاثے بھی شامل کیے گئے۔ مرکزی بینک نے مالی سال 2023 کے دوران اسلامی شرکاء سے مجموعی طور پر 805 ارب روپے قرض لیا۔ مرکزی بینک نے فلسڈ شرح اور فلوٹنگ شرح اجارہ کے ذریعے رقم اکٹھا کرنے کے لیے 1 سالہ اور 3 سالہ مدت بھی متعارف کرائی ہے۔ اسٹیٹ بینک نے 3 سالہ اجارہ کی نیلامی کے ذریعے 206 ارب روپے اکٹھے کیے، جبکہ 1 سالہ مدت کے لیے 273 ارب روپے اکٹھے کیے۔ کارپوریٹ سیٹر کو طویل مدتی صلوک کے ذریعے پیسہ اکٹھا کرنے میں مسلسل چیلنجز کا سامنا کرنا پڑا، تاہم، سال کے دوران مختصر مدت کے کارپوریٹ انسٹرومنٹ کے اجراء میں اضافہ ہوا ہے۔

بازار حصص کا جائزہ

مالی سال 2023 کے دوران، سخت گیر زری پالیسی اقدامات، ادائیگی کے توازن کے بحران، کم ہوتے غیر ملکی زرمبادلہ ذخائر اور IMF پروگرام کے تسلسل میں تاخیر کے نتیجے میں اقتصادی سکڑاؤ کی وجہ سے پاکستان اسٹاک مارکیٹ ٹھہراؤ کا شکار رہی۔ مارکیٹ کی قدر کئی دہائیوں (فارورڈ پرائس ٹو آرنگ ریشو 3.4x) کی کم ترین سطح پر گر گئی۔ مالی سال 23 کے دوران KMI-30 انڈیکس نے 73,770 پوائنٹس کی بلندی (7.3 فی صد اضافہ) بنائی اور سال کے لیے 70,748 پوائنٹس (2.9 فی صد اضافہ) پر بند ہوا، جب کہ KSE-100 انڈیکس 43,677 کی بلند ترین سطح (5.1 فی صد اضافہ) بنانے کے بعد سال کے لیے 41,453 پوائنٹس (0.2 فی صد کمی) پر بند ہوا۔ مالی سال 23 کے دوران KMI-30 انڈیکس حصص میں خرید و فروخت ہونے والے کل حجم میں سالانہ چار فی صد اضافے سے 56 بلین شیئرز تک بہتری آئی، جب کہ KSE-100 انڈیکس حصص میں خرید و فروخت کا کل حجم سالانہ 21 فی صد کمی سے 90 بلین شیئرز رہ گیا۔

سال کے دوران اسٹاک ایکس چینج پر درج کمپنیوں نے مشکل معاشی حالات کے باوجود آمدنی میں ماحولی بہتری دکھائی۔ جیسا کہ انڈیکس میں بھاری نمائندگی رکھنے والے شعبہ جات مثلاً آئل اینڈ گیس ایکسپلوریشن اینڈ پروڈکشن، فریٹ لائزر، بینکس اور سینٹ نے آمدنی میں دوہرے ہندسوں سے اضافہ کیا۔ سال کے دوران ایک قابل ذکر مثبت پیش رفت پاکستان کا FATF گرے لسٹ سے نکلنا تھا۔ FY'23 کے دوران غیر ملکی سرمایہ کاروں کی جانب سے پچھلے سالوں کے برعکس فروخت بھی نہیں دیکھی گئی، جہاں بھاری غیر ملکی فروخت دیکھی گئی تھی۔ اہم کارپوریٹس کی طرف سے حصص واپس خریدے جانے نے بھی مارکیٹ کی سیالیت میں اضافہ کیا اور اسے گراؤ سے روک رکھا۔ سال کے دوران، لسٹڈ کمپنیوں نے تقریباً 24 ارب روپے مالیت کے حصص مارکیٹ سے واپس خریدے۔ حکومت مالی سال 23

کے آخر تک آئی ایم ایف کے ساتھ کئی ماہ سے مؤخر شدہ نوے جانزے کو ایک نئے نو ماہ کے اسٹیٹڈ بائی آرٹجمنٹ (SBA) پروگرام میں تبدیل کرانے میں کامیاب رہی۔ آئی ایم ایف کے ساتھ اسٹاف لیول معاہدے تک پہنچنے کے بعد پاکستان کے ڈالر بانڈز میں تیزی آئی۔ ہم نے آئی ایم ایف کے نئے معاہدے کی خبر کے فوراً بعد اسٹاک مارکیٹ میں بھی پذیرائی دیکھی ہے کیونکہ اس سے پاکستان کو ڈیفالٹ جیسی صورتحال سے بچنے، اہم اصلاحات کرنے اور غیر ملکی زرمبادلہ کے ذخائر کو خطرناک سطح سے بڑھانے میں مدد ملے گی۔

امریکا کے فیڈرل ریزرو نے مارچ 22 میں شروع کی گئی سخت زری پالیسی کو جاری رکھا، جس سے مالی سال '23 کے دوران بیچ مارک پالیسی شرح 5-5.25 فی صدی سطح تک پہنچ گئی، جو 1980 کی دہائی کے بعد اضافے کی تیز ترین رفتار ہے۔ اس بڑی تبدیلی نے اب تک حصص بازاروں کی کارکردگی میں خلل نہیں ڈالا ہے اور یہ بات ایم ایف سی آئی ورلڈ میں سال کے دوران 16.5 فیصد سے زیادہ اضافے سے ظاہر ہوتی ہے۔ اُبھرتی ہوئی منڈیوں کو زیادہ تر مذکورہ مالیاتی سختی کا سامنا کرنا پڑتا ہے کیونکہ ان کی بڑی سرمائے کے اخراج کو برداشت کرنے کی محدود صلاحیت ہوتی ہے۔ یہ MSCI ایئر جنگ مارکیٹس انڈیکس کی کارکردگی سے ظاہر ہوتا ہے، جس میں مالی سال '23 کے دوران 1 فی صدی دیکھنے میں آئی۔

انڈیکس میں بڑے حصہ دار:

اہم شعبہ جات میں فریڈلائزر، سیمنٹ اور ٹیکنالوجی بہترین کارکردگی دکھانے والے سیکٹرز رہے۔ سال کے دوران کے ایم آئی 30- انڈیکس میں حصہ ڈالنے والے سرفہرست حصص درج ذیل ہیں:

Major Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Engro Corp Ltd Pakistan	1,771	26.96
Systems Ltd	945	23.73
Dawood Hercules Corp Ltd	888	36.47
Pakistan Oilfields Ltd	754	17.68

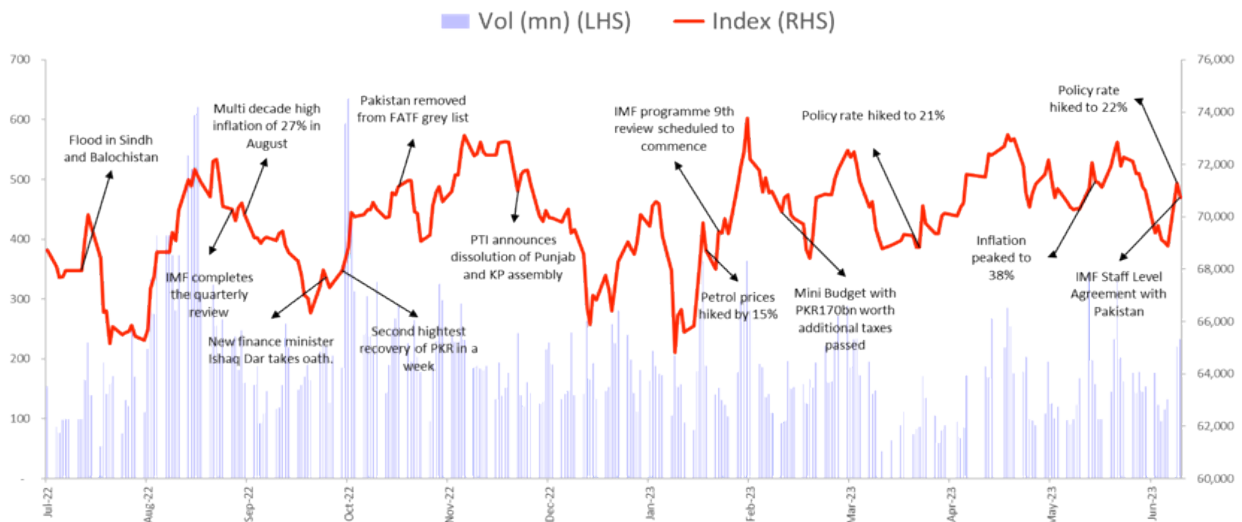
دوسری جانب فارماسیوٹیکل، ریفائری اور انجینئرنگ سیکٹرز کی کارکردگی بدترین رہی۔ اس عرصے کے دوران، درج ذیل نے کے ایم آئی 30- انڈیکس کو سست روی کا شکار کیا:

Major Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Pakistan State Oil Co Ltd	-977	-31.32
Searle Co Ltd	-788	-56.06
Engro Polymer & Chemicals Ltd	-771	-37.93
Millat Tractors Ltd	-414	-7.64

حصص میں سرمایہ کا بہاؤ

سال کے دوران غیر ملکیوں کی سرگرمیاں بڑے پیمانے پر مخلوط رہیں، جس سے مجموعی طور پر تقریباً 1.5 بلین امریکی ڈالر کی آمد ہوئی۔ غیر ملکی خریداری بنیادی طور پر ٹیکنالوجی سیکٹر (43.3 بلین ڈالر) اور تیل و گیس کی تلاش و پیداوار کے شعبہ (27.4 بلین ڈالر) پر مرکوز تھی، جب کہ کمرشل بینکوں (54.1 بلین ڈالر) اور فریڈلائزر (10.2 بلین ڈالر) کے شعبوں سے سرمایہ کاری نکال لی۔ مقامی طور پر، کمپنیوں نے 99.7 بلین ڈالر کی خالص خریداری کی، جس کی بنیادی وجہ سال کے دوران مختلف کمپنیوں کی طرف سے اپنے حصص کی واپس خریداری تھی۔ 84 بلین ڈالر کی مجموعی خریداری کے ساتھ انفرادی سرمایہ کار مارکیٹ میں سیالیت کے اہم فراہم کنندہ رہے۔ میوچل فنڈز نے 144.5 بلین ڈالر اور انشورنس کمپنیوں نے مجموعی طور پر 124.3 بلین ڈالر مالیت کی سیکورٹیز فروخت کیں۔

ذیل میں دیا گیا گراف زیر جائزہ عرصہ کے دوران کے ایم آئی 30- انڈیکس میں اتار چڑھاؤ اور اس کا باعث بننے والے اہم عناصر کا احاطہ کرتا ہے:



میوچل فنڈ انڈسٹری کا جائزہ

مالی سال 23 کی پہلی سہ ماہی کے دوران، میوچل فنڈ انڈسٹری کے زیر انتظام اثاثہ جات کا حجم 29 فی صد اضافے کے ساتھ 1,622 ارب روپے ہو گیا۔ شریعہ موافق زیر انتظام اثاثہ جات 53.9 فیصد بڑھ کر 743 ارب روپے ہو گئے، جس کے بعد میوچل فنڈ انڈسٹری میں شریعہ موافق فنڈز کا حصہ 45.8 فیصد ہو گیا۔ 30 جون 2023 تک میوچل فنڈ انڈسٹری میں الیمز ان کا حصہ 18.7 فیصد، جبکہ شریعہ موافق فنڈز میں حصہ 40.8 فیصد تھا۔ مالی سال 23 کے اختتام پر، پنشن فنڈ کیٹیگری میں میزان تحفظ پنشن فنڈ کا حصہ 34.6 فی صد جب کہ شریعہ موافق فنڈز میں حصہ 53.0 فی صد تھا۔

مالی سال 22 کے مقابلے میں مالی سال 23 میں صنعت کے زیر انتظام اثاثہ جات میں تبدیلی حسب ذیل ہے۔

	FY22	FY23	Change
	(Rs. In Billion)		(%)
<u>Sovereign, Money Market and Income Funds</u>			
Shariah Compliant Funds	370	648	75
Conventional Funds	627	764	22
Total Funds	997	1,412	42
<u>Equity Funds (Including Index Tracker Funds)</u>			
Shariah Compliant Funds	66	47	(29)
Conventional Funds	121	88	(28)
Total Funds	187	134	(28)
<u>Voluntary Pension Funds</u>			
Shariah Compliant Funds	27	32	21
Conventional Funds	14	17	22
Total Funds	41	50	21
<u>Capital Protected, balanced, and asset allocation Funds</u>			
Shariah Compliant Funds	20	15	(24)
Conventional Funds	10	9	(7)
Total Funds	30	25	(18)
<u>Commodity Funds</u>			
Shariah Compliant Funds	0.6	1.3	123
Total Funds	0.6	1.3	123

نیچے دی گئی جدول میں ہمارے زیر انتظام فٹڈز کی مالی سال '23 کی کارکردگی کا خلاصہ پیش کیا گیا ہے:

Funds	Type	Net Assets Rs. in millions	Growth in Net Assets for FY23 (%)	Returns for FY23 (%)	Benchmark for FY23 (%)	
Money Market/Fixed Income Funds						
Meezan Rozana Amdani Fund (MRAF)	Money Market	96,006	31.95	16.83	6.23	
Meezan Cash Fund (MCF)	Money Market	25,882	91.94	16.11	6.23	
Meezan Islamic Income Fund (MIIF)	Income	11,474	-38.34	14.86	6.06	
Meezan Sovereign Fund (MSF)	Income	8,133	31.26	15.37	6.06	
Meezan Daily Income Fund (MDIP-1)	Income	91,147	197.39	16.86	6.06	
Meezan Daily Income Fund – MMMP*	Income	5,543	-	15.28	6.52	
Meezan Sehl Account Plan (MDIF-SEHL)	Income	4	-	8.72	7.08	
MFTF-Meezan Paidar Munafa Plan-III*	Open End Islamic CIS as per SECP's Circular No.3 of 2022	543	-	20.28	6.38	
MFTF-Meezan Paidar Munafa Plan-IV*		4,564	-	19.96	6.41	
MFTF-Meezan Paidar Munafa Plan-V*		10,171	-	21.88	6.75	
MFTF-Meezan Paidar Munafa Plan-VI*		989	-	19.74	6.75	
MFTF-Meezan Paidar Munafa Plan-VII*		567	-	-	-	
MFTF-Meezan Paidar Munafa Plan-VIII*		4,064	-	18.45	7.16	
Equity Funds						
Meezan Islamic Fund (MIF)	Equity	17,155	-27.99	-2.54	2.88	
Al Meezan Mutual Fund (AMMF)	Equity	3,153	-29.15	-0.28	2.88	
KSE Meezan Index Fund (KMIF)	Equity	2,585	-0.97	0.69	2.88	
Meezan Dedicated Equity Fund (MDEF)	Equity	406	-46.09	-0.56	2.88	
Meezan Energy Fund (MEF)	Equity	452	3.21	-2.13	2.88	
Pension Fund Scheme						
Meezan Tahaffuz Pension Fund	Pension Fund Scheme					
Equity sub Fund		3,458	-24.71	0.21		
Debt sub Fund		5,252	4.78	14.39		
Money Market sub Fund		8,031	86.49	15.87		
Gold Sub Fund		416	149.24	48.60		
Balanced Fund						
Meezan Balanced Fund (MBF)	Balanced	1,689	-36.06	4.87	4.55	
Asset Allocation Fund						
Meezan Asset Allocation Fund (MAAF)	Asset Allocation	454	-46.60	0.35	3.28	
Commodity Fund						
Meezan Gold Fund (MGF)	Commodity	1,346	122.86	52.45	48.39	
Exchange Traded						
Meezan Pakistan Exchange Traded Fund (MZNP-ETF)	Exchange Traded	69	-25.84	-1.32	-1.04	
Fund of Funds						
Meezan Financial Planning Fund of Fund						
Aggressive	Fund of Fund	64	-77.94	1.13	3.72	
Moderate		62	-37.84	5.29	4.64	
Conservative		59	-58.01	9.81	5.59	
MAAP-I		71	-14.87	3.20	3.74	
Meezan Strategic Allocation Fund						
MSAP-I		188	-50.78	3.30	3.60	
MSAP-II		160	-50.27	3.37	3.51	
MSAP-III		131	-39.06	3.26	3.66	
MSAP-IV		77	-26.97	2.87	3.60	
MSAP-V		34	-31.31	2.65	3.72	
MSAP-MCPP-III		155	-20.99	11.95	5.36	
Meezan Strategic Allocation Fund - II						
MSAP-II -MCPP-IV		237	-62.00	10.16	5.17	
MSAP-II -MCPP-V		43	-32.20	11.36	5.22	
MSAP-II -MCPP-VI		29	-55.02	16.32	6.27	
MSAP-II -MCPP-VII	25	-36.81	15.82	6.39		
Meezan Strategic Allocation Fund - III						
MSAP-II -MCPP-IX	237	-44.37	11.61	5.58		

* Launched MMMP (Oct 29, 2022), MDIF-SEHL (Jun 19, 2023), MPMP-III (Mar 29, 2023), MPMP-IV (Apr 12, 2023), MPMP-V (May 28, 2023), MPMP-VI (May 22, 2023), MPMP-VII (Jun 22, 2023) & MPMP-VIII (Jun 05, 2023)

میزان روزانہ آمدنی فنڈ

میزان روزانہ آمدنی فنڈ (MRAF) کے 30 جون 2022 کو 72,760 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثے 96,006 ملین روپے تھے، جو کہ 32 فیصد اضافے کو ظاہر کرتے ہیں۔ 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 50 روپے تھی۔ سال کے دوران فنڈ نے 6.23 فیصد کے نیچے مارک سالانہ منافع کے مقابلے میں 16.83 فیصد کا سالانہ منافع فراہم کیا۔ سال کے اختتام پر، فنڈ کی 25 فیصد سرمایہ کاری ٹرم ڈپازٹ ریسیٹس میں، 4 فیصد اسلامک کارپوریٹ سکوک میں، اور کل اثاثوں کی 68 فیصد سرمایہ کاری اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں اور 3 فیصد دیگر میں تھی۔

میزان کیش فنڈ

میزان کیش فنڈ (MCF) کے 30 جون 2022 کو 13,485 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثے 25,882 ملین روپے تھے، جو کہ 92 فیصد اضافے کو ظاہر کرتے ہیں۔ 30 جون 2022 کو 50.6141 روپے فی یونٹ خالص اثاثہ قیمت (NAV) کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 51.0165 روپے تھی، جو کہ 6.23 فیصد کے نیچے مارک سالانہ منافع کے مقابلے میں 16.11 فیصد سالانہ منافع کو ظاہر کرتی ہے۔ سال کے اختتام پر، فنڈ کی 13 فیصد سرمایہ کاری اسلامک کارپوریٹ سکوک میں، 19 فیصد ٹرم ڈپازٹ ریسیٹس میں اور کل اثاثوں کی 64 فیصد سرمایہ کاری اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں اور 4 فیصد دیگر میں تھی۔

میزان اسلامک انکم فنڈ

میزان اسلامک انکم فنڈ (MIIF) کے 30 جون 2022 کو 18,609 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثے 11,474 ملین روپے تھے، جو کہ 38 فیصد کمی کو ظاہر کرتے ہیں۔ 30 جون 2022 کو 51.5323 روپے فی یونٹ خالص اثاثہ قیمت (NAV) کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 51.6491 روپے تھی، جو کہ 6.06 فیصد کے نیچے مارک سالانہ منافع کے مقابلے میں 14.86 فیصد سالانہ منافع کو ظاہر کرتی ہے۔ سال کے اختتام پر، فنڈ کی 17 فیصد سرمایہ کاری اسلامک کارپوریٹ سکوک میں، 61 فیصد IjarahGoP / گورنمنٹ گارنٹیڈ سکوک میں، اور کل اثاثوں کی 19 فیصد سرمایہ کاری اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں اور 3 فیصد دیگر میں تھی۔

میزان سوورن فنڈ

میزان سوورن فنڈ (MSF) کے 30 جون 2022 کو 6,196 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثے 8,133 ملین روپے تھے، جو کہ 31 فیصد اضافے کو ظاہر کرتے ہیں۔ 30 جون 2022 کو 51.6654 روپے فی یونٹ خالص اثاثہ قیمت (NAV) کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 52.1375 روپے تھی، جو کہ 6.06 فیصد کے نیچے مارک سالانہ منافع کے مقابلے میں 15.37 فیصد سالانہ منافع کو ظاہر کرتی ہے۔ سال کے اختتام پر، فنڈ کی 65 فیصد سرمایہ کاری IjarahGoP / گورنمنٹ گارنٹیڈ سکوک، اور کل اثاثوں کی 31 فیصد سرمایہ کاری اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں اور 4 فیصد دیگر میں تھی۔

میزان ڈبلیو اے اے فنڈ

میزان ڈبلیو اے اے پلان I-

30 جون 2023 کو پلان کے خالص اثاثے 30 جون 2022 کو 30,649 ملین روپے کے مقابلے میں 30 جون 2023 کو 91,147 ملین روپے تھے، جو کہ 197 فیصد اضافے کو ظاہر کرتے ہیں۔ 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 50 روپے تھی۔ زبرد جانہ عرصہ کے دوران پلان نے 6.06 فیصد کے نیچے مارک سالانہ منافع کے مقابلے میں 16.86 فیصد سالانہ منافع فراہم کیا۔ سال کے اختتام پر، فنڈ کی 21 فیصد سرمایہ کاری ٹرم ڈپازٹ ریسیٹس میں، 5 فیصد اسلامک کارپوریٹ سکوک میں اور کل اثاثوں کی 72 فیصد سرمایہ کاری اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں اور 2 فیصد دیگر میں تھی۔

میزان ماہانہ منافع پلان

میزان ماہانہ منافع پلان 29 اکتوبر 2022 کو لانچ کیا گیا تھا۔ 30 جون 2023 تک پلان کے خالص اثاثے 5,543 ملین روپے تھے۔ 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 50 روپے تھی۔ سال کے دوران پلان نے 6.52 فیصد کے نیچے مارک سالانہ منافع کے مقابلے میں 15.28 فیصد سالانہ منافع فراہم کیا۔ سال کے اختتام پر کل اثاثوں کا 99 فیصد سرمایہ کاری اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں اور 1 فیصد دیگر میں تھا۔

میزان سہل اکاؤنٹ پلان

میزان سہل اکاؤنٹ پلان 19 جون 2023 کو لانچ کیا گیا۔ 30 جون 2023 تک پلان کے خالص اثاثے 4 ملین روپے تھے۔ 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 50.1314 روپے تھی۔ سال کے دوران پلان نے 7.08 فیصد کے نیچے مارک سالانہ منافع کے مقابلے میں 8.72 فیصد سالانہ منافع فراہم کیا۔ سال کے اختتام پر 100 فیصد اثاثہ جات اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں تھے۔

میزان فکسڈ ٹرم فنڈ

میزان پائیدار منافع پلان III

میزان پائیدار منافع پلان III، 29 مارچ 2023 کو لانچ کیا گیا۔ 30 جون 2023 تک پلان کے خالص اثاثے 543 ملین روپے تھے۔ 30 جون 2023 تک فی یونٹ خالص اثاثہ قیمت (NAV)، 50.0964 روپے تھی۔ اس مدت کے دوران پلان نے 6.38 فیصد کے نیچے مارک سالانہ منافع کے مقابلے میں 20.27 فیصد سالانہ منافع دیا۔ سال کے اختتام پر پلان کا 90 فیصد سرمایہ کاری اسلامک کارپوریٹ سکوک میں، 4 فیصد سرمایہ کاری اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں اور 6 فیصد دیگر میں تھا۔

میزان پائیدار منافع پلان IV

میزان پائیدار منافع پلان IV، 12 اپریل 2023 کو لانچ کیا گیا۔ 30 جون 2023 تک پلان کے خالص اثاثے 4,564 ملین روپے تھے۔ 30 جون 2023 تک فی یونٹ خالص اثاثہ قیمت (NAV)، 50.1020 روپے تھی۔ اس مدت کے دوران پلان نے 6.41 فیصد سالانہ منافع کے مقابلے میں 19.92 فیصد سالانہ منافع دیا۔ سال کے اختتام پر پلان کا 95 فیصد سرمایہ کاری اسلامک کارپوریٹ سکوک میں، 1 فیصد سرمایہ کاری اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں اور دیگر میں 4 فیصد تھا۔

میزان پائیدار منافع پلان - V

میزان پائیدار منافع پلان - V، 28 مئی 2023 کو لانچ کیا گیا۔ 30 جون 2023 کو پلان کے خالص اثاثہ جات 10,171 ملین روپے تھے۔ 30 جون 2023 تک فی یونٹ خالص اثاثہ قیمت (NAV)، 50.0973 روپے تھی۔ اس مدت کے دوران پلان نے 6.75 فی صد سالانہ بیٹج مارک منافع کے مقابلے میں 21.87 فی صد سالانہ منافع دیا۔ سال کے اختتام پر پلان کا 98 فی صد ٹرم ڈپازٹ ریسرپٹس میں، 1 فی صد اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں اور 1 فی صد دیگر میں تھا۔

میزان پائیدار منافع پلان - VI

میزان پائیدار منافع پلان - VI، 22 مئی 2023 کو لانچ کیا گیا۔ 30 جون 2023 کو پلان کے خالص اثاثہ جات 989 ملین روپے تھے۔ 30 جون 2023 تک فی یونٹ خالص اثاثہ قیمت (NAV)، 50.1025 روپے تھی۔ اس مدت کے دوران پلان نے 6.75 فی صد سالانہ بیٹج مارک منافع کے مقابلے میں 19.65 فی صد سالانہ منافع دیا۔ سال کے اختتام پر پلان کا 95 فی صد کارپوریٹ سٹاک، 3 فی صد اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز، اور 2 فی صد دیگر میں تھا۔

میزان پائیدار منافع پلان - VII

میزان پائیدار منافع پلان - VII، 22 جون 2023 کو لانچ کیا گیا۔ 30 جون 2023 کو پلان کے خالص اثاثہ جات 567 ملین روپے تھے۔ 30 جون 2023 تک فی یونٹ خالص اثاثہ قیمت (NAV)، 50 روپے تھی۔

میزان پائیدار منافع پلان - VIII

میزان پائیدار منافع پلان - VIII، 5 جون 2023 کو لانچ کیا گیا۔ 30 جون 2023 کو پلان کے خالص اثاثہ جات 4,064 ملین روپے تھے۔ 30 جون 2023 تک فی یونٹ خالص اثاثہ قیمت (NAV)، 50.0507 روپے تھی۔ اس مدت کے دوران پلان نے 7.16 فی صد سالانہ بیٹج مارک منافع کے مقابلے میں 18.54 فی صد سالانہ منافع دیا۔ سال کے اختتام پر پلان کا 94 فی صد ٹرم ڈپازٹ ریسرپٹس میں، 5 فی صد اسلامی بینکوں یا اسلامی بینکوں کی ونڈوز میں اور 1 فی صد دیگر میں تھا۔

میزان اسلامک فنڈ

میزان اسلامک فنڈ کے 30 جون 2023 کو خالص اثاثہ جات 17,155 ملین روپے تھے، جو کہ 30 جون 2022 کو 23,822 ملین روپے تھے، جو کہ 28 فی صد کمی کو ظاہر کرتے ہیں۔ 30 جون 2022 کو فی یونٹ خالص اثاثہ قیمت 56.2315 روپے تھی جو کہ 30 جون 2023 کو 54.8025 روپے ہو گئی، اس طرح بیٹج مارک، کے ایس ای میزبان انڈیکس (30KMI) کے 2.88 فی صد سالانہ منافع کے مقابلے میں منفی 2.54 فی صد منافع دیا۔

المیزان میوچل فنڈ

30 جون 2023 تک المیزان میوچل فنڈ (AMMF) کے خالص اثاثے 3,153 ملین روپے تھے جو کہ 30 جون 2022 کو 4,451 ملین روپے تھے، اس طرح ایک سال میں خالص اثاثہ جات میں 29 فی صد کمی ہوئی۔ 30 جون 2022 کو فی یونٹ خالص اثاثہ قیمت 15.7208 روپے تھی جو کہ 30 جون 2023 کو 15.6760 روپے ہو گئی، اس طرح بیٹج مارک، کے ایس ای میزبان انڈیکس (30KMI) کے 2.88 فی صد سالانہ منافع کے مقابلے میں منفی 0.28 فی صد منافع دیا۔

کے ایس ای میزبان انڈیکس فنڈ

30 جون 2023 تک کے ایس ای میزبان انڈیکس فنڈ (KMIF) کے خالص اثاثے 2,585 ملین روپے تھے جو کہ 30 جون 2022 کو 2,610 ملین روپے تھے، اس طرح ایک سال کے دوران خالص اثاثہ جات میں 1 فی صد کمی ہوئی۔ 30 جون 2022 کو فی یونٹ خالص اثاثہ قیمت 65.0795 روپے تھی جو کہ 30 جون 2023 کو 64.9320 روپے ہو گئی، اس طرح بیٹج مارک، کے ایس ای میزبان انڈیکس (30KMI) کے 2.88 فی صد سالانہ منافع کے مقابلے میں 0.69 فی صد منافع دیا۔

میزان ڈیڈ ویٹھریٹڈ ایکویٹی فنڈ

30 جون 2023 تک میزبان ڈیڈ ویٹھریٹڈ ایکویٹی فنڈ (MDEF) کے خالص اثاثے 406 ملین روپے تھے جو کہ 30 جون 2022 کو 753 ملین روپے تھے، اس طرح ایک سال کے دوران خالص اثاثہ جات میں 46 فی صد کمی ہوئی۔ 30 جون 2022 کو فی یونٹ خالص اثاثہ قیمت 40.2161 روپے تھی جو کہ 30 جون 2023 کو 39.9919 روپے ہو گئی، اس طرح بیٹج مارک، کے ایس ای میزبان انڈیکس (30KMI) کے 2.88 فی صد سالانہ منافع کے مقابلے میں منفی 0.56 فی صد منافع دیا۔

میزان انرجی فنڈ

30 جون 2023 تک میزبان انرجی فنڈ (MEF) کے خالص اثاثے 452 ملین روپے تھے جو کہ 30 جون 2022 کو 438 ملین روپے تھے، اس طرح ایک سال کے دوران خالص اثاثہ جات میں 3 فی صد اضافہ ہوا۔ 30 جون 2022 کو فی یونٹ خالص اثاثہ قیمت 31.5217 روپے تھی جو کہ 30 جون 2023 کو 30.8497 روپے ہو گئی، اس طرح بیٹج مارک، کے ایس ای میزبان انڈیکس (30KMI) کے 2.88 فی صد سالانہ منافع کے مقابلے میں منفی 2.13 فی صد منافع دیا۔

میزان تحفظ پینشن فنڈ (MTPF)

MTPF چارڈبلی فنڈز بنام، ایکویٹی سب-فنڈ، ڈیٹ سب-فنڈ، منی مارکیٹ سب-فنڈ اور گولڈ سب-فنڈ پر مشتمل ہے۔ 30 جون 2023 کو ختم ہونے والے سال کے لیے، ایکویٹی سب-فنڈ نے 0.21 فی صد کا منافع اور گولڈ سب-فنڈ نے 48.60 فی صد کا منافع دیا، جبکہ ڈیٹ اور منی مارکیٹ کے سب-فنڈز نے بالترتیب 14.39 فی صد اور 15.87 فی صد سالانہ منافع فراہم کیا۔ ہر سب-فنڈ کی کارکردگی کا جائزہ ذیل میں دیا گیا ہے:

ایکویٹی سب-فنڈ

30 جون 2022 کو 4,593 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو اس سب-فنڈ کے خالص اثاثے 3,458 ملین روپے تھے، جس سے 25 فی صد کمی ظاہر ہوتی ہے۔ 30 جون 2022 کو پلان کی فی یونٹ خالص اثاثہ قیمت (NAV)، 485.5458 روپے کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت 486.5451 روپے ہو گئی۔

ڈیٹ سب فنڈ

30 جون 2022 کو 5,012 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو اس سب- فنڈ کے خالص اثاثے 5,252 ملین روپے تھے، جس سے ان میں 5 فی صد کا اضافہ ظاہر ہوتا ہے۔ 30 جون 2022 کو پلان کی فی یونٹ خالص اثاثہ قیمت (NAV)، 304.6714 روپے کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت 348.5006 روپے ہو گئی۔

مٹی مارکیٹ سب فنڈ

30 جون 2022 کو 4,307 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو اس سب- فنڈ کے خالص اثاثے 8,031 ملین روپے تھے، جس سے خالص اثاثہ جات میں 86 فی صد اضافہ ظاہر ہوتا ہے۔ 30 جون 2022 کو پلان کی فی یونٹ خالص اثاثہ قیمت (NAV)، 293.0581 روپے کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت 339.5715 روپے ہو گئی۔

گولڈ سب فنڈ

30 جون 2022 کو 167 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو اس سب- فنڈ کے خالص اثاثے 416 ملین روپے ہو گئے، جس سے خالص اثاثہ جات میں 149 فی صد اضافہ ظاہر ہوتا ہے۔ 30 جون 2022 کو پلان کی فی یونٹ خالص اثاثہ قیمت (NAV)، 196.9220 روپے کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت 292.6303 روپے ہو گئی۔

میزان ہیلسڈ فنڈ

میزان ہیلسڈ فنڈ کے کل اثاثہ جات 30 جون 2022 کو 2,641 ملین روپے کے مقابلے میں 30 جون 2023 کو 1,689 ملین روپے رہ گئے، جو کہ ایک سال کے دوران 36 فی صد کمی کو ظاہر کرتے ہیں۔ 30 جون 2022 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 15.6153 روپے کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت 15.5966 روپے ہو گئی، جو کہ 4.55 فی صد سالانہ کے نیچے مارک منافع کے مقابلے میں 4.87 فی صد سالانہ منافع بنتا ہے۔

میزان ایسیٹ ایلوکیشن فنڈ

میزان ایسیٹ ایلوکیشن فنڈ کے کل اثاثہ جات 30 جون 2022 کو 850 ملین روپے کے مقابلے میں 30 جون 2023 کو 454 ملین روپے رہ گئے، جو کہ ایک سال کے دوران 47 فی صد کمی کو ظاہر کرتے ہیں۔ 30 جون 2022 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 40.0109 روپے کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت 39.8599 روپے ہو گئی، جو کہ 3.28 فی صد سالانہ کے نیچے مارک منافع کے مقابلے میں 0.35 فی صد سالانہ منافع بنتا ہے۔

میزان گولڈ فنڈ

میزان گولڈ فنڈ کے کل اثاثہ جات 30 جون 2022 کو 604 ملین روپے کے مقابلے میں 30 جون 2023 کو 1,346 ملین روپے ہو گئے، جو کہ ایک سال کے دوران 123 فی صد اضافے کو ظاہر کرتے ہیں۔ 30 جون 2022 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 103.9100 روپے کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت 157.4219 روپے ہو گئی، جو کہ 48.39 فی صد سالانہ کے نیچے مارک منافع کے مقابلے میں 52.45 فی صد سالانہ منافع بنتا ہے۔

میزان پاکستان ایکسیج ٹریڈ فنڈ

میزان پاکستان ایکسیج ٹریڈ فنڈ (MPETF) کے کل اثاثہ جات 30 جون 2022 کو 94 ملین روپے کے مقابلے میں 30 جون 2023 کو 69 ملین روپے رہ گئے، جو کہ ایک سال کے دوران 26 فی صد کمی کو ظاہر کرتے ہیں۔ 30 جون 2022 کو فی یونٹ خالص اثاثہ قیمت (NAV)، 7.9189 روپے کے مقابلے میں 30 جون 2023 کو فی یونٹ خالص اثاثہ قیمت 7.8147 روپے ہو گئی، جو کہ نیچے مارک MZNPFI کے منفی 1.04 فی صد سالانہ خسارہ کے مقابلے میں منفی 1.32 فی صد خسارہ بنتا ہے۔

میزان فنانشل پلاننگ فنڈ آف فنڈز

ایگریسیو ایلوکیشن پلان

پلان کے 30 جون 2022 کو 290 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 64 ملین روپے تھے۔ پلان نے 3.72 فی صد سالانہ نیچے مارک منافع کے مقابلے میں 1.13 فی صد سالانہ شرح منافع فراہم کیا۔

موڈر بیٹ ایلوکیشن فنڈ

پلان کے 30 جون 2022 کو 100 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 62 ملین روپے تھے۔ پلان نے 4.64 فی صد سالانہ نیچے مارک منافع کے مقابلے میں 5.29 فی صد سالانہ شرح منافع فراہم کیا۔

کنزرویٹیو ایلوکیشن پلان

پلان کے 30 جون 2022 کو 141 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 59 ملین روپے تھے۔ پلان نے 5.59 فی صد سالانہ نیچے مارک منافع کے مقابلے میں 9.81 فی صد سالانہ شرح منافع فراہم کیا۔

میزان ایسیٹ ایلوکیشن پلان-I

پلان کے 30 جون 2022 کو 84 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 71 ملین روپے تھے۔ پلان نے 3.74 فی صد سالانہ نیچے مارک منافع کے مقابلے میں

3.20 فی صد سالانہ شرح منافع فراہم کیا۔

میزان اسٹریٹیجک ایلوکیشن فنڈ

میزان اسٹریٹیجک ایلوکیشن پلانٹ - I

پلان کے 30 جون 2022 کو 383 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 188 ملین روپے تھے۔ پلان نے 3.60 فی صد سالانہ بینچ مارک منافع کے مقابلے میں 3.30 فی صد سالانہ شرح منافع فراہم کیا۔

میزان اسٹریٹیجک ایلوکیشن پلان - II

پلان کے 30 جون 2022 کو 322 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 160 ملین روپے تھے۔ پلان نے 3.51 فی صد سالانہ بینچ مارک منافع کے مقابلے میں 3.37 فی صد سالانہ شرح منافع فراہم کیا۔

میزان اسٹریٹیجک ایلوکیشن پلان - III

پلان کے 30 جون 2022 کو 214 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 131 ملین روپے تھے۔ پلان نے 3.66 فی صد سالانہ بینچ مارک منافع کے مقابلے میں 3.26 فی صد سالانہ شرح منافع فراہم کیا۔

میزان اسٹریٹیجک ایلوکیشن پلانٹ - IV

پلان کے 30 جون 2022 کو 105 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 77 ملین روپے تھے۔ پلان نے 3.60 فی صد سالانہ بینچ مارک منافع کے مقابلے میں 2.87 فی صد سالانہ شرح منافع فراہم کیا۔

میزان اسٹریٹیجک ایلوکیشن پلانٹ - V

پلان کے 30 جون 2022 کو 49 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 34 ملین روپے تھے۔ پلان نے 3.72 فی صد سالانہ بینچ مارک منافع کے مقابلے میں 2.65 فی صد سالانہ شرح منافع فراہم کیا۔

میزان کیپیٹل پریزرویشن پلان - III

پلان کے 30 جون 2022 کو 196 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 155 ملین روپے تھے۔ پلان نے 5.36 فی صد سالانہ بینچ مارک مثبت منافع کے مقابلے میں 11.95 فی صد سالانہ مثبت شرح منافع فراہم کیا۔

میزان اسٹریٹیجک ایلوکیشن فنڈ - II

میزان کیپیٹل پریزرویشن پلان - IV

پلان کے 30 جون 2022 کو 623 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 237 ملین روپے تھے۔ پلان نے 5.17 فی صد سالانہ بینچ مارک مثبت منافع کے مقابلے میں 10.16 فی صد سالانہ مثبت شرح منافع فراہم کیا۔

میزان کیپیٹل پریزرویشن پلان - V

پلان کے 30 جون 2022 کو 63 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 43 ملین روپے تھے۔ پلان نے 5.22 فی صد سالانہ بینچ مارک مثبت منافع کے مقابلے میں 11.36 فی صد سالانہ مثبت شرح منافع فراہم کیا۔

میزان کیپیٹل پریزرویشن پلان - VI

پلان کے 30 جون 2022 کو 65 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 29 جون 2023 کو خالص اثاثہ جات 29 ملین روپے تھے۔ پلان نے 6.27 فی صد سالانہ بینچ مارک مثبت منافع کے مقابلے میں 16.32 فی صد سالانہ مثبت شرح منافع فراہم کیا۔

میزان کیپیٹل پریزرویشن پلان - VII

پلان کے 30 جون 2022 کو 40 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 25 ملین روپے تھے۔ پلان نے 6.39 فی صد سالانہ بینچ مارک مثبت منافع کے مقابلے میں 15.82 فی صد سالانہ مثبت شرح منافع فراہم کیا۔

میزان اسٹریٹیجک ایلوکیشن فنڈ - III

میزان کیپیٹل پریزرویشن پلان - IX

پلان کے 30 جون 2022 کو 427 ملین روپے کے خالص اثاثہ جات کے مقابلے میں 30 جون 2023 کو خالص اثاثہ جات 237 ملین روپے تھے۔ پلان نے 5.58 فی صد سالانہ بینچ مارک مثبت منافع کے مقابلے میں 11.61 فی صد سالانہ مثبت شرح منافع فراہم کیا۔

توقعات

سیاسی اور اقتصادی بحرانوں سے دوچار ایک ہنگامہ خیز سال کے بعد، حکومت نے اپنی توجہ استحکام سے نمو کی طرف منتقل کرتے ہوئے مالی سال '24 میں زرعی شعبہ (3.5 فی صد)، مینوفیکچرنگ (4.3 فی صد) اور خدمات (3.6 فی صد) کی نمو کے ساتھ تقریباً 3 فی صد معاشی نمو کا ہدف رکھا ہے۔ سیاسی غیر یقینی صورتحال عام انتخابات کے بعد ختم ہونے کی توقع کی جاسکتی ہے۔ زرعی لحاظ سے، (1) بلند بنیاد (base) کا اثر، (2) عالمی اجناس کی قیمتوں میں کمی اور (3) روپے کی قدر میں متوقع استحکام مہنگائی کو کنٹرول میں رکھ سکتا ہے۔ مزید برآں، آئی ایم ایف کا SBA پروگرام قلیل مدت میں ملک کے سیالیت کے بحران کو کم کر سکتا ہے، تاہم عام انتخابات کے بعد

آنے والی نئی حکومت کو ہر صورت فنڈ کے ساتھ ایک اور طویل مدتی پروگرام کے لیے مذاکرات کرنا ہوں گے۔

فلسفہ انکم کے میدان میں توقع ہے کہ سکوک کا اجراء جاری رہے گا کیونکہ حکومت اسلامی ذرائع مالیات کا حصہ بڑھانے کے لیے پر عزم ہے۔ فلسفہ انکم فنڈز پالیسی کی شرح میں کسی بھی تبدیلی کو قبول کرنے کے لیے بہتر پوزیشن میں ہیں، تاہم بڑھتے ہوئے مالیاتی اخراجات کے پیش نظر ہم کارپوریٹس کی جانب سے پیش کردہ اسپرڈ میں کمی دیکھ سکتے ہیں جو قرض لینے کی شرح میں کمی کا باعث بن سکتے ہیں۔ بڑھتے ہوئے مالیاتی اخراجات کی وجہ سے بینکوں کو بھی غیر فعال قرضوں کے بڑھتے ہوئے خطرے کی وجہ سے مشکلات کا سامنا کرنا پڑے گا۔

بازار حصص کے لیے، ہم توقع کرتے ہیں کہ آئی ایم ایف پروگرام مالی سال 24 کے لیے کلیدی محرک ثابت ہوگا، جو پاکستان کو انتہائی ضروری مالیاتی نظم و ضبط حاصل کرنے اور کمزور طور پر ترقی کی راہ پر گامزن ہونے میں مدد فراہم کرے گا۔ اس پروگرام کو پاکستان کے لیے دیگر بیرونی مالیاتی راستے بھی کھولنے چاہئیں تاکہ اس کے غیر ملکی زرمبادلہ ذخائر کو آرام دہ سطح یعنی کم از کم دو ماہ کے درآمدی کور کے برابر تک، لے جایا جاسکے۔ دوست ممالک سے رقم کی آمد شروع ہوگئی ہے۔ ایک اور اہم محرک عام انتخابات ہوں گے کیونکہ نئے مینڈیٹ کے ساتھ نئی حکومت کے پاس اصلاحات کے لیے کافی وقت ہوگا۔ تاریخی اعداد و شمار سے پتہ چلتا ہے کہ PSX کی کارکردگی کا ملک کے بیرونی کھاتوں کے امکانات کے ساتھ گہرا تعلق رہا ہے۔ جب بیرونی کھاتوں کے امکانات بہتر ہوتے ہیں، تو بازار حصص بعد کے برسوں میں اچھا منافع فراہم کرتی ہے۔ تاریخی اوسط کے لحاظ سے قیمتیں بہت پرکشش ہیں، اس کا طویل مدتی اوسط P/E تناسب تقریباً 7.9x کے مقابلے میں تقریباً 3.4x کے فارورڈ P/E تناسب پر ہے اور 9.6 فی صد کا پرکشش منافع جبکہ منتخب بلیو چیپس 15 فی صد سے زائد منافع (Yield Dividend) پیش کرتے ہیں۔

آڈیٹرز

S. R. No	Fund Name	Name of auditors as of June 30, 2023	Status of appointment for the year ending June 30, 2024
1	Meezan Rozana Amdani Fund	M/s EY Ford Rhodes., Chartered Accountants	M/s A.F. Ferguson & Co., Chartered Accountants have been approved by the Board on recommendation of Board Audit Committee to be the auditors of the Funds.
2	Meezan Cash Fund		
3	Meezan Islamic Income Fund		
4	Meezan Sovereign Fund		
5	Meezan Daily Income Fund		
6	Meezan Islamic Fund		
7	Al Meezan Mutual Fund		
8	KSE-Meezan Index Fund		
9	Meezan Dedicated Equity Fund		
10	Meezan Energy Fund		
11	Meezan Balanced Fund		
12	Meezan Asset Allocation Fund		
13	Meezan Pakistan Exchange Traded Fund		
14	Meezan Fixed Term Fund		
15	Meezan Gold Fund	M/s Yousuf Adil & Co., Chartered Accountants have been approved by the Board on the recommendation of Board Audit Committee to be the auditors of the Funds.	
16	Meezan Financial Planning Fund of Funds		
17	Meezan Strategic Allocation Fund		
18	Meezan Strategic Allocation Fund - II		
19	Meezan Strategic Allocation Fund - III		
20	Meezan Tahaffuz Pension Fund		M/s Yousuf Adil & Co., Chartered Accountants

بورڈ اجلاس

بورڈ کے اجلاسوں اور اس میں حاضری کی تفصیلات فنڈز کے مالی گوشواروں کے نوٹس میں دی گئی ہیں۔

بورڈ آڈٹ کمیٹی (BAC)

30 جون 2023 کو ختم ہونے والے سال کے دوران، بی اے سی کے چار اجلاس منعقد ہوئے، ان اجلاسوں میں اراکین کی حاضری ذیل کے مطابق تھی۔

Name of Director	05-Aug-22	12-Oct-22	09-Feb-23	11-Apr-23
Mr. Feroz Rizvi	✓	✓	✓	✓
Mr. Naeem Sattar	✓	✓	✓	✓
Mr. Tariq Mairaj	✓	✓	✓	✓

بورڈ رسک مینجمنٹ کمیٹی (BRMC)

30 جون 2023 کو ختم ہونے والے سال کے دوران BRMC کے چار اجلاس منعقد ہوئے، ان اجلاسوں میں اراکین کی حاضری ذیل کے مطابق تھی۔

Name of Director	15-Aug-22	11-Oct-22	10-Feb-23	10-Apr-23
Mr. Mubashar Maqbool	✓	✓	✓	✓
Mr. Moin M. Fudda	✓	✓	✓	✓
Mr. Furquan R. Kidwai	✓	✓	✓	✓

افراد کی قوت اور مشاہرہ کمیٹی (HR&RC)

30 جون 2023 کو ختم ہونے والے سال کے دوران HR&RC کے تین اجلاس ہوئے، ان اجلاسوں میں اراکین کی حاضری ذیل کے مطابق تھی۔

Name of Director	15-Aug-22	10-Feb-23	5-Jun-23
Mr. Ariful Islam	✓	✓	✓
Mr. Mubashar Maqbool	✓	✓	✓
Mr. Moin M. Fudda	✓	✓	✓
Mr. Furquan Kidwai	✓	✓	✓
Mr. Mohammad Shoab, CFA	✓	✓	✓

بورڈ آئی ٹی کمیٹی (BITC)

30 جون 2023 کو ختم ہونے والے سال کے دوران BITC کے چار اجلاس منعقد ہوئے، ان اجلاسوں میں اراکین کی حاضری ذیل کے مطابق تھی۔

Name of Director/Subject Matter Expert	27-Jul-22	5-Oct-22	3-Feb-23	6-Apr-23
Mr. Furquan Kidwai	✓	✓	✓	✓
Mr. Mohammad Shoab, CFA	✓	✓	✓	✓
Mr. Faiz ur Rehman, Head of IT at MBL-Subject Matter Expert	✓	✓	✓	✓

جناب معین ایم فدا نے 9 جون 2023 کو المیز ان کے بورڈ سے استعفیٰ دے دیا۔ میزان بینک لمیٹڈ کی نامزد ڈائریکٹر محترمہ شاز یہ حرم کو ان کی جگہ 4 جولائی 2023 کو ہونے والے بورڈ اجلاس میں بورڈ نے مقرر کیا اور بورڈ کی رسک مینجمنٹ کمیٹی میں جناب معین ایم فدا کی جگہ لے لی۔ سال کے اختتام پر، پاکستان کویت انویسٹمنٹ کمپنی (پرائیویٹ) لمیٹڈ کے نامزد ڈائریکٹر جناب مبشر مقبول نے 18 جولائی 2023 کو بورڈ سے استعفیٰ دے دیا ہے، اور ان کی جگہ پاکستان کویت انویسٹمنٹ کمپنی (پرائیویٹ) لمیٹڈ کے نامزد ڈائریکٹر جناب سعد الرحمان خان نے لے لی ہے، جن کا تقرر 7 اگست 2023 کو ہونے والے بورڈ اجلاس میں کیا گیا تھا۔ ان کی تقرری سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی منظوری سے مشروط ہے۔ بورڈ نے جناب معین ایم فدا اور جناب مبشر مقبول کا بورڈ میں گراں قدر خدمات پر شکریہ ادا کیا۔

اعتراف

ہم اس موقع کو غنیمت جانتے ہوئے اپنے گراں قدر سرمایہ کاروں سے ان کے المیز ان انویسٹمنٹس پر بھروسہ کے لیے تشکر کا اظہار کرتے ہیں، جو پاکستان کی سب سے بڑی ایسیٹ مینجمنٹ کمپنی ہے۔ ہم ضابطہ کار، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور ہمارے سٹریٹیجی، سینیٹرل ڈیپارٹمنٹ آف پاکستان سے بھی ان کی بھرپور اعانت و مدد کے لیے اظہار تشکر کرتے ہیں۔ اسی طرح، میزان بینک کے اراکین شریعہ پر دائری بورڈ کا بھی ان کے مسلسل تعاون اور فنڈ مینجمنٹ کے شریعہ سے متعلق پہلوؤں پر اعانت کے لیے بھی شکریہ ادا کرنا چاہیں گے۔

برائے و بجانب بورڈ

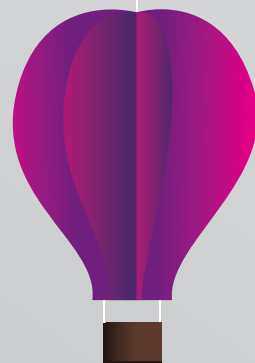
محمد شعیب، سی ایف اے

چیف ایگزیکٹو آفیسر

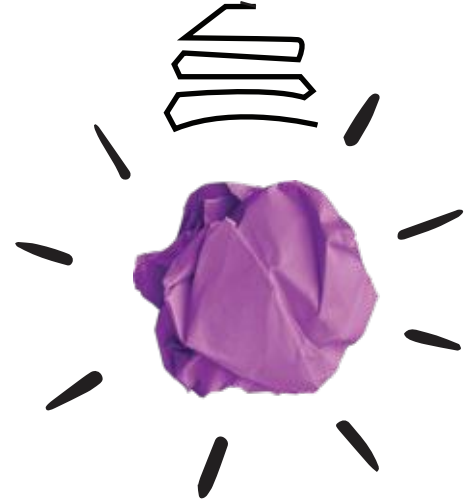
بتاریخ 7 اگست اکتوبر 2023

ڈائریکٹر

FUNDS



Shariah *led* Excellence



Al Meezan emerges as a role model, seamlessly integrating modern financial pursuits with the principles of Shariah Compliance. Our unwavering commitment speaks volumes, where innovation and ethical principles converge to redefine excellence.

Meezan Rozana Amdani Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

Allied Bank Limited - Islamic Banking	Habib Bank Limited -Islamic Banking
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	UBL Ameen - Islamic Banking
Bank Of Punjab - Islamic Banking	
Bank Alfalah Limited	
Dubai Islamic Bank Pakistan Limited	
Faysal Bank Limited - Islamic Banking	

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



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

Type of Fund

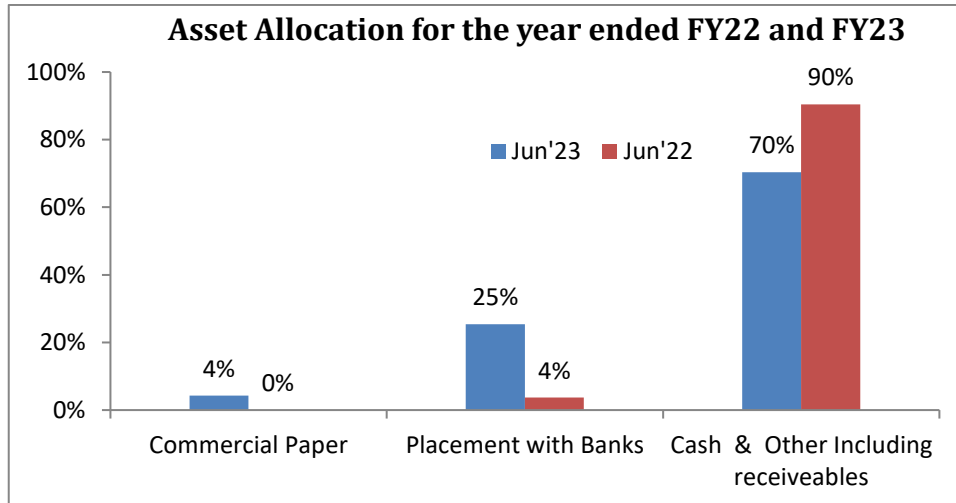
Open end money market fund investing primarily in Shariah compliant money market and Islamic bonds (Sukuks).

Objective

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

Investment Policy and Strategy

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



Performance Review

Meezan Rozana Amdani Fund (MRAF) provided a return of 16.83% to its investors for the year ended June 30, 2023 as compared to its Six Month deposits at Islamic Banks (benchmark) return of 6.23%.



Pure. Profit.



	MRAF	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 30, 2022	50.00	
Net Asset Value as on June 30, 2023	50.00	
Return During the Period - Net	16.83%	6.23%
Outperformance - Net	10.60%	

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

The Fund earned a gross income of Rs. 13,780 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 13,783 million. The fund also incurred expenses totalling to Rs. 637 million, which brought the net income figure to Rs. 13,142 million. The net assets of the Fund as at June 30, 2023 were Rs. 96,006 million as compared to Rs. 72,760 million at the end of last year depicting increase of 31.95%. The net asset value per unit as at June 30, 2023 was Rs. 50 (Ex-dividend).

Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 7.7726 per unit (15.55%). Total distribution made by the fund was Rs. 13,142 million.

SWWF Disclosure

Not Applicable

Fund Stability Rating

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

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	1,964
10,000 - 49,999	3,796
50,000 - 99,999	1,403
100,000 - 499,999	1,717
500,000 and above	447
Total	9,327

PERFORMANCE TABLE
MEEZAN ROZANA AMDANI FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	96,005,607	72,759,939	74,704,297
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	50.0000	50.0000	50.0000
Offer price per unit as at June 30, (Rs.) (ex-distribution)	50.0000	50.0000	50.0000
Highest offer price per unit (Rs.)	50.0000	50.0000	50.0000
Lowest offer price per unit (Rs.)	50.0000	50.0000	50.0000
Highest redemption price per unit (Rs.)	50.0000	50.0000	50.0000
Lowest redemption price per unit (Rs.)	50.0000	50.0000	50.0000
Distribution (%)	15.55	9.48	6.4
Interim			
Final			
Date of distribution			
Interim			
Final			
Income distribution (Rupees in '000)	13,142,424	4,946,448	2,925,426
Growth distribution (Rupees in '000)			
Total return (%)	16.83	9.95	6.61

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	16.83%	13.34%	11.05%

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

Dr. Muhammad Imran Usmani

Address:

Jamia Darul Uloom Karachi

Korangi Industrial Area Karachi

Pakistan

Postal Code 75180

Tel: +92 21 3 5047770

Fax: +92 21 5040234

Email: miu786@gmail.com

Report of the Shariah Advisor – Meezan Rozana Amdani Fund (MRAF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Fifth year of operations of Meezan Rozana Amdani Fund (the “MRAF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah 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



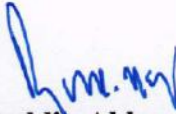
TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ROZANA AMDANI FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Rozana Amdani Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Rozana Amdani Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Rozana Amdani Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of debts instruments) held by the Fund represent 99% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076j9uZVRd35



MEEZAN ROZANA AMDANI FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	2023	2022
Note	----- (Rupees in '000) -----	
Assets		
Balances with banks	5 65,893,238	64,902,950
Investments	6 28,750,000	7,025,000
Receivable against conversion of units	865,887	412,683
Accrued profit	7 1,397,915	822,165
Deposit and prepayments	8 2,314	1,300
Preliminary expenses and floatation costs	9 100	300
Total assets	96,909,454	73,164,398
Liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	10 114,814	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee	11 4,928	3,110
Payable to the Securities and Exchange Commission of Pakistan (SECP)	12 16,699	10,366
Payable against conversion and redemption of units	375,827	303,764
Dividend payable	149,178	-
Accrued expenses and other liabilities	13 242,401	83,819
Total liabilities	903,847	404,459
Net assets	96,005,607	72,759,939
Unit holders' fund (as per statement attached)	96,005,607	72,759,939
Contingencies and commitments	14	
	----- (Number of units) -----	
Number of units in issue	1,920,112,094	1,455,198,746
	----- (Rupees) -----	
Net asset value per unit	50.0000	50.0000

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN ROZANA AMDANI FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	----- (Rupees in '000) -----	
Income		
Profit on commercial papers and sukuks	1,118,816	352,543
Profit on term deposit receipts	3,870,391	472,068
Profit on Bai muajjal	582,502	321,850
Profit on saving accounts with banks	8,211,188	3,821,794
Net realised loss on sale of investments	(3,200)	(1,685)
Total income	<u>13,779,697</u>	<u>4,966,570</u>
Expenses		
Remuneration of Al Meezan Investment Management Limited - Management Company	10.1 315,173	82,143
Sindh Sales Tax on remuneration of the Management Company	10.2 40,973	10,679
Selling and marketing expenses	10.3 205,343	18,227
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1 45,923	29,976
Sindh Sales Tax on remuneration of the Trustee	11.1 5,970	3,897
Annual fees to the Securities and Exchange Commission of Pakistan	12 16,699	10,366
Auditors' remuneration	15 546	503
Amortisation of preliminary expenses and floatation costs	9 200	200
Fees and subscription	1,313	1,320
Legal and professional charges	-	184
Brokerage expense	940	362
Printing expenses	92	-
Bank and settlement charges	4,101	3,464
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	-	(141,199)
Total expenses	<u>637,273</u>	<u>20,122</u>
Net income for the year before taxation	<u>13,142,424</u>	<u>4,946,448</u>
Taxation	17 -	-
Net income for the year after taxation	<u>13,142,424</u>	<u>4,946,448</u>
Allocation of net income for the year		
Net income for the year after taxation	13,142,424	4,946,448
Income already paid on units redeemed	-	-
	<u>13,142,424</u>	<u>4,946,448</u>
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	13,142,424	4,946,448
	<u>13,142,424</u>	<u>4,946,448</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ROZANA AMDANI FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	----- (Rupees in '000) -----	
Net income for the year after taxation	13,142,424	4,946,448
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>13,142,424</u>	<u>4,946,448</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN ROZANA AMDANI FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	72,759,939	-	72,759,939	74,704,297	-	74,704,297
Issuance of 5,049,054,418 (2022: 22,727,961,332) units						
- Capital value (at par value per unit at the beginning of the year)	252,452,721	-	252,452,721	136,398,067	-	136,398,067
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	252,452,721	-	252,452,721	136,398,067	-	136,398,067
Redemption of 4,584,141,070 (2022: 2,766,848,504) units						
- Capital value (at par value per unit at the beginning of the year)	229,207,053	-	229,207,053	138,342,425	-	138,342,425
- Element of loss	-	-	-	-	-	-
Total payments on redemption of units	229,207,053	-	229,207,053	138,342,425	-	138,342,425
Total comprehensive income for the year	-	13,142,424	13,142,424	-	4,946,448	4,946,448
Distribution during the year *	-	(13,142,424)	(13,142,424)	-	(4,946,448)	(4,946,448)
Net income for the year less distribution	-	-	-	-	-	-
Net assets at the end of the year	96,005,607	-	96,005,607	72,759,939	-	72,759,939
Undistributed income brought forward						
- Realised income		-			-	
- Unrealised income		-			-	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		13,142,424			4,946,448	
		13,142,424			4,946,448	
Distribution during the year: Rs. 7.7726 per unit i.e. 15.55% of the par value of Rs. 50/- each (2022: Rs. 4.7407 per unit i.e. 9.48%)		(13,142,424)			(4,946,448)	
Undistributed income carried forward		-			-	
Undistributed income carried forward						
- Realised income		-			-	
- Unrealised income		-			-	
		-			-	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year	50.0000			50.0000		
Net assets value per unit at the end of the year	50.0000			50.0000		

* Meezan Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the year ended June 30, 2023 amounted to Rs.7.7726 (2022: Rs.4.7407) per unit.

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ROZANA AMDANI FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		13,142,424	4,946,448
Adjustment for non-cash items:			
Amortisation of preliminary expenses and floatation costs		200	200
Decrease / (increase) in assets			
Investments - net		175,000	1,531,099
Accrued profit		(575,750)	(564,811)
Deposits and prepayments		(1,014)	(1,006)
		(401,764)	965,282
Increase / (decrease) in liabilities			
Payable to AI Meezan Investment Management Limited - Management Company		111,414	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee		1,818	(444)
Payable to the Securities and Exchange Commission of Pakistan		6,333	1,274
Accrued expenses and other liabilities		158,582	(82,557)
		278,147	(78,327)
Net cash generated from operating activities		13,019,007	5,833,603
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		251,999,517	136,421,413
Payments against redemption and conversion of units		(229,134,990)	(138,318,785)
Dividend paid		(12,993,246)	(4,946,448)
Net cash generated / (used in) from financing activities		9,871,281	(6,843,820)
Net increase / (decrease) in cash and cash equivalents during the year		22,890,288	(1,010,217)
Cash and cash equivalents at the beginning of the year		67,602,950	68,613,167
Cash and cash equivalents at the end of the year	19	90,493,238	67,602,950

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

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

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN ROZANA AMDANI FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Rozana Amdani Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

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

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

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

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

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

1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of AA+(f) by VIS Credit Rating Company Limited dated January 03, 2023 (2022: AA+(f) dated December 27, 2021).

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

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 -and IFRS 7	January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods)
IFRS 1 First time adoption of IFRS	January 01, 2004
IFRS 17 Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Company's financial statements in the period of initial application.

3.3 Critical accounting estimates and judgments

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

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

3.4 Accounting convention

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

3.5 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.2 Cash and cash equivalents

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

4.3 Bai Muajjal

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

4.4 Financial assets

4.4.1 Initial recognition and measurement

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

4.4.2 Classification and subsequent measurement

a) Debt instruments

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

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

based on the business model of the entity.

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

b) Impairment

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

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

c) Impairment loss on debt securities

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

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

4.4.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

4.4.4 Derecognition

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

4.5 Financial liabilities

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

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

4.6 Offsetting of financial assets and financial liabilities

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

4.7 Provisions

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

4.8 Net asset value per unit

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

4.9 Issue and redemption of units

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

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

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration by the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year. As more fully explained in note 1.3 to the financial statements, the Fund is required to make distribution on each business day.

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

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

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

4.12 Revenue recognition

- Gains / (losses) arising on sale of investments are recognised on the date at which the transaction takes place;
- Profit on bank deposits and term deposit receipts is recognised on time proportion basis using the effective yield method;
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise;
- Income on sukuk certificates, placements and commercial papers is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Income on bai muajjal is recognised on time proportion basis, the difference between the sale and the credit price is recognised over the credit period.

4.13 Expenses

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

4.14 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.15 Earnings / (loss) per unit

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

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

4.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5	BALANCES WITH BANKS	Note	2023 ----- (Rupees in '000) -----	2022
	Balances with banks in:			
	Current accounts		200,043	44
	Savings accounts	5.1	<u>65,693,195</u>	64,902,906
			<u>65,893,238</u>	<u>64,902,950</u>

5.1 These include balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10.00% (2022: 6.01%) per annum. Other savings accounts of the Fund have expected profit rates ranging from 6.74% to 20.25% per annum (2022: 4.0% to 16.40% per annum).

6	INVESTMENTS	Note	2023 ----- (Rupees in '000) -----	2022
	At fair value through profit or loss			
	Corporate sukuks	6.1	4,150,000	4,325,000
	Term deposit receipts - having original maturity of 3 months or less	6.2	9,600,000	2,700,000
	Certificate of Musharka	6.3	15,000,000	-
			<u>28,750,000</u>	<u>7,025,000</u>

6.1 Corporate sukuks

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the year	Sales / redemptions during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution)	Percentage in relation to	
			-----Certificates-----			----- (Rupees in '000) -----			Net assets of the Fund	Total market value of investments	%
The Hub Power Company Limited PPSTS (AA+, PACRA) (note 6.1.1)	October 27, 2022	6 months KIBOR plus base rate of 1%	6,000	-	6,000	-	-	-	-	-	-
K-Electric Limited - I (A-1+, PACRA) (note 6.1.1)	August 04, 2022	6 months KIBOR plus base rate of 0.85%	675	-	675	-	-	-	-	-	-
K-Electric Limited - II (A-1+, PACRA) (note 6.1.1)	August 15, 2022	6 months KIBOR plus base rate of 0.85%	625	-	625	-	-	-	-	-	-
K-Electric Limited - III (A-1+, PACRA) (note 6.1.2)	September 01, 2022	6 months KIBOR plus base rate of 0.85%	675	-	675	-	-	-	-	-	-
K-Electric Limited - IV (A-1+, PACRA) (note 6.1.2)	September 23, 2022	6 months KIBOR plus base rate of 0.85%	600	-	600	-	-	-	-	-	-
K-Electric Limited - V (A-1+, PACRA) (note 6.1.2)	September 23, 2022	6 months KIBOR plus base rate of 0.95%	150	-	150	-	-	-	-	-	-
Lucky Electric Limited - II (A-1+, PACRA) (note 6.1.2)	December 15, 2022	6 months KIBOR plus base rate of 1.2%	1,000	-	1,000	-	-	-	-	-	-
Lucky Electric Limited - III (A-1+, PACRA) (note 6.1.2)	January 09, 2023	6 months KIBOR plus base rate of 1.2%	-	750	750	-	-	-	-	-	-
China Power Hub Generation Company - I (A-1+, PACRA) (note 6.1.2)	January 30, 2023	6 months KIBOR plus base rate of 1.35%	-	1,200	1,200	-	-	-	-	-	-
K-Electric Limited - VII (A-1+, PACRA) (note 6.1.2)	February 10, 2023	6 months KIBOR plus base rate of 1.35%	-	750	750	-	-	-	-	-	-
K-Electric Limited - VIII (A-1+, PACRA) (note 6.1.2)	February 28, 2023	6 months KIBOR plus base rate of 1.35%	-	400	400	-	-	-	-	-	-
K-Electric Limited - IX (A-1+, PACRA) (note 6.1.2)	March 21, 2023	6 months KIBOR plus base rate of 1.4%	-	600	600	-	-	-	-	-	-
Lucky Electric Limited - IV (A-1+, PACRA) (note 6.1.2)	March 28, 2023	6 months KIBOR plus base rate of 1.5%	-	750	750	-	-	-	-	-	-
K-Electric Limited - X (A-1+, PACRA) (note 6.1.2)	April 05, 2023	6 months KIBOR plus base rate of 1.45%	-	150	150	-	-	-	-	-	-
Lucky Electric Limited - V (A-1+, PACRA) (note 6.1.2)	April 13, 2023	6 months KIBOR plus base rate of 1.5%	-	1,050	1,050	-	-	-	-	-	-
K-Electric Limited - XI (A-1+, PACRA) (note 6.1.2)	April 26, 2023	6 months KIBOR plus base rate of 1.45%	-	750	750	-	-	-	-	-	-
Nishat Mills Limited (A-1+, PACRA) (note 6.1.2)	February 23, 2023	3 months KIBOR plus base rate of 0.9%	-	333	333	-	-	-	-	-	-

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the year	Sales / redemptions during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution)	Percentage in relation to	
			-----Certificates-----			-----Certificates-----			(Rupees in '000)		Net assets of the Fund
China Power Hub Generation Company -I (A-1+, PACRA) (note 6.1.2)	June 07, 2023	6 months KIBOR plus base rate of 1.45%	-	675	675	-	-	-	-	-	-
K-Electric Limited - XII (A-1+, PACRA) (note 6.1.2)	June 13, 2023	6 months KIBOR plus base rate of 1.4%	-	750	750	-	-	-	-	-	-
Lucky Electric Limited - VII (A-1+, PACRA) (note 6.1.2)	August 15, 2023	6 months KIBOR plus base rate of 1.5%	-	700	-	700	700,000	700,000	-	0.73%	2.43%
Lucky Electric Limited - VIII (A-1+, PACRA) (note 6.1.2)	September 29, 2023	6 months KIBOR plus base rate of 0.55%	-	750	-	750	750,000	750,000	-	0.78%	2.61%
China Power Hub Generation Company -I (A-1+, PACRA) (note 6.1.2)	September 29, 2023	6 months KIBOR plus base rate of 0.70%	-	1,050	-	1,050	1,050,000	1,050,000	-	1.09%	3.65%
Lucky Electric Limited - IX (A-1+, PACRA) (note 6.1.2)	October 12, 2023	6 months KIBOR plus base rate of 0.30%	-	1,050	-	1,050	1,050,000	1,050,000	-	1.09%	3.65%
Lucky Electric Limited - XI (A-1+, PACRA) (note 6.1.2)	December 13, 2023	6 months KIBOR plus base rate of 0.30%	-	600	-	600	600,000	600,000	-	0.62%	2.09%
Total as at June 30, 2023							4,150,000	4,150,000		2.60%	14.43%
Total as at June 30, 2022							4,325,000	4,325,000		5.94%	61.57%

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

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

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

6.2 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the year	Matured during the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023	As a percentage of net assets of the Fund	Percentage of total market value of investments
		%	----- (Rupees in '000) -----						%	%

Having original maturity of 3 months or less

Bank Alfalah Limited	July 14, 2022	16.20%	2,700,000	-	2,700,000	-	-	-	-	-
Bank Alfalah Limited	August 22, 2022	14.85%	-	6,000,000	6,000,000	-	-	-	-	-
Bank Alfalah Limited	September 22, 2022	14.15%	-	6,000,000	6,000,000	-	-	-	-	-
Bank Alfalah Limited	December 22, 2022	14.25%	-	6,000,000	6,000,000	-	-	-	-	-
The Bank Of Punjab	January 20, 2023	15.25%	-	3,000,000	3,000,000	-	-	-	-	-
The Bank Of Punjab	January 30, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Bank Alfalah Limited	February 13, 2023	15.50%	-	6,000,000	6,000,000	-	-	-	-	-
The Bank Of Punjab	February 16, 2023	15.70%	-	3,000,000	3,000,000	-	-	-	-	-
The Bank Of Punjab	February 23, 2023	15.80%	-	1,000,000	1,000,000	-	-	-	-	-
Bank Alfalah Limited	March 10, 2023	15.80%	-	6,000,000	6,000,000	-	-	-	-	-
The Bank Of Punjab	March 16, 2023	16.55%	-	3,000,000	3,000,000	-	-	-	-	-
Habib Bank Limited	March 29, 2023	15.50%	-	8,700,000	8,700,000	-	-	-	-	-
Bank Alfalah Limited	April 10, 2023	19.00%	-	6,000,000	6,000,000	-	-	-	-	-
Habib Bank Limited	June 19, 2023	17.72%	-	5,000,000	5,000,000	-	-	-	-	-
Bank Alfalah Limited	July 10, 2023	20.50%	-	6,000,000	-	6,000,000	6,000,000	-	6.25%	20.87%
Bank Alfalah Limited	August 22, 2023	20.50%	-	2,700,000	-	2,700,000	2,700,000	-	2.81%	9.39%
Bank Alfalah Limited	August 23, 2023	20.50%	-	300,000	-	300,000	300,000	-	0.31%	1.04%
Bank Alfalah Limited	September 6, 2023	18.57%	-	600,000	-	600,000	600,000	-	0.62%	2.09%
As at June 30, 2023				70,300,000	63,400,000	9,600,000	9,600,000		10.00%	33.39%
As at June 30, 2022				45,600,000	54,770,000	2,700,000	2,700,000			

6.2.1 The profit payments and principal redemptions of these term deposits and are receivable at maturity.

6.3 Certificate of Musharka

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the period	Matured during the period	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution) as at March 31, 2023	Percentage in relation to	
									Net assets of the Fund	Total market value of investments
(Rupees in '000)									%	%
Meezan Bank Limited	August 29, 2022	14.15%	-	5,900,000	5,900,000	-	-	-	-	-
Meezan Bank Limited	September 5, 2022	14.25%	-	5,000,000	5,000,000	-	-	-	-	-
UBL Ameen	December 13, 2022	14.80%	-	7,000,000	7,000,000	-	-	-	-	-
UBL Ameen	December 14, 2022	15.80%	-	800,000	800,000	-	-	-	-	-
UBL Ameen	December 16, 2022	14.80%	-	700,000	700,000	-	-	-	-	-
Meezan Bank Limited	December 16, 2022	15.50%	-	7,500,000	7,500,000	-	-	-	-	-
Meezan Bank Limited	December 20, 2022	15.50%	-	5,000,000	5,000,000	-	-	-	-	-
Meezan Bank Limited	December 23, 2022	15.50%	-	2,500,000	2,500,000	-	-	-	-	-
Askari Bank Limited	December 26, 2022	15.50%	-	705,000	705,000	-	-	-	-	-
Meezan Bank Limited	December 30, 2022	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
UBL Ameen	January 13, 2023	15.70%	-	7,000,000	7,000,000	-	-	-	-	-
UBL Ameen	January 13, 2023	15.70%	-	800,000	800,000	-	-	-	-	-
UBL Ameen	January 13, 2023	15.70%	-	700,000	700,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	2,500,000	2,500,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,500,000	1,500,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	250,000	250,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	January 25, 2023	14.80%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	January 27, 2023	15.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	January 27, 2023	15.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	January 27, 2023	15.50%	-	3,300,000	3,300,000	-	-	-	-	-
UBL Ameen	January 27, 2023	15.25%	-	7,200,000	7,200,000	-	-	-	-	-
UBL Ameen	January 27, 2023	15.25%	-	1,500,000	1,500,000	-	-	-	-	-
Faysal Bank Limited	February 3, 2023	16.50%	-	3,000,000	3,000,000	-	-	-	-	-
Faysal Bank Limited	February 3, 2023	15.25%	-	5,000,000	5,000,000	-	-	-	-	-
Faysal Bank Limited	February 17, 2023	15.60%	-	6,000,000	6,000,000	-	-	-	-	-
Faysal Bank Limited	February 24, 2023	16.00%	-	1,500,000	1,500,000	-	-	-	-	-
Meezan Bank Limited	March 3, 2023	16.50%	-	700,000	700,000	-	-	-	-	-
Faysal Bank Limited	March 3, 2023	15.75%	-	6,000,000	6,000,000	-	-	-	-	-
UBL Ameen	March 3, 2023	16.50%	-	3,000,000	3,000,000	-	-	-	-	-
UBL Ameen	March 3, 2023	16.35%	-	2,000,000	2,000,000	-	-	-	-	-
UBL Ameen	March 6, 2023	16.35%	-	1,000,000	1,000,000	-	-	-	-	-
Askari Bank Limited	March 17, 2023	15.50%	-	300,000	300,000	-	-	-	-	-
Askari Bank Limited	March 17, 2023	15.50%	-	200,000	200,000	-	-	-	-	-
Meezan Bank Limited	March 17, 2023	16.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	March 17, 2023	16.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	March 17, 2023	16.50%	-	2,800,000	2,800,000	-	-	-	-	-
Dubai Islamic Bank Limited	March 17, 2023	19.00%	-	2,000,000	2,000,000	-	-	-	-	-
Dubai Islamic Bank Limited	March 28, 2023	17.50%	-	2,000,000	2,000,000	-	-	-	-	-
UBL Ameen	March 28, 2023	17.45%	-	9,300,000	9,300,000	-	-	-	-	-
Dubai Islamic Bank Limited	March 31, 2023	17.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	April 7, 2023	19.50%	-	1,900,000	1,900,000	-	-	-	-	-
Meezan Bank Limited	April 7, 2023	19.50%	-	5,000,000	5,000,000	-	-	-	-	-
Meezan Bank Limited	April 7, 2023	19.50%	-	2,000,000	2,000,000	-	-	-	-	-
Faysal Bank Limited	April 7, 2023	18.25%	-	10,700,000	10,700,000	-	-	-	-	-
Dubai Islamic Bank Limited	April 27, 2023	19.35%	-	2,500,000	2,500,000	-	-	-	-	-
UBL Ameen	April 28, 2023	19.00%	-	9,000,000	9,000,000	-	-	-	-	-
Meezan Bank Limited	May 5, 2023	20.15%	-	4,500,000	4,500,000	-	-	-	-	-
Meezan Bank Limited	May 5, 2023	20.15%	-	4,500,000	4,500,000	-	-	-	-	-
Faysal Bank Limited	May 8, 2023	19.25%	-	9,000,000	9,000,000	-	-	-	-	-
UBL Ameen	May 15, 2023	20.00%	-	9,000,000	9,000,000	-	-	-	-	-
Askari Bank Limited	June 1, 2023	19.50%	-	2,500,000	2,500,000	-	-	-	-	-
Faysal Bank Limited	June 14, 2023	20.00%	-	9,000,000	9,000,000	-	-	-	-	-
Askari Bank Limited	June 16, 2023	20.00%	-	3,000,000	3,000,000	-	-	-	-	-
Askari Bank Limited	June 16, 2023	20.00%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	June 16, 2023	20.15%	-	4,000,000	4,000,000	-	-	-	-	-
Meezan Bank Limited	June 16, 2023	20.15%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	June 16, 2023	20.15%	-	2,000,000	2,000,000	-	-	-	-	-
Faysal Bank Limited	June 16, 2023	19.75%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	June 23, 2023	19.90%	-	4,000,000	4,000,000	-	-	-	-	-
Meezan Bank Limited	June 23, 2023	19.90%	-	2,100,000	2,100,000	-	-	-	-	-
Meezan Bank Limited	June 23, 2023	19.90%	-	2,900,000	2,900,000	-	-	-	-	-
UBL Ameen	July 7, 2023	20.25%	-	5,000,000	-	5,000,000	5,000,000	-	5.21%	17.39%
Askari Bank Limited	July 14, 2023	20.20%	-	2,000,000	-	2,000,000	2,000,000	-	2.08%	6.96%
Askari Bank Limited	July 17, 2023	20.20%	-	5,000,000	-	5,000,000	5,000,000	-	5.21%	17.39%
UBL Ameen	August 21, 2023	20.25%	-	3,000,000	-	3,000,000	3,000,000	-	3.12%	10.43%
As at June 30, 2023				238,255,000	223,255,000	15,000,000	15,000,000	-	15.62%	52.17%
As at June 30, 2022				-	-	-	-	-	-	-

6.3.1 The profit payments and principal redemptions of these term deposits and are receivable at maturity.

6.4 Bai Muajjal receivable

Name of the counterparty	Maturity date	Profit rate	Total transaction price	Total deferred income	profit for the year	Carrying value as at June 30, 2023	As a percentage of net assets of the Fund	Percentage of total market value of investments
Pak Oman Investments Company Limited (AA+, VIS)	April 10, 2023	15.40%	641,204	49,237	49,237	-	-	-
Pak Oman Investments Company Limited (AA+, VIS)	April 12, 2023	15.40%	1,052,914	80,852	80,852	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	642,197	17,565	17,565	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	774,089	20,224	20,224	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	774,443	19,917	19,917	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	774,797	19,610	19,610	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	775,152	19,302	19,302	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	775,506	18,995	18,995	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	776,568	18,070	18,070	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	776,923	17,761	17,761	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	797,823	30,584	30,584	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	422,295	16,188	16,188	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	809,277	31,023	31,023	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	798,886	29,581	29,581	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	422,897	15,659	15,659	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	810,330	30,004	30,004	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	799,240	29,246	29,246	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	423,098	15,482	15,482	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	810,680	29,663	29,663	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	799,595	28,910	28,910	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	423,298	15,305	15,305	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	811,031	29,324	29,324	-	-	-
Total as at June 30, 2023			15,892,243	582,502	582,502	-	-	-
Total as at June 30, 2022			10,745,906	326,973	321,850	-	-	-

7 ACCRUED PROFIT

Profit accrued on:

	Note	2023	2022
		----- (Rupees in '000) -----	
Bank balances		719,692	663,676
Term deposit receipts		456,371	21,571
Sukuk certificates		221,852	136,918
		1,397,915	822,165

8 DEPOSIT AND PREPAYMENTS

Security deposit with Central Depository Company of Pakistan Limited		100	100
Prepayments		214	200
ATM deposit with Meezan Bank Limited		1,000	1,000
Advance against IBFT redemptions		1,000	-
		2,314	1,300

9 PRELIMINARY EXPENSES AND FLOTATION COSTS

At the beginning of the year		300	500
Less: amortisation during the year		(200)	(200)
At the end of the year	9.1	100	300

9.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

10 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	2023	2022
		----- (Rupees in '000) -----	
Remuneration payable	10.1	8,154	1,802
Sindh Sales Tax payable on remuneration of the Management Company	10.2	1,060	234
Selling and marketing expenses payable	10.3	105,600	1,364
		114,814	3,400

- 10.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit.

Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates during the year:

2023	
Period	Rate applicable
From July 01, 2022 to October 17, 2022	0.33% of the average annual net assets
From October 18, 2022 to November 30, 2022	0.35% of the average annual net assets
From December 01, 2022 to June 30, 2023	0.40% of the average annual net assets

2022	
Period	Rate applicable
From July 01, 2021 to July 05, 2021	Nil
From July 06, 2021 to September 16, 2021	0.20% of the average annual net assets
From September 17, 2021 to June 30, 2022	0.15% of the average annual net assets

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

- 10.2 During the year, an amount of Rs.40.973 million (2022: Rs.10.679 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.40.147 million (2022: Rs.10.445 million) has been paid to the Management Company which acts as a collecting agent.
- 10.3 In accordance with Circular 11 dated July 05, 2019 issued by SECP, with respect to charging selling and marketing expenses, the Management Company, based on its own discretion has charged selling and marketing expenses at the following rates of the average annual net assets of the Fund during the year, subject to total expense charged being lower than actual expense incurred.

2023	
Period	Rates
From July 01, 2022 to November 30, 2022	0.12% of the average annual net assets
From December 01, 2022 to April 03, 2023	0.21% of the average annual net assets
From April 04, 2023 to June 30, 2023	0.46% of the average annual net assets

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

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

The Management Company, based on its own discretion, has not charged such expenses to the Fund during the year.

11	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
			----- (Rupees in '000) -----	
	Remuneration of the Trustee	11.1	4,361	2,752
	Sindh Sales Tax payable on remuneration of the Trustee	11.1	567	358
			<u>4,928</u>	<u>3,110</u>

- 11.1 During the year, an amount of Rs. 5.970 million (2022: Rs. 3.897 million) was charged on account of sales tax at a rate of 13% on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 5.761 million (2022: Rs. 3.948 million) was paid to the Trustee which acts as a collecting agent.

12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% (2022: 0.02%) of average annual net assets during the current year.

13 ACCRUED EXPENSES AND OTHER LIABILITIES	2023	2022
	----- (Rupees in '000) -----	
Auditors' remuneration payable	323	290
Brokerage payable	250	-
Shariah advisor fee payable	522	537
Withholding tax payable	238,268	80,207
CDS charges payable	2,878	2,544
Zakat payable	152	230
Other payable	8	11
	<u>242,401</u>	<u>83,819</u>

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

15 AUDITORS' REMUNERATION	2023	2022
	----- (Rupees in '000) -----	
Annual audit fee	348	332
Half yearly review fee	171	145
Out of pocket expenses	27	26
	<u>546</u>	<u>503</u>

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 0.76% (2022: 0.31%) which includes 0.08% (2022: 0.05%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 18.1 Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

- 18.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.
- 18.3** Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.
- 18.4** Detail of transactions with connected persons and balances with them are as follows:

Balances	2023	2022
	----- (Rupees in '000) -----	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable to the Management Company	<u>8,154</u>	<u>1,802</u>
Sindh Sales Tax payable on remuneration of the Management Company	<u>1,060</u>	<u>234</u>
Selling and marketing expense payable	<u>105,600</u>	<u>1,364</u>
Investment of nil units (2022: 1,179,212 units)	<u>-</u>	<u>58,961</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	<u>4,361</u>	<u>2,752</u>
Sindh Sales Tax on remuneration of the Trustee	<u>567</u>	<u>358</u>
Security deposit	<u>100</u>	<u>100</u>
CDS charges payable	<u>2,878</u>	<u>2,544</u>
Meezan Bank Limited		
Balance with bank	<u>743,590</u>	<u>86,416</u>
Profit receivable on saving account	<u>2,808</u>	<u>1,986</u>
Shariah advisor fee payable	<u>522</u>	<u>537</u>
ATM deposit	<u>1,000</u>	<u>1,000</u>
Advance against IBFT redemptions	<u>1,000</u>	<u>-</u>
MFPF Aggressive Allocation Plan		
Investment of 320,358 units (2022: nil units)	<u>16,018</u>	<u>-</u>
MFPF Moderate Allocation Plan		
Investment of 618,835 units (2022: nil units)	<u>30,942</u>	<u>-</u>
MFPF Conservative Allocation Plan		
Investment of 887,813 units (2022: nil units)	<u>44,391</u>	<u>-</u>
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of 2,433,027 units (2022: 3,503,861 units)	<u>121,651</u>	<u>175,193</u>
Meezan Strategic Allocation Fund -II - MCPP - IV		
Investment of 3,570,255 units (2022: 7,987,860 units)	<u>178,513</u>	<u>399,393</u>
Meezan Strategic Allocation Fund-II - MCPP - V		
Investment of 642,972 units (2022: 1,129,971 units)	<u>32,149</u>	<u>56,499</u>



Balances	2023	2022
	----- (Rupees in '000) -----	
Meezan Strategic Allocation Fund II- MCPP - VI Investment of 894,257 units (2022: 1,331,913 units)	<u>44,713</u>	<u>66,596</u>
Meezan Strategic Allocation Fund II- MCPP - VII Investment of 500,984 units (2022: 781,119 units)	<u>25,049</u>	<u>39,056</u>
Meezan Strategic Allocation Fund III- MCPP - IX Investment of 3,501,288 units (2022: 6,682,038 units)	<u>175,064</u>	<u>334,102</u>
Al Meezan Investment Management Limited - Employees' Gratuity Fund Investment of 668,284 units (2022: 501,508 units)	<u>33,414</u>	<u>25,075</u>
Unitholders holding 10 percent or more of the Fund Investment of nil units (2022: 152,229,568 units units)	<u>-</u>	<u>7,611,478</u>
Directors and Executives of the Management Company Investment of 1,222,770 units (2022: 7,428,001 units units)	<u>61,139</u>	<u>371,400</u>
Transactions during the year	2023	2022
	----- (Rupees in '000) -----	
Al Meezan Investment Management Limited - Management Company		
Remuneration of the Management Company	<u>315,173</u>	<u>82,143</u>
Sindh Sales Tax on remuneration of the Management Company	<u>40,973</u>	<u>10,679</u>
Selling and marketing expenses	<u>205,343</u>	<u>18,227</u>
Units issued: 11,611,661 units (2022: 64,730,439 units)	<u>580,583</u>	<u>3,236,522</u>
Units redeemed: 12,790,873 units (2022: 82,820,622 units)	<u>639,544</u>	<u>4,141,031</u>
Dividend paid	<u>12,098</u>	<u>35,892</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	<u>45,923</u>	<u>29,976</u>
Sindh Sales Tax on remuneration of the Trustee	<u>5,970</u>	<u>3,897</u>
CDS charges	<u>1,504</u>	<u>1,854</u>
Units issued: 4,185,805 units (2022: 2,000,000 units)	<u>209,290</u>	<u>100,000</u>
Units redeemed: 4,185,805 units (2022: 2,041,669 units)	<u>209,290</u>	<u>102,083</u>
Dividend paid	<u>10,930</u>	<u>2,083</u>
Meezan Bank Limited		
Profit on savings account	<u>23,960</u>	<u>7,419</u>
Certificate of musharika placed	<u>89,850,000</u>	<u>13,500,000</u>
Certificate of musharika matured	<u>89,850,000</u>	<u>18,500,000</u>
Profit on term deposit receipts	<u>951,209</u>	<u>128,088</u>
Shariah advisory fee expense	<u>1,065</u>	<u>1,078</u>
MFPF Aggressive Allocation Plan		
Units issued: 320,358 units (2022 : nil units)	<u>16,018</u>	<u>-</u>
MFPF Moderate Allocation Plan		
Units issued: 618,835 units (2022 : nil units)	<u>30,942</u>	<u>-</u>
MFPF Conservative Allocation Plan		
Units issued: 887,813 units (2022 : nil units)	<u>44,391</u>	<u>-</u>
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: nil units (2022 : 65,728 units)	<u>-</u>	<u>3,286</u>
Units redeemed: nil units (2022 : 3,614,533 units)	<u>-</u>	<u>180,727</u>
Dividend paid	<u>-</u>	<u>3,286</u>

Transactions during the year

	2023	2022
	----- (Rupees in '000) -----	
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: nil units (2022: 41,413 units)	-	2,071
Units redeemed: nil units (2022 :2,307,532 units)	-	115,377
Dividend paid	-	2,071
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: nil units (2022: 48,418 units)	-	2,421
Units redeemed: nil units (2022: 2,658,182 units)	-	132,909
Dividend paid	-	2,421
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: nil units (2022: 17,598 units)	-	880
Units redeemed: nil units (2022: 1,099,549 units)	-	54,977
Dividend paid	-	880
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: nil units (2022: 5,753 units)	-	288
Units redeemed: nil units (2022: 308,152 units)	-	15,408
Dividend paid	-	288
Meezan Strategic Asset Allocation Fund - MCPP - III		
Units issued: 2,843,601 units (2022: 6,005,209 units)	142,180	300,260
Units redeemed: 3,914,436 units (2022: 6,815,530 units)	195,722	340,777
Dividend paid	20,529	13,392
Meezan Strategic Allocation Fund II - MCPP - IV		
Units issued: 5,347,995 units (2022: 11,260,798 units)	267,400	563,040
Units redeemed: 9,765,600 units (2022: 11,656,707 units)	488,280	582,835
Dividend paid	43,887	28,461
Meezan Strategic Allocation Fund II - MCPP - V		
Units issued: 772,930 units (2022: 2,780,922 units)	38,646	139,046
Units redeemed: 1,259,929 units (2022: 3,234,745 units)	62,996	161,737
Dividend paid	6,078	5,320
Meezan Strategic Allocation Fund II - MCPP - VI		
Units issued: 1,136,331 units (2022: 2,484,267 units)	56,817	124,213
Units redeemed: 1,573,986 units (2022: 3,016,155 units)	78,699	150,808
Dividend paid	7,604	5,856
Meezan Strategic Allocation Fund II - MCPP - VII		
Units issued: 636,792 units (2022: 3,161,311 units)	31,840	158,066
Units redeemed: 916,927 units (2022: 4,296,570 units)	45,846	214,829
Dividend paid	4,790	6,173
Meezan Strategic Allocation Fund II - MCPP - VIII		
Units issued: nil units (2022: 8,804 units)	-	440
Units redeemed: nil units (2022: 702,926 units)	-	35,146
Dividend paid	-	440
Meezan Strategic Allocation Fund III - MCPP - IX		
Units issued: 4,467,761 units (2022: 10,709,546 units)	223,388	535,477
Units redeemed: 7,648,511 units (2022: 5,124,136 units)	382,426	256,207
Dividend paid	35,584	20,239
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Units issued: 166,776 units (2022: 335,068 units)	8,339	16,753
Units redeemed: nil units (2022: 260,000 units)	-	13,000
Dividend paid	4,339	2,753

Transactions during the year		Note	2023	2022
			----- (Rupees in '000) -----	
Unitholders holding 10 percent or more of the Fund				
Units issued: nil units (2022: 260,265,461)			-	13,013,273
Units redeemed: nil units (2022: 272,474,751 units)			-	13,623,738
Dividend paid			-	168,754
Directors and Executives of the Management Company				
Units issued: 14,839,633 units (2022: 9,243,468 units)			741,982	462,173
Units redeemed: 21,044,859 units (2022: 2,251,759 units)			1,052,243	112,588
Dividend paid			17,936	2,107
19 CASH AND CASH EQUIVALENTS				
Balances with banks	5	65,893,238	64,902,950	
Term deposit receipts (with original maturity of three months or less)	6.2	9,600,000	2,700,000	
Certificate of Musharka	6.3	15,000,000	-	
		90,493,238	67,602,950	
20 FINANCIAL INSTRUMENTS BY CATEGORY				
2023				
	At amortised cost	At fair value through profit or loss	Total	
----- (Rupees in '000) -----				
Financial assets				
Balances with banks	65,893,238	-	65,893,238	
Investments	-	28,750,000	28,750,000	
Receivable against conversion of units	865,887	-	865,887	
Accrued profit	1,397,915	-	1,397,915	
Deposit	2,100	-	2,100	
	68,159,140	28,750,000	96,909,140	
2023				
	At amortised cost	At fair value through profit or loss	Total	
----- (Rupees in '000) -----				
Financial liabilities				
Payable to Al Meezan Investment Management Limited - Management Company	114,814	-	114,814	
Payable to Central Depository Company of Pakistan Limited - Trustee	4,928	-	4,928	
Payable against conversion and redemption of units	375,827	-	375,827	
Accrued expenses and other liabilities	3,981	-	3,981	
	499,550	-	499,550	
2022				
	At amortised cost	At fair value through profit or loss	Total	
----- (Rupees in '000) -----				
Financial assets				
Balances with banks	64,902,950	-	64,902,950	
Investments	-	7,025,000	7,025,000	
Receivable against conversion of units	412,683	-	412,683	
Accrued profit	822,165	-	822,165	
Deposit	1,100	-	1,100	
	66,138,898	7,025,000	73,163,898	

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

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	3,400	-	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee	3,110	-	3,110
Payable against conversion and redemption of units	303,764	-	303,764
Accrued expenses and other liabilities	3,382	-	3,382
	<u>313,656</u>	<u>-</u>	<u>313,656</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Risks managed and measured by the Fund are explained below:

21.1 Market risk

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

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

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks and investments in corporate sukuks, commercial papers, term deposit receipts and Bai Muajjal. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund's profit rate risk arises from the balances in saving accounts and investment in corporate sukuks and term deposit receipts. At June 30, 2023, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs.944.43 million (2022: Rs.794.43 million).

b) Sensitivity analysis for fixed rate instruments

The Fund's fixed rate risk arises from investments in commercial papers and Bai Muajjal. At June 30, 2023, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs.Nil (2022: Rs.Nil).

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

2023					
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Rupees in '000					
Financial assets					
Balances with banks	6.74% to 20.25%	65,693,195	-	200,043	65,893,238
Investments	18.57% to 23.67%	27,100,000	1,650,000	-	28,750,000
Receivable against conversion of units		-	-	865,887	865,887
Accrued profit		-	-	1,397,915	1,397,915
Deposits		-	-	2,100	2,100
		<u>92,793,195</u>	<u>1,650,000</u>	<u>2,465,945</u>	<u>96,909,140</u>
Financial liabilities					
Payable to AI Meezan Investment Management Limited - Management Company		-	-	114,814	114,814
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	4,928	4,928
Payable against conversion and redemption of units		-	-	375,827	375,827
Accrued expenses and other liabilities		-	-	3,981	3,981
		-	-	<u>499,550</u>	<u>499,550</u>
On-balance sheet gap (a)		<u>92,793,195</u>	<u>1,650,000</u>	<u>1,966,395</u>	<u>96,409,590</u>
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		<u>92,793,195</u>	<u>1,650,000</u>	<u>-</u>	
Cumulative profit rate sensitivity gap		<u>92,793,195</u>	<u>94,443,195</u>	<u>94,443,195</u>	

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

(ii) Currency risk

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

(iii) Price risk

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

21.2 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemption requests during the year ended June 30, 2023.

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:

	2023						Total
	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	
-----Rupees in '000-----							
Financial assets							
Balances with banks	65,893,238	-	-	-	-	-	65,893,238
Investments	-	27,100,000	1,650,000	-	-	-	28,750,000
Receivable against conversion of units	865,887	-	-	-	-	-	865,887
Profit accrued	1,176,063	221,852	-	-	-	-	1,397,915
Deposits	-	-	-	-	-	2,100	2,100
	67,935,188	27,321,852	1,650,000	-	-	2,100	96,909,140
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	114,814	-	-	-	-	-	114,814
Payable to Central Depository Company of Pakistan Limited - Trustee	4,928	-	-	-	-	-	4,928
Payable against conversion and redemption of units	375,827	-	-	-	-	-	375,827
Accrued expenses and other liabilities	3,136	845	-	-	-	-	3,981
	498,705	845	-	-	-	-	499,550
Net financial assets	67,436,483	27,321,007	1,650,000	-	-	2,100	96,409,590

----- 2022 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
-----Rupees in '000-----						
Financial assets						
Balances with banks	64,902,950	-	-	-	-	64,902,950
Investments	-	5,425,000	1,600,000	-	-	7,025,000
Receivable against conversion of units	412,683	-	-	-	-	412,683
Accrued profit	685,247	136,918	-	-	-	822,165
Deposits	-	-	-	-	1,100	1,100
	66,000,880	5,561,918	1,600,000	-	1,100	73,163,898
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	3,400	-	-	-	-	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee	3,110	-	-	-	-	3,110
Payable against conversion and redemption of units	303,764	-	-	-	-	303,764
Accrued expenses and other liabilities	2,555	827	-	-	-	3,382
	312,829	827	-	-	-	313,656
Net financial assets	65,688,051	5,561,091	1,600,000	-	1,100	72,850,242

21.3 Credit risk

21.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

Credit risk arises from deposits with banks and financial instruments, profit receivable on balances with banks, commercial papers, corporate sukuks, receivable against conversion of units and credit exposure arising as a result of receivable against sale of investments. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. The investment committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

	2023		2022	
	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	65,893,238	65,893,238	64,902,950	64,902,950
Investments	28,750,000	28,750,000	7,025,000	7,025,000
Receivable against conversion of units	865,887	865,887	412,683	412,683
Accrued profit	1,397,915	1,397,915	822,165	822,165
Deposits	2,100	2,100	1,100	1,100
	96,909,140	96,909,140	73,163,898	73,163,898

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

21.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed	
	2023	2022
AAA	58.30%	93.84%
AA	35.42%	6.16%
AA+	6.28%	-
	100.00%	100.00%

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

21.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2023 are unsecured and are not impaired.

22 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

	2023		
	Level 1	Level 2	Level 3
	Rupees in '000		
Financial assets - at fair value through profit or loss			
Corporate sukuks *	-	4,150,000	-
Commercial papers **	-	-	-
Term deposit receipts - having original maturity of 3 months or less *	-	9,600,000	-
Bai Muajjal receivable **	-	-	-
	-	13,750,000	-

----- 2022 -----		
Level 1	Level 2	Level 3
----- Rupees in '000 -----		
Financial assets - at fair value through profit or loss		
Corporate sukus *	4,325,000	-
Commercial papers **	-	-
Term deposit receipts - having original maturity of 3 months or less *	2,700,000	-
Bai Muajjal receivable **	-	-
	<u>7,025,000</u>	<u>-</u>

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

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

23 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

24 UNIT HOLDING PATTERN OF THE FUND

Category	----- 2023 -----			----- 2022 -----		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investments	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investments
Individuals	8,841	43,013,325	44.80	5,052	24,257,653	33.34
Associated Companies /						
Directors	15	755,450	0.79	11	1,498,470	2.06
Insurance Companies	4	80,605	0.08	3	122,771	0.17
Banks and DFIs	-	-	-	1	1,002,873	1.38
Retirement Funds	104	2,899,594	3.02	88	2,520,488	3.46
Private Limited Companies	221	31,431,779	32.74	162	24,630,623	33.85
Others	142	17,824,853	18.57	96	18,727,061	25.74
	<u>9,327</u>	<u>96,005,606</u>	<u>100.00</u>	<u>5,413</u>	<u>72,759,939</u>	<u>100.00</u>

25 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker

Paramount Capital (Private) Limited
 JS Global Capital Limited
 Invest one markets (Private) Limited
 C&M Management Private Limited
 Arif Habib Limited
 Alfalah Securities (Pvt.) Ltd

2023	2022
% of commission paid	
0%	30%
27%	0%
48%	70%
1%	0%
15%	0%
9%	0%
<u>100%</u>	<u>100%</u>

25.1 The Fund has traded with only the above mentioned 6 brokers / dealers during the year ended June 30, 2023 (2022: 2 brokers / dealers).

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoab	Chief Executive Officer	CFA / MBA	Thirty Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA/ACCA	Nine years

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

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

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Directors	Position on the Board	Meeting held on			
		16-Aug-22	13-Oct-22	13-Feb-23	12-Apr-23
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoab, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

29 GENERAL

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

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

Chief Executive Officer

Chief Financial Officer

Director



Tailored *investment* Strategies

Al Meezan Investments demonstrates excellence by evolving its investment strategies to cater to the specific financial goals and risk preferences of each investor.

Meezan Cash Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

Allied Bank Limited	Habib Metropolitan Bank Limited - Islamic Banking
Askari Bank Limited - Islamic Banking	MCB Bank Limited
Bank Al Habib Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Alfalah Limited	Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited	National Bank of Pakistan - Islamic Banking
Faysal Bank Limited - Islamic Banking	Sindh Bank Limited
Habib Bank Limited -Islamic Banking	The Bank of Punjab
	UBL Ameen - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Cash Fund (MCF)

Type of Fund

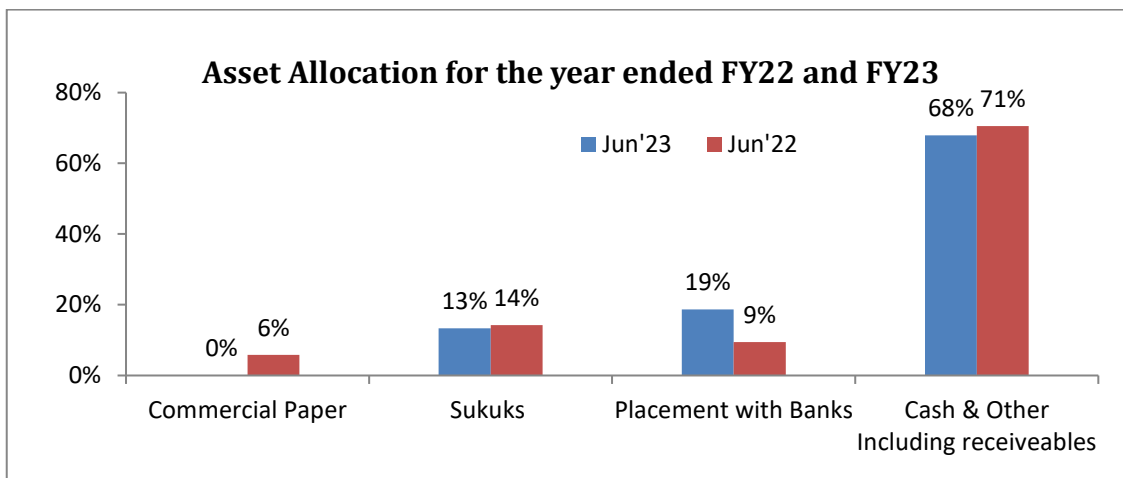
Open end cash fund investing primarily in Shariah compliant money market and Islamic bonds (Sukuks).

Objective

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

Investment Policy and Strategy

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



Performance Review

Meezan Cash Fund (MCF) provided a return of 16.11% to its investors for the year ended June 30, 2023 as compared to its Six Month deposits at Islamic Banks (benchmark) return of 6.23%.

	MCF	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 30, 2022	50.61	
Net Asset Value as on June 30, 2023	51.02	
Return During the Period - Net	16.11%	6.23%
Outperformance - Net	9.88%	

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



Pure. Profit.



The Fund earned a gross income of Rs. 3,443 million as compared to Rs. 1,249 million in last year, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 3,443 million. The fund also incurred expenses totalling to Rs. 234 million, which brought the net income figure to Rs. 3,210 million. The net assets of the Fund as at June 30, 2023 were Rs. 25,882 million as compared to Rs. 13,485 million at the end of last year depicting a increase of 91.93%. The net asset value per unit as at June 30, 2023 was Rs. 51.0165 as compared to Rs. 50.6141 per unit as on June 30, 2022.

Distributions

The interim Pay out by the Fund during the fiscal year ended June 30, 2023 was Rs. 7.6929 per unit (15.20%). Total distribution made by the fund was Rs. 2,722 million.

Fund Stability Rating

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

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	28,540
10,000 - 49,999	3,771
50,000 - 99,999	913
100,000 - 499,999	714
500,000 and above	101
Total	34,039

PERFORMANCE TABLE
MEEZAN CASH FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	25,881,569.00	13,484,524.00	13,557,014.00
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	51.0165	50.6141	50.5379
Offer price per unit as at June 30, (Rs.) (ex-distribution)	51.0165	50.6141	50.5379
Highest offer price per unit (Rs.)	58.3070	54.9255	53.3853
Lowest offer price per unit (Rs.)	50.6330	50.5451	50.5041
Highest redemption price per unit (Rs.)	58.3070	54.9255	53.3853
Lowest redemption price per unit (Rs.)	50.6330	50.5451	50.5041
Distribution (%)			
Interim	15.2	8.92	5.78
Final			
Date of distribution			
Interim	19-Jun-23	24-Jun-22	25-Jun-21
Final			
Income distribution (Rupees in '000)	1,497,207	659,747	408,221
Growth distribution (Rupees in '000)	1,224,555	420,323	254,111
Total return (%)	16.11	9.00	5.81

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	16.11%	12.50%	10.22%

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

Dr. Muhammad Imran Usmani

Address:

Jamia Darul Uloom Karachi

Korangi Industrial Area Karachi

Pakistan

Postal Code 75180

Tel: +92 21 3 5047770

Fax: +92 21 5040234

Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Cash Fund (MCF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Fourteenth year of operations of Meezan Cash Fund (the “MCF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



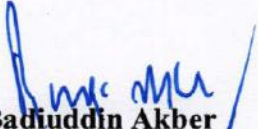
TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN CASH FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Cash Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Cash Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Cash Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of debt instruments) held by the Fund represent 96% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR20231007617MJtj0S



MEEZAN CASH FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	Note	2023	2022
		----- (Rupees in '000) -----	
Assets			
Balances with banks	5	16,775,665	9,417,419
Investments	6	8,390,000	4,055,000
Receivable against conversion of units		532,755	85,601
Profit accrued	7	468,073	194,446
Deposits and prepayments	8	1,618	597
Total assets		26,168,111	13,753,063
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	9	44,037	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee	10	1,276	724
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	4,287	2,698
Payable against conversion and redemption of units		157,419	106,817
Accrued expenses and other liabilities	12	79,523	153,566
Total liabilities		286,542	268,539
Net Assets		25,881,569	13,484,524
Unit Holders' Fund (as per statement attached)		25,881,569	13,484,524
Contingencies And Commitments	13		
		----- (Number of units) -----	
Number Of Units In Issue		507,317,792	266,418,387
		----- (Rupees) -----	
Net Asset Value Per Unit		51.0165	50.6141

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN CASH FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
----- (Rupees in '000) -----			
Income			
Profit on corporate sukuks		492,058	72,296
Profit on commercial papers		-	38,290
Profit on term deposits		544,477	137,135
Profit on saving accounts with banks		2,406,730	1,001,433
Other income		-	111
Total income		3,443,265	1,249,265
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company	9.1	86,954	67,457
Sindh Sales Tax on remuneration of the Management Company	9.2	11,304	8,769
Selling and marketing expense	9.3	83,484	40,474
Allocated expenses	9.4	31,463	20,237
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	11,536	7,767
Sindh Sales Tax on remuneration of the Trustee	10.2	1,500	1,010
Annual fees to the Securities and Exchange Commission of Pakistan	11	4,195	2,698
Auditors' remuneration	14	542	551
Fees and subscription		1,412	1,423
Legal and professional charges		282	693
Brokerage expenses		131	-
Printing expense		17	-
Bank and settlement charges		776	595
Reversal of provision for Sindh Workers' Welfare Fund		-	(72,854)
Total expenses		233,596	78,820
Net income for the year before taxation		3,209,669	1,170,445
Taxation	16	-	-
Net income for the year after taxation		3,209,669	1,170,445
Allocation of net income for the year			
Net income for the year after taxation		3,209,669	1,170,445
Income already paid on units redeemed		(1,527,952)	(491,120)
		1,681,717	679,325
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		1,681,717	679,325
		1,681,717	679,325

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	------(Rupees in '000)-----	
Net income for the year after taxation	3,209,669	1,170,445
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>3,209,669</u>	<u>1,170,445</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	(Rupees in '000)			(Rupees in '000)		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the year	13,356,577	127,947	13,484,524	13,448,645	108,369	13,557,014
Issuance of 1,376,486,904 units (2022: 713,145,935 units)						
- Capital value (at net asset value per unit at the beginning of the year)	69,669,646	-	69,669,646	36,040,898	-	36,040,898
- Element of income	4,521,568	-	4,521,568	1,378,045	-	1,378,045
Total proceeds on issuance of units	74,191,214	-	74,191,214	37,418,943	-	37,418,943
Redemption of 1,135,587,499 units (2022: 714,981,922 units)						
- Capital value (at net asset value per unit at the beginning of the year)	57,476,739	-	57,476,739	36,133,685	-	36,133,685
- Element of income	3,277,385	1,527,952	4,805,337	957,003	491,120	1,448,123
Total payments on redemption of units	60,754,124	1,527,952	62,282,076	37,090,688	491,120	37,581,808
Total comprehensive income for the year	-	3,209,669	3,209,669	-	1,170,445	1,170,445
Distribution for the year ended June 30, 2023	-	(1,497,207)	(1,497,207)	-	-	-
Distribution for the year ended June 30, 2022	-	-	-	-	(659,747)	(659,747)
Refund of Capital for the year ended June 30, 2023	(1,224,555)	-	(1,224,555)	-	-	-
Refund of Capital for the year ended June 30, 2022	-	-	-	(420,323)	-	(420,323)
Total distribution during the year	(1,224,555)	(1,497,207)	(2,721,762)	(420,323)	(659,747)	(1,080,070)
Net assets at the end of the year	25,569,112	312,457	25,881,569	13,356,577	127,947	13,484,524
Undistributed income brought forward						
- Realised income		127,947			108,369	
- Unrealised income		-			-	
		127,947			108,369	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		1,681,717			679,325	
		1,681,717			679,325	
Distribution during the year: Rs. 7.6929 per unit i.e 15.20% of the par value of Rs. 50.6141/- each [2022: Rs. 4.4610 per unit i.e 8.92% of the par value of Rs. 50.6141/- each.]		(1,497,207)			(659,747)	
Undistributed income carried forward		312,457			127,947	
Undistributed income carried forward						
- Realised income		312,457			127,947	
- Unrealised income		-			-	
		312,457			127,947	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year		50.6141			51.8584	
Net assets value per unit at the end of the year		51.0165			50.6141	

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN CASH FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

Note	2023	2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	3,209,669	1,170,445
(Increase) / decrease in assets		
Investments - net	(735,000)	(1,330,483)
Profit accrued	(273,627)	(137,728)
Deposits and prepayments	(1,022)	(8)
	(1,009,649)	(1,468,219)
Increase / (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	39,303	(9,031)
Payable to Central Depository Company of Pakistan Limited - Trustee	552	(105)
Payable to the Securities and Exchange Commission of Pakistan	1,589	(266)
Accrued expenses and other liabilities	(74,043)	(37,764)
	(32,599)	(47,166)
Net cash generated from / (used in) operating activities	<u>2,167,421</u>	<u>(344,940)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	72,519,506	37,361,915
Payments against redemption and conversion of units	(62,231,474)	(37,610,374)
Dividend paid	(1,497,207)	(659,747)
Net cash generated from / (used in) financing activities	<u>8,790,825</u>	<u>(908,206)</u>
Net increase / (decrease) in cash and cash equivalents during the year	<u>10,958,246</u>	<u>(1,253,146)</u>
Cash and cash equivalents at the beginning of the year	10,717,419	11,970,565
Cash and cash equivalents at the end of the year	<u>18</u> <u>21,675,665</u>	<u>10,717,419</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN CASH FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Cash Fund (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 9, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The objective of the Fund is to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and Shariah compliant debt securities. The Fund shall also keep exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. Under the trust deed, all the conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.4** The Fund is categorized as an open-end Shariah Compliant (Islamic) Money Market Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of AA+(f) by VIS Credit Rating Company Limited dated January 03, 2023 (2022: AA(f) dated December 27, 2021).
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part 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 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

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

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 - and IFRS 7	January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 First time adoption of IFRS	January 01, 2004
IFRS 17 Insurance Contracts	January 01, 2023

The fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

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

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

3.5 Accounting convention

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

3.6 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.2 Cash and cash equivalents

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

4.3 Financial assets

4.3.1 Classification and subsequent measurement

4.3.1.1 Debt instruments

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

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

based on the business model of the entity.

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

4.3.2 Impairment

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

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

4.3.3 Impairment loss on debt securities

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

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

4.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

4.3.5 Initial recognition and measurement

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

4.3.6 Derecognition

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

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Margin Trading System (if any)

Transactions of purchase under Margin Trading System (MTS) of marketable securities are entered into contracted rates for specified periods of time. Securities purchased under MTS are not recognised in the Statement of Assets and Liabilities. The amount paid under such agreements is recognised as receivable in respect of MTS. Profit is recognised on an accrual basis using the effective interest method. Cash releases are adjusted against the receivable as a reduction in the amount of receivable. The maximum maturity of an MTS contract is 60 calendar days out of which 25 percent exposure is automatically released at expiry of every 15th day from the day of contract.

4.6 Provisions

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

4.7 Net asset value per unit

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

4.8 Issue and redemption of units

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

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

4.9 Distributions to unit holders

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

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

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

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

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place;
- Profit on bank deposits and term deposit receipts is recognised on time proportion basis using the effective yield method;
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise; and
- Income on sukuk certificates, commercial papers and government securities is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis.

4.12 Expenses

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

4.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.14 Earnings / (loss) per unit

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

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

4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2023	2022
		----- (Rupees in '000) -----	
5 BALANCES WITH BANKS			
Balances with banks in:			
Current accounts		200,192	187
Savings accounts	5.1	16,575,473	9,417,232
		<u>16,775,665</u>	<u>9,417,419</u>
5.1 These include balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 10% (2022: 6.01%) per annum. Other savings accounts have expected profit rates ranging from 6.74% to 20.25% (2022: 3.00% to 16.40%) per annum.			
6 INVESTMENTS			
At fair value through profit or loss			
Corporate sukuks	6.1	3,490,000	2,755,000
Certificate of Musharika	6.2	2,300,000	-
Term deposit receipts - having original maturity of 3 months or less	6.3	2,600,000	1,300,000
		<u>8,390,000</u>	<u>4,055,000</u>

6.1 Corporate sukuks

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the year	Sales / redemptions / maturity during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/(diminution) as at June 30, 2023	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----		---- % ----			
K-Electric Limited - III (A-1+, PACRA)	September 01, 2022	6 months KIBOR plus base rate of 0.85%	450	-	450	-	-	-	-	-	-
K-Electric Limited - V (A-1+, PACRA)	October 13, 2022	6 months KIBOR plus base rate of 0.95%	750	-	750	-	-	-	-	-	-
Hub Power Company Limited (AA+, PACRA)	October 27, 2022	6 months KIBOR plus base rate of 1%	3,250	-	3,250	-	-	-	-	-	-
Lucky Electric (A-1+, PACRA)	December 15, 2022	6 months KIBOR plus base rate of 1.2%	800	-	800	-	-	-	-	-	-
K-Electric Limited - IX (A-1+, PACRA)	March 21, 2023	6 months KIBOR plus base rate of 1.40%	-	430	430	-	-	-	-	-	-
Lucky Electric - IV (A-1+, PACRA)	March 28, 2023	6 months KIBOR plus base rate of 1.50%	-	300	300	-	-	-	-	-	-
Nishat Mills Limited	February 23, 2023	6 months KIBOR plus base rate of 0.9%	-	250	250	-	-	-	-	-	-
K-Electric Limited - X (A-1+, PACRA)	April 5, 2023	6 months KIBOR plus base rate of 1.45%	-	750	750	-	-	-	-	-	-
K-Electric Limited - XI (A-1+, PACRA)	June 13, 2023	6 months KIBOR plus base rate of 1.4%	-	50	50	-	-	-	-	-	-
Lucky Electric (A-1+, PACRA)	June 14, 2023	6 months KIBOR plus base rate of 1.35%	-	300	300	-	-	-	-	-	-
Lucky Electric - VII (A-1+, PACRA)	August 15, 2023	6 months KIBOR plus base rate of 0.65%	-	440	-	440	440,000	440,000	-	1.70%	5.24%
Lucky Electric - VIII (A-1+, PACRA)	September 27, 2023	6 months KIBOR plus base rate of 0.55%	-	500	-	500	500,000	500,000	-	1.93%	5.96%
Chaina Power Hub Generation Company	September 29, 2023	6 months KIBOR plus base rate of 0.70%	-	1,050	-	1,050	1,050,000	1,050,000	-	4.06%	12.51%
Lucky Electric - XI (A-1+, PACRA)	December 23, 2023	6 months KIBOR plus base rate of 0.50%	-	450	-	450	450,000	450,000	-	1.74%	5.36%
Lucky Electric - IX (A-1+, PACRA)	October 12, 2023	6 months KIBOR plus base rate of 0.30%	-	1,050	-	1,050	1,050,000	1,050,000	-	4.06%	12.51%
Total as at June 30, 2023							3,490,000	3,490,000		13.49%	41.58%
Total as at June 30, 2022							2,755,000	2,755,000			

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

6.2 Certificate of Musharika

Name of the bank	Maturity	Profit rate	As at July 1, 2022	Term deposit receipts placed during the year	Matured during the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/(diminution) as at June 30, 2023	Percentage in relation to	
									Net Assets of the Fund	Total Market Value of Investment
		%	----- (Rupees in '000) -----						----(%)----	
Meezan Bank Limited	December 16, 2022	15.50%	-	2,000,000	2,000,000	-	-	-	-	-
United Bank Limited	December 13, 2022	14.80%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	December 23, 2022	15.50%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Dubai Islamic Bank	December 23, 2022	15.25%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
United Bank Limited	January 13, 2023	15.70%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	March 17, 2023	16.50%	-	2,000,000	2,000,000	-	-	-	-	-
United Bank Limited	March 06, 2023	16.35%	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	February 03, 2023	15.25%	-	2,000,000	2,000,000	-	-	-	-	-
Faysal Bank Limited	February 17, 2023	15.60%	-	2,000,000	2,000,000	-	-	-	-	-
United Bank Limited	January 27, 2023	15.25%	-	2,000,000	2,000,000	-	-	-	-	-
Faysal Bank Limited	January 25, 2023	14.80%	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	January 27, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	March 03, 2023	15.75%	-	2,000,000	2,000,000	-	-	-	-	-
United Bank Limited	March 28, 2023	17.45%	-	2,400,000	2,400,000	-	-	-	-	-
Habib Bank Limited	March 29, 2023	18.50%	-	2,400,000	2,400,000	-	-	-	-	-
Dubai Islamic Bank	March 31, 2023	17.50%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	April 07, 2023	19.50%	-	2,400,000	2,400,000	-	-	-	-	-
Faysal Bank Limited	April 07, 2023	18.25%	-	2,300,000	2,300,000	-	-	-	-	-
Faysal Bank Limited	May 05, 2023	19.25%	-	2,200,000	2,200,000	-	-	-	-	-
Meezan Bank Limited	May 08, 2023	20.15%	-	2,200,000	2,200,000	-	-	-	-	-
United Bank Limited	April 28, 2023	19.00%	-	2,200,000	2,200,000	-	-	-	-	-
Meezan Bank Limited	June 16, 2023	20.15%	-	1,200,000	1,200,000	-	-	-	-	-
Meezan Bank Limited	June 16, 2023	20.15%	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	June 14, 2023	20.00%	-	2,200,000	2,200,000	-	-	-	-	-
Meezan Bank Limited	June 23, 2023	19.90%	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	June 23, 2023	19.90%	-	1,200,000	1,200,000	-	-	-	-	-
United Bank Limited	July 24, 2023	20.25%	-	2,300,000	-	2,300,000	2,300,000	-	8.89%	27.41%
Total as at June 30, 2023				53,000,000	50,700,000	2,300,000	2,300,000		8.89%	27.41%
As at June 30, 2022										

6.3 Term Deposit Receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Term deposit receipts placed during the year	Matured during the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/(diminution) as at June 30, 2023	Percentage in relation to	
									Net assets of the fund	Total market value of investment
		%	----- (Rupees in '000) -----						----- % -----	
Having original maturity of 3 months or less										
Bank Alfalah Limited	July 13, 2022	16.20%	1,300,000	-	1,300,000	-	-	-	-	-
Meezan Bank Limited	August 29, 2022	14.15%	-	1,200,000	1,200,000	-	-	-	-	-
Bank Alfalah Limited	July 5, 2023	20.50%	-	1,000,000	-	1,000,000	1,000,000	-	3.86%	11.92%
Bank Alfalah Limited	July 5, 2023	20.50%	-	1,200,000	-	1,200,000	1,200,000	-	4.64%	14.30%
Bank Alfalah Limited	July 5, 2023	20.50%	-	400,000	-	400,000	400,000	-	1.55%	4.77%
As at June 30, 2023				3,800,000	2,500,000	2,600,000	2,600,000		10.05%	30.99%
As at June 30, 2022						1,300,000	1,300,000			

	Note	2023	2022
------(Rupees in '000)-----			
7	PROFIT ACCRUED		
	Profit accrued on:		
	Balances with banks	235,040	111,935
	Term deposit receipts	49,065	10,386
	Sukuk certificates	183,968	72,125
		<u>468,073</u>	<u>194,446</u>
8	DEPOSITS AND PREPAYMENTS		
	Security deposit with Central Depository Company of Pakistan Limited	100	100
	Prepayments	318	297
	ATM deposit with Meezan Bank Limited	200	200
	IBFT deposit with Meezan Bank Limited	1,000	-
		<u>1,618</u>	<u>597</u>
9	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Remuneration payable	9.1 1,702	1,109
	Sindh Sales Tax payable on remuneration of the Management Company	9.2 221	144
	Selling and marketing expenses payable	9.3 39,066	3,368
	Allocated expenses payable	9.4 3,048	113
		<u>44,037</u>	<u>4,734</u>

9.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.5% from July 01, 2022 till Mar 31, 2023 of average annual net assets of the Fund and 0.2% of average annual net assets of the Fund from April 01, 2023 till June 30, 2023 (2022: 0.3% per annum of the average annual net assets of the Fund). The remuneration is payable to the Management Company monthly in arrears.

9.2 During the year, an amount of Rs.11.304 million (2022: Rs.8.769 million) was charged on account of sales tax at a rate of 13% on management fee levied through the Sindh Sales Tax on Services Act, 2011, and an amount of Rs.11.227 million (2022: Rs 8.682 million) has been paid to the Management Company which acts as a collecting agent.

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

In accordance with Circular 11 dated July 05, 2019 issued by the SECP with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 0.3% per annum of the average annual net assets of the Fund from July 01, 2022 to March 31, 2023 and at 0.6% per annum from April 01, 2023 to May 31, 2022 and at 0.73% per annum from June 01, 2023 to June 30, 2023 (2022: 0.3% per annum of the average annual net assets of the Fund) during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred:

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

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.15% of the average annual net assets of the Fund (2022: 0.15% of the average annual net assets of the fund) during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

	Note	2023	2022
----- (Rupees in '000) -----			
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration of the Trustee	10.1	1,129	641
Sindh Sales Tax payable on remuneration of the Trustee	10.2	147	83
		<u>1,276</u>	<u>724</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed.

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

10.2 During the year, an amount of Rs.1.500 million (2022: Rs.1.010 million) was charged on account of sales tax at a rate of 13% on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.1.436 million (2022: Rs.1.022 million) was paid to the Trustee which acts as a collecting agent.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2022: 0.02%) per annum of average annual net assets of the Fund.

	Note	2023	2022
----- (Rupees in '000) -----			
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		345	365
Other payable		3,495	-
Brokerage payable		91	-
Shariah advisor fee payable		653	661
Withholding tax payable		-	111,902
Capital gain tax payable		46,252	12,791
Federal Excise Duty payable on remuneration of the Management Company	12.1	27,018	27,018
Other expenses payable		212	70
Zakat payable		1,457	759
		<u>79,523</u>	<u>153,566</u>

12.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs.27.018 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2023 would have been higher by Re.0.05 (2022: Re.0.10) per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

14 AUDITORS' REMUNERATION	Note	2023	2022
		----- (Rupees in '000) -----	
Annual audit fee		376	401
Half yearly review		144	137
Out of pocket expenses		22	13
		<u>542</u>	<u>551</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.11% (2022: 1.12%) which includes 0.08% (2022: 0.09%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1 Related parties / Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Collective Investment Schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

17.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.

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

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

Balances	2023	2022
	------(Rupees in '000)-----	
AI Meezan Investment Management Limited - Management Company		
Management fee payable	1,702	1,109
Sindh Sales Tax payable on the remuneration of the Management Company	221	144
Selling and marketing expenses payable	39,066	3,368
Allocated expenses payable	3,048	113
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,129	641
Sindh Sales Tax payable on trustee fee	147	83
Security deposit with Central Depository Company of Pakistan Limited	100	100
Meezan Bank Limited		
Balance with bank	877,491	539,768
Profit receivable on saving account	820	656
Shariah advisor fee payable	653	661
ATM deposit	200	200
IBFT deposit	1,000	-
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 667,563 units (2022: 259,884 units)	34,057	13,157
Directors and Executives of the Management Company		
Investment of 5,284,903 units (2022: 7,830,474 units)	269,617	396,332
For the year ended June 30,		
	2023	2022
	------(Rupees in '000)-----	
Transactions during the year		
AI Meezan Investment Management Limited - Management Company		
Remuneration of AI Meezan Investment Management Limited - Management Company	86,954	67,457
Sindh Sales Tax on the remuneration of the Management Company	11,304	8,769
Selling and marketing expenses	83,484	40,474
Allocated expenses	31,463	20,237
Units issued: 18,082 units (2022: Nil)	1,046	-
Units redeemed: 18,082 units (2022: Nil)	1,003	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11,536	7,767
Sindh Sales Tax on remuneration of the Trustee	1,500	1,010
CDS charges	7	6

Transactions during the year	For the year ended June 30,	
	2023	2022
	------(Rupees in '000)-----	
Meezan Bank Limited		
Profit on saving accounts	14,347	4,360
Term deposit receipts and certificate of musharika placed	<u>20,200,000</u>	<u>2,900,000</u>
Term deposit receipts and certificate of musharika matured	<u>20,200,000</u>	<u>2,900,000</u>
Profit on term deposit receipts and certificate of musharika	<u>210,102</u>	<u>19,762</u>
Shariah advisor fee	<u>1,071</u>	<u>1,087</u>

AI Meezan Investment Management Limited - Employees Gratuity Fund

Units issued: 407,719 units (2022: Nil)	<u>22,458</u>	<u>-</u>
---	---------------	----------

Directors and Executives of the Management Company

Units issued: 21,486,024 units (2022: 5,122,156 units)	<u>1,096,142</u>	<u>271,208</u>
Units redeemed: 26,386,751 units (2022: 5,586,316 units)	<u>1,346,160</u>	<u>290,747</u>
Dividend Paid	<u>40,655</u>	<u>30,152</u>
Refund of Capital	<u>863</u>	<u>1,943</u>

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

18 CASH AND CASH EQUIVALENTS	Note	------(Rupees in '000)-----	
		2023	2022
Balances with banks	5	16,775,665	9,417,419
Certificate of Musharika	6.2	2,300,000	-
Term deposit receipt	6.3	<u>2,600,000</u>	<u>1,300,000</u>
		<u>21,675,665</u>	<u>10,717,419</u>

19 FINANCIAL INSTRUMENTS BY CATEGORY

	-----2023-----		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees in '000)-----		
Financial assets			
Balances with banks	16,775,665	-	16,775,665
Investments	-	8,390,000	8,390,000
Receivable against conversion of units	532,755	-	532,755
Profit accrued	468,073	-	468,073
Deposits	1,300	-	1,300
	<u>17,777,793</u>	<u>8,390,000</u>	<u>26,167,793</u>
Financial liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	44,037	-	44,037
Payable to Central Depository Company of Pakistan Limited - Trustee	1,276	-	1,276
Payable against conversion and redemption of units	157,419	-	157,419
Accrued expenses and other liabilities	4,796	-	4,796
	<u>207,528</u>	<u>-</u>	<u>207,528</u>

	-----2022-----		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees in '000)-----		
Financial assets			
Balances with banks	9,417,419	-	9,417,419
Investments	-	4,055,000	4,055,000
Receivable against conversion of units	85,601	-	85,601
Profit accrued	194,446	-	194,446
Deposits	300	-	300
	<u>9,697,766</u>	<u>4,055,000</u>	<u>13,752,766</u>

----- 2022 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Payable to Al Meezan Investment Management Limited - Management Company	4,734	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee	724	724
Payable against conversion and redemption of units	106,817	106,817
Accrued expenses and other liabilities	1,096	1,096
	<u>113,371</u>	<u>113,371</u>

Financial liabilities
20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Risks managed and measured by the Fund are explained below:

20.1 Market risk

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

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

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks and investments in commercial papers and term deposit receipts. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund's profit rate risk arises from the balances in savings accounts and investments in term deposit receipts. At June 30, 2023, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs 165.754 million (2022: Rs 134.722 million).

b) Sensitivity analysis for fixed rate instruments

The Fund's fixed rate risk arises from investments in commercial papers. At June 30, 2023, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs nil (2022: nil).

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

----- 2023 -----						
Effective interest rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- Rupees in '000 -----						
Financial assets						
Balances with banks	6.74% to 20.25%	16,575,473	-	-	200,192	16,775,665
Investments	20.50% - 22.77%	4,590,000	1,500,000	-	-	6,090,000
Receivable against conversion of units		-	-	-	532,755	532,755
Profit accrued		-	-	-	468,073	468,073
Deposits		-	-	-	1,300	1,300
		21,165,473	1,500,000	-	1,202,320	23,867,793
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	44,037	44,037
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,276	1,276
Payable against conversion and redemption of units		-	-	-	157,419	157,419
Accrued expenses and other liabilities		-	-	-	4,796	4,796
		-	-	-	207,528	207,528
On-balance sheet gap (a)		21,165,473	1,500,000	-	994,792	23,660,265
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		21,165,473	1,500,000	-		
Cumulative profit rate sensitivity gap		21,165,473	22,665,473	22,665,473		

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

(ii) Currency risk

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

(iii) Price risk

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

20.2 Liquidity risk

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

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

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum limit of which is 15% 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 10% of the units then in issue. The Fund did not withhold any redemption requests during the year.

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

2023						
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	16,775,665	-	-	-	-	16,775,665
Investments	4,900,000	1,990,000	1,500,000	-	-	8,390,000
Receivable against conversion of units	532,755	-	-	-	-	532,755
Profit accrued	284,105	127,603	55,604	-	-	467,312
Deposits	-	-	-	-	1,300	1,300
	22,492,525	2,117,603	1,555,604	-	1,300	26,167,032

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	44,037	-	-	-	-	44,037
Payable to Central Depository Company of Pakistan Limited - Trustee	1,276	-	-	-	-	1,276
Payable against conversion and redemption of units	157,419	-	-	-	-	157,419
Accrued expenses and other liabilities	91	4,705	-	-	-	4,796
	202,823	4,705	-	-	-	207,528

Net financial assets

	22,289,702	2,112,898	1,555,604	-	1,300	25,959,504
--	------------	-----------	-----------	---	-------	------------

----- 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	9,417,419	-	-	-	-	9,417,419
Investments	1,300,000	880,000	1,875,000	-	-	4,055,000
Receivable against conversion of units	85,601	-	-	-	-	85,601
Profit accrued	122,321	38,360	33,765	-	-	194,446
Deposits	-	-	-	-	300	300
	10,925,341	918,360	1,908,765	-	300	13,752,766

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	4,734	-	-	-	-	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee	724	-	-	-	-	724
Payable against conversion and redemption of units	106,817	-	-	-	-	106,817
Accrued expenses and other liabilities	-	1,096	-	-	-	1,096
	112,275	1,096	-	-	-	113,371

Net financial assets

	10,813,066	917,264	1,908,765	-	300	13,639,395
--	------------	---------	-----------	---	-----	------------

20.3 Credit risk

- 20.3.1** Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

Credit risk arising on the debt instruments other than government securities is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

2023		2022	
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	16,775,665	16,775,665	9,417,419	9,417,419
Investments	8,390,000	8,390,000	4,055,000	4,055,000
Receivable against conversion of units	532,755	532,755	85,601	85,601
Profit accrued	468,073	468,073	194,446	194,446
Deposits	1,300	1,300	300	300
	<u>26,167,793</u>	<u>26,167,793</u>	<u>13,752,766</u>	<u>13,752,766</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

20.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2023	2022
AAA	77.62	99.95
AA+	0.01	0.04
AA	22.37	0.01
	100.00	100.00

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

20.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2023 are unsecured and are not impaired.

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

Financial assets - at fair value through profit or loss	2023		
	Level 1	Level 2	Level 3
	Rupees in '000		
Certificate of Musharika & Term deposit receipts	-	4,900,000	-
Corporate sukuks *	-	3,490,000	-
	-	8,390,000	-

	----- 2022 -----		
	Level 1	Level 2	Level 3
Financial assets - at fair value through profit or loss	----- Rupees in '000 -----		
Corporate sukuks *	-	2,755,000	-
Term deposit receipts - having original maturity of 3 months or less *	-	1,300,000	-
	<u>-</u>	<u>4,055,000</u>	<u>-</u>

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

22 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

23 UNIT HOLDING PATTERN OF THE FUND

Category	----- 2023 -----			----- 2022 -----		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	33,805	21,806,252	84.25	25,068	11,535,521	85.55
Associated Companies /						
Directors	8	349,640	1.35	6	390,135	2.89
Insurance Companies	4	320,589	1.24	3	235,599	1.75
Retirement Funds	88	1,194,291	4.61	72	684,797	5.08
Private Limited						
Companies	89	1,991,894	7.70	70	133,266	0.99
Others	45	218,903	0.85	385	505,206	3.75
	<u>34,039</u>	<u>25,881,569</u>	<u>100.00%</u>	<u>25,604</u>	<u>13,484,524</u>	<u>100.00%</u>

24 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2023	2022
	Percentage of commission paid	
Paramount Capital (Private) Limited	1%	-
JS Global Capital Limited	35%	-
Invest one markets (Private) Limited	15%	-
Arif Habib Limited	47%	-
Alfalsh Securities (Pvt.) Ltd	2%	-
	<u>100%</u>	<u>-</u>

25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

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

- Meezan Islamic Income Fund
- Meezan Rozana Amdani Fund
- Meezan Fixed Term Fund

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Directors	Designation	Meeting held on			
		August 16, 2022	October 13, 2022	February 23, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	✓	✓	✓	✓
Mr. Muhammad Abdullah	Director	✓	✓	✓	✓
Mr. Moin M. Fudda*	Director	✓	✓	✓	✓
Mr. Furquan Kidwai	Director	✓	✓	✓	✓
Mr. Mubashar Maqbool	Director	✓	✓	✓	✓
Mr. Tariq Mairaj	Director	✓	✓	✓	✓
Mr. Naeem	Director	✓	✓	✓	✓
Mr. Feroz Rizvi	Director	✓	✓	✓	✓
Ms. Danish Zuberi	Director	✓	x	✓	✓
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	✓	✓	✓	✓

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 7, 2023.

28 GENERAL

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

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

Chief Executive Officer

Chief Financial Officer

Director



Continuous *Research*

Al Meezan's commitment to evolving its research methodologies ensures that it stays at the forefront of rapidly changing market trends and insights, offering clients well-informed investment options and facilitating them to take knowledge-based decisions.

Meezan Islamic Income Fund

Meezan Islamic Income Fund is Pakistan's first Shariah Compliant income fund scheme. The purpose of Meezan Islamic Income Fund is to provide investors with a high and stable rate of current income consistent with long term preservation of capital in a Shariah Compliant way. A secondary objective is to take advantage of opportunities to realize capital appreciation.

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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Islamic Income Fund (MIIF)

Type of Fund

Open end mutual fund which falls under the Income Fund category.

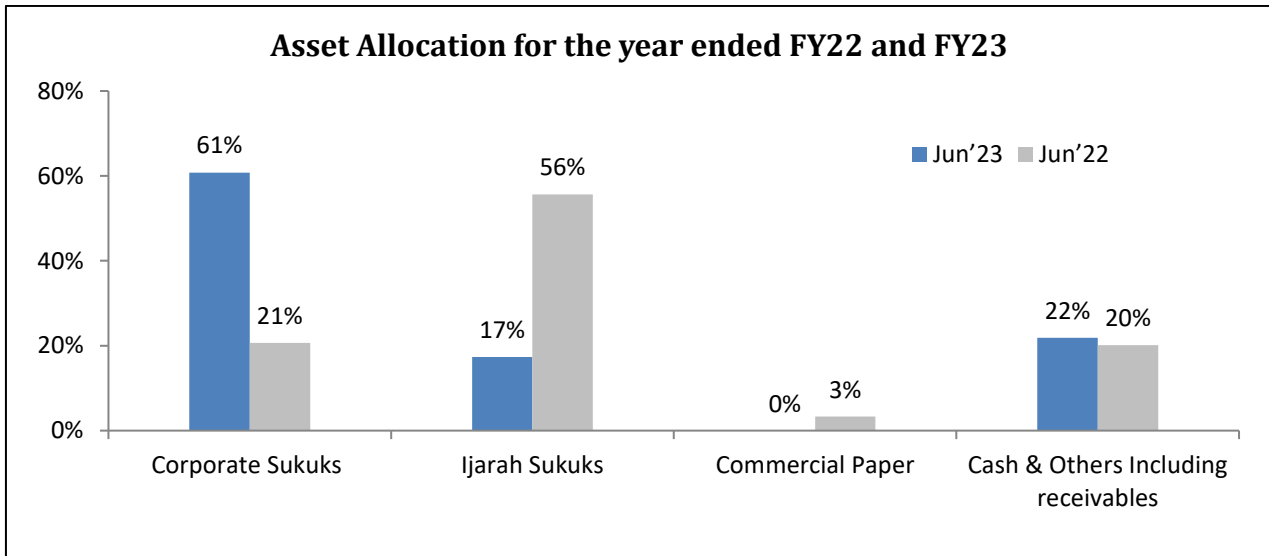
Objective

The Fund's primary objective is to provide investors with a competitive and stable rate of current income in a Shariah compliant way. A secondary objective is to take advantage of opportunities to realize capital appreciation. The Fund shall seek to provide investors with a rate of total return consistent with a broadly diversified portfolio of long, medium and short term high quality Islamic Income instruments.

Strategy, Investment policy and asset allocation

MIIF invests in Corporate and Sovereign Sukuk (Islamic Bonds), Musharaka and Murabaha instruments, Shariah Compliant spread transactions, Certificate of Islamic Investments, Islamic bank deposits, and other Islamic Income products.

During the year, the focus was on proactive and continuous reallocation between high yield instruments, so as to maximize fund yield, while maintaining a balance within the risk management constraints. Due to the increasing interest rate environment, Term Deposits and Bai Muajjal placements were kept at a very conservative levels.



Performance Review

During FY23, Meezan Islamic Income Fund (MIIF) provided a full year return of 14.86% as compared to its benchmark return of 6.06%. The fund manager remained on a continuous look out for deployment opportunities in high quality instruments and investments were primarily made in Ijarah Sukuk issued by the government. In line with monetary tightening expectations, longer tenor TDRs/Placements were not made during the year. The fund has five non performing Sukuk currently (Sukuk of Eden Housing Limited, Security Leasing Company Limited, Arzoo Textile Mills Limited, Hascol Petroleum Limited and Shakarganj Food Products Limited) but it is pertinent to note that Eden Housing Limited Sukuk, Arzoo Textile Mills Sukuk, Security Leasing Company Limited and Hascol Petroleum Limited Sukuk stand fully provided while provisioning for Shakarganj Food Products Limited is being carried out based on relevant regulatory requirements. A case for Arzoo Textile Mills Limited Sukuk is already under contestation in



Pure. Profit.

the courts, whereas for Eden Housing Limited, Security Leasing Limited and Hascol Petroleum Limited negotiations have not been very fruitful so it appears that the most likely way forward will be procession of legal proceedings against the respective companies but the Sukuk holders are yet to reach a conclusion on the matter. For Shakarganj Food Products Limited, the issuer has requested restructuring of principal amount with extension of 1 year, for which respective sukuk holders have provided their consent and the restructuring process is reaching its final documentation process. As at year end, the fund was invested 78% in Islamic Sukuk/Ijarah and 22% in Islamic Bank Deposits including other receivables.

The Fund earned a gross income of Rs. 2,512 million, which was primarily due to profit on Sukuk certificates amounting worth Rs. 1,920 million. Profit on saving accounts at Islamic banks contributed Rs. 734 million while realized loss on sale of Sukuks certificates was Rs. 57 million. On the other side, the fund incurred unrealized diminution worth Rs. 86 million and also recorded provision against sukuk certificate Rs. 11 million. The fund also incurred expenses totalling to Rs. 222 million, which brought the net income figure to Rs. 2,290 million. The net assets of the Fund as at June 30, 2023 were Rs. 11,474 million as compared to Rs. 18,609 million at the end of last year depicting a decrease of 38%. The net asset value per unit as at June 30, 2023 was Rs. 51.6491 (Ex-Dividend) as compared to Rs. 51.5323 per unit as on June 30, 2022.

	MIIF	Islamic Bank Deposits (Benchmark)
Net Asset Value as on June 30, 2022	51.53	
Net Asset Value as on June 30, 2023	51.65	
Return for the year	14.86%	6.06%
Outperformance	8.80%	

Fund Rating

VIS Credit Rating Company has assigned Stability Rating of A+(f) to Meezan Islamic Income Fund.

Distributions

The final distribution in the form of cash dividend by the Fund during the fiscal year ended June 30, 2023 was Rs. 7.5250 per unit (15.06%). Total distribution made by the fund was Rs. 1,080 million.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size:

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	21,123
10,000 - 49,999	2,116
50,000 - 99,999	441
100,000 - 499,999	340
500,000 and above	32
Total	24,052

PERFORMANCE TABLE
MEEZAN ISLAMIC INCOME FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	11,474,348	18,609,435	28,678,602
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	51.6491	51.5323	51.4736
Offer price per unit as at June 30, (Rs.) (ex-distribution)	52.2327	52.1146	52.0552
Highest offer price per unit (Rs.)	59.7246	56.4032	55.4980
Lowest offer price per unit (Rs.)	52.1146	52.0043	51.7670
Highest redemption price per unit (Rs.)	59.0573	55.7730	54.8779
Lowest redemption price per unit (Rs.)	51.5323	51.4233	51.4736
Distribution (%)			
Interim	15.06	8.74	6.82
Final	-	-	-
Date of distribution			
Interim	June 27, 2023	June 27, 2022	June 30, 2021
Final	-	-	-
Income distribution (Rupees in '000)	1,079,561	1,057,593	828,248
Growth distribution (Rupees in '000)	-	-	-
Total return (%)	14.86	8.63	6.64

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	14.86%	11.70%	9.99%

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

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Islamic Income Fund (MIIF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Sixteenth year of operations of Meezan Islamic Income Fund (the “MIIF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Islamic Income 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Islamic Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Islamic Income Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of debt instruments) held by the Fund represent 97% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

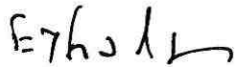
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076I9ewzIbHE



MEEZAN ISLAMIC INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	2023	2022
Note	----- (Rupees in '000) -----	
Assets		
Balances with banks	5 2,340,015	3,440,427
Investments	6 9,479,354	15,097,091
Receivable against conversion of units	3,037	86,611
Advance, deposit, prepayments and other receivables	7 317,500	325,582
Total assets	12,139,906	18,949,711
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	8 19,081	13,144
Payable to Central Depository Company of Pakistan Limited - Trustee	9 959	1,408
Payable to the Securities and Exchange Commission of Pakistan	10 3,366	5,316
Payable to Meezan Bank Limited	505	1,164
Payable against redemption and conversion of units	314,198	65,446
Dividend payable	37,141	-
Accrued expenses and other liabilities	11 290,308	253,798
Total liabilities	665,558	340,276
Net assets	11,474,348	18,609,435
Unit holders' fund (as per statement attached)	11,474,348	18,609,435
Contingencies and commitments	12	
	----- (Number of units) -----	
Number of units in issue	222,159,660	361,122,076
	----- (Rupees) -----	
Net asset value per unit	51.6491	51.5323

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ISLAMIC INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 ----- (Rupees in '000) -----	2022
Income			
Profit on sukuk certificates and commercial papers		1,920,161	1,668,721
Profit on certificates of musharakah		-	66,278
Net realised loss on sale of investments		(56,661)	(64,630)
Profit on savings accounts with banks		734,049	714,843
Other income		202	937
		2,597,751	2,386,149
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.3	(86,045)	(989)
Total income		2,511,706	2,385,160
Expenses			
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	84,128	132,905
Sindh Sales Tax on remuneration of the Management Company	8.2	10,937	17,278
Allocated expenses	8.3	25,238	39,872
Selling and marketing expenses	8.4	67,314	98,795
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	12,619	19,922
Sindh Sales Tax on remuneration of the Trustee	9.2	1,640	2,590
Annual fee to the Securities and Exchange Commission of Pakistan	10	3,366	5,316
Auditors' remuneration	13	728	681
Fees and subscription		1,435	1,401
Legal and professional charges		1,356	754
Brokerage expense		1,367	1,491
Printing charges		29	-
Bank and settlement charges		377	2,262
Provision against sukuk certificates	6.1.2.4	11,173	45,000
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(130,733)
Total expenses		221,707	237,534
Net income for the year before taxation		2,289,999	2,147,626
Taxation	15	-	-
Net income for the year after taxation		2,289,999	2,147,626
Allocation of net income for the year			
Net income for the year after taxation		2,289,999	2,147,626
Income already paid on units redeemed		(1,184,586)	(1,069,597)
		1,105,413	1,078,029
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		1,105,413	1,078,029
		1,105,413	1,078,029

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ISLAMIC INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	----- (Rupees in '000) -----	
Net income for the year after taxation	2,289,999	2,147,626
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>2,289,999</u>	<u>2,147,626</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ISLAMIC INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	18,347,819	261,616	18,609,435	27,004,995	241,180	27,246,175
Issuance of 431,785,293 units (2022: 635,347,582 units)						
- Capital value (at net asset value per unit at the beginning of the year)	22,250,889	-	22,250,889	32,703,627	-	32,703,627
- Element of income	1,868,587	-	1,868,587	855,051	-	855,051
Total proceeds on issuance of units	24,119,476	-	24,119,476	33,558,678	-	33,558,678
Redemption of 570,747,709 units (2022: 803,548,936 units)						
- Capital value (at net asset value per unit at the beginning of the year)	29,411,942	-	29,411,942	41,361,557	-	41,361,557
- Element of income	1,460,529	1,184,586	2,645,115	582,588	1,069,597	1,652,185
Total payments on redemption of units	30,872,471	1,184,586	32,057,057	41,944,145	1,069,597	43,013,742
Total comprehensive income for the year	-	2,289,999	2,289,999	-	2,147,626	2,147,626
Distribution for the year ended June 30, 2022	-	-	-	-	(1,057,593)	(1,057,593)
Distribution for the year ended June 30, 2023	-	(1,079,561)	(1,079,561)	-	-	-
Refund of capital for the year ended June 30, 2022	-	-	-	(271,709)	-	(271,709)
Refund of capital for the year ended June 30, 2023	(407,944)	-	(407,944)	-	-	-
Total distribution during the year	(407,944)	(1,079,561)	(1,487,505)	(271,709)	(1,057,593)	(1,329,302)
Net assets at the end of the year	11,186,880	287,468	11,474,348	18,347,819	261,616	18,609,435
Undistributed income brought forward						
- Realised income		262,605			148,151	
- Unrealised (loss) / income		(989)			93,029	
		<u>261,616</u>			<u>241,180</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		<u>1,105,413</u>			<u>1,078,029</u>	
		<u>1,105,413</u>			<u>1,078,029</u>	
Interim distribution during the year at Rs. 4.3714 per unit i.e. 8.74% of the par value of Rs. 50/- each (June 27, 2022)		-			(1,057,593)	
Interim distribution during the year at Rs. 7.5250 per unit i.e. 15.06% of the par value of Rs. 50/- each (June 27, 2023)		(1,079,561)			-	
Undistributed income carried forward		<u><u>287,468</u></u>			<u><u>261,616</u></u>	
Undistributed income carried forward						
- Realised income		373,513			262,605	
- Unrealised loss		(86,045)			(989)	
		<u><u>287,468</u></u>			<u><u>261,616</u></u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year	<u><u>51.5323</u></u>			<u><u>51.4736</u></u>		
Net asset value per unit at the end of the year	<u><u>51.6491</u></u>			<u><u>51.5323</u></u>		

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ISLAMIC INCOME FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 ----- (Rupees in '000) -----	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		2,289,999	2,147,626
Adjustments for:			
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.3	86,045	989
Provision against sukuk certificates		11,173	45,000
		<u>2,387,217</u>	<u>2,193,615</u>
Decrease in assets			
Investments - net		5,520,519	746,394
Receivable against sale of investments		-	506
Advance, deposit, prepayments and other receivables		8,082	(69,264)
		<u>5,528,601</u>	<u>677,636</u>
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		5,937	(22,426)
Payable to Central Depository Company of Pakistan Limited - Trustee		(449)	(1,052)
Payable to the Securities and Exchange Commission of Pakistan		(1,950)	(1,649)
Payable to Meezan Bank Limited		(659)	(1,260)
Accrued expenses and other liabilities		36,510	(142,447)
		<u>39,389</u>	<u>(168,834)</u>
Net cash generated from operating activities		<u>7,955,207</u>	<u>2,702,417</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		23,795,106	33,218,491
Payments against redemption and conversion of units		(31,808,305)	(43,900,839)
Dividend paid		(1,042,420)	(1,093,813)
Net cash used in financing activities		<u>(9,055,619)</u>	<u>(11,776,161)</u>
Net decrease in cash and cash equivalents during the year		<u>(1,100,412)</u>	<u>(9,073,744)</u>
Cash and cash equivalents at the beginning of the year		3,440,427	12,514,171
Cash and cash equivalents at the end of the year	5	<u>2,340,015</u>	<u>3,440,427</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Islamic Income Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 21, 2008 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) notified through S.R.O. 1203 (I) / 2008. The Trust Deed was previously registered under The "Trust Act 1882" and now has been registered under "The Sindh Trust Act 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unit holders competitive and stable rate of income on their investments in a Shariah compliant way with a broadly diversified portfolio of long, medium and short term and high quality Islamic income instruments. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open End Shariah Compliant (Islamic) Income 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 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of A+(f) by VIS Credit Rating Company Limited dated January 03, 2023 (2021: A+(f) dated December 27, 2021).
- 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 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 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 for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting 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 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, (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 IAS 34, 'Interim Financial Reporting' 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 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising - from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its - Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 - and IFRS 7	January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards		IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

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

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

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 Debt instruments

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

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

based on the business model of the entity.

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

4.2.3 Impairment

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

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

4.2.3.1 Impairment loss on debt securities

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

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

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.

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;
- Income on sukuk certificates and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; 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 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.13 Earnings per unit

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

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

4.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2023 ----- (Rupees in '000) -----	2022
5	BALANCES WITH BANKS		
	Balances with banks in:		
	Savings accounts	5.1 2,339,975	3,440,383
	Current account	40	44
		<u>2,340,015</u>	<u>3,440,427</u>
5.1	This includes balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10.00% (2022: 6.01%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 6.74% to 20.50% (2022: 3.00% to 16.25%) per annum.		
6	INVESTMENTS		
	Investments - 'at fair value through profit or loss'		
	Sukuk certificates	6.1 9,479,354	14,544,888
	Commercial papers	6.2 -	552,203
		<u>9,479,354</u>	<u>15,097,091</u>

6.1	Sukuk certificates	Note	2023	2022
			----- (Rupees in '000) -----	
	Government securities	6.1.1	7,383,457	10,538,677
	Corporate sukuk certificates	6.1.2	2,095,897	4,006,211
			<u>9,479,354</u>	<u>14,544,888</u>

6.1.1 Government securities

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold / Matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
												Net assets of the Fund	Total market value of investments
					----- Number of certificates -----			----- (Rupees in '000) -----			----- % -----		
GoP Ijarah Sukuk Certificates - XIX - VRR	Semi-annually / At maturity	May 29, 2020	May 29, 2025	Weighted average 6 months T-Bills	2,000	145	2,000	145	14,333	14,407	74	0.13	0.15
GoP Ijarah Sukuk Certificates - XX - VRR	Semi-annually / At maturity	June 24, 2020	June 24, 2025	Weighted average 6 months T-Bills	2,340	-	2,340	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXII - VRR	Semi-annually / At maturity	December 9, 2020	December 9, 2025	Weighted average 6 months T-Bills	1,735	-	1,735	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXV - VRR	Semi-annually / At maturity	April 27, 2022	April 27, 2027	Weighted average 6 months T-Bills	6,800	-	6,800	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXI - VRR	Semi-annually / At maturity	July 29, 2020	July 29, 2025	Weighted average 6 months T-Bills	-	4,400	4,400	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIV - VRR	Semi-annually / At maturity	October 29, 2021	October 29, 2026	Weighted average 6 months T-Bills	5,000	8,000	13,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXVI - VRR	Semi-annually / At maturity	October 26, 2022	October 26, 2027	Weighted average 6 months T-Bills	-	6,000	6,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XI - FRR	Semi-annually / At maturity	December 15, 2021	December 15, 2026	11.40%	5,000	-	-	5,000	480,000	450,417	(29,583)	3.93	4.75
Pakistan Energy Sukuk II	Semi-annually / At maturity	May 21, 2020	May 21, 2030	6 months KIBOR minus base rate of 0.10%	1,643,450	-	260,000	1,383,450	6,965,671	6,918,633	(47,038)	60.30	72.99
Total as at June 30, 2023									7,460,004	7,383,457	(76,547)	64.35	77.89
Total as at June 30, 2022									10,585,639	10,538,677	(46,962)	56.63	69.82

6.1.1.1 The nominal value of these sukuk certificates is Rs. 100,000 each except for Pakistan Energy sukuk II certificates having nominal value of Rs. 5,000 each.

6.1.2 Corporate sukuk certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Face value per certificate (Rupees)	Profit rate	As at July 1, 2022	Purchased during the year	Sold / Matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution) as at June 30, 2023	Percentage in relation to	
					----- (Number of certificates) -----			----- (Rupees in '000) -----			----- % -----		
NON-PERFORMING ASSETS													
Arzoo Textile Mills Limited (note 6.1.2.1) *	Not Applicable	April 15, 2014	5,000	Not applicable	14,000	-	-	14,000	-	-	-	-	-
Eden Housing Limited (note 6.1.2.1) *	Not Applicable	September 29, 2014	984	Not applicable	59,400	-	-	59,400	-	-	-	-	-
Security Leasing Corporation Limited II (note 6.1.2.1) *	Not Applicable	January 19, 2022	1,540	Not applicable	10,000	-	-	10,000	-	-	-	-	-
Hascol Petroleum Limited (note 6.1.2.1) *	Not Applicable	January 06, 2022	1,250	Not applicable	80,000	-	-	80,000	-	-	-	-	-
Shakarganj Food Products Limited (BBB+, VIS, non-traded) (notes 6.1.2.1 & 6.1.2.1.5) *	Quarterly	July 10, 2025	450,000	3 months KIBOR plus base rate of 1.75%	100	-	-	100	40,829	38,507	(2,322)	0.34	0.41
COMMERCIAL BANKS													
Dubai Islamic Bank Pakistan Limited (AA-, VIS, non-traded)	Semi-annually / At maturity	July 14, 2027 **	1,000,000	6 months KIBOR plus base rate of 0.50%	538	-	538	-	-	-	-	-	-
POWER GENERATION & DISTRIBUTION													
K-Electric Limited Sukuk V (AA+, VIS, traded)	Quarterly	August 3, 2027	4,250	3 months KIBOR plus base rate of 1.70%	171,200	-	-	171,200	743,025	740,938	(2,087)	6.46	7.82
The Hub Power Company Limited (AA+, PACRA, non-traded)	Semi-annually	August 22, 2023	25,000	3 months KIBOR plus base rate of 1.90%	2,455	-	-	2,455	64,573	61,558	(3,015)	0.54	0.65
The Hub Power Company Limited (AA+, PACRA, traded)	Semi-annually	March 19, 2024	50,000	12 months KIBOR plus base rate of 1.90%	3,350	-	3,350	-	-	-	-	-	-
Hub Power Holdings Limited (AA+, PACRA, non-traded)	Quarterly / Semi-annually commencing from May 12, 2024	November 12, 2025	100,000	6 months KIBOR plus base rate of 2.50%	6,000	-	900	5,100	510,000	523,413	13,413	4.56	5.52
Engro Powergen Thar (Private) Limited (AA-, PACRA, non-traded)	Quarterly / Annually	August 2, 2024	3,750	3 months KIBOR plus base rate of 1.10%	62,400	-	-	62,400	247,861	238,058	(9,803)	2.07	2.51
Lucky Electric Power Company Limited (AA, PACRA)	At maturity	December 15, 2022	1,000,000	6 months KIBOR plus base rate of 1.20%	350	-	350	-	-	-	-	-	-
Lucky Electric Power Company Limited VI (AA, PACRA)	At maturity	April 13, 2023	1,000,000	6 months KIBOR plus base rate of 1.50%	-	250	250	-	-	-	-	-	-
PHARMACEUTICALS													
OBS AGP (Private) Limited (A+, VIS, traded)	Quarterly	July 15, 2026	81,250	3 months KIBOR plus base rate of 1.55%	3,300	-	-	3,300	269,466	268,661	(805)	2.34	2.83
CEMENT & CONSTRUCTION													
Javedan Corporation Limited (AA-, VIS, non-traded)	Semi-annually	October 4, 2026	58,334	6 months KIBOR plus base rate of 1.75%	800	-	-	800	46,330	45,733	(597)	0.40	0.48

Name of the security	Profit payments / principal redemptions	Maturity date	Face value per certificate (Rupees)	Profit rate	As at July 1, 2022	Purchased during the year	Sold / Matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised (diminution) / appreciation as at June 30, 2023	Percentage in relation to	
												Net assets of the Fund	Total market value of investments
					---- (Number of certificates) ----			----- (Rupees in '000) -----		----- % -----			
STEEL & ALLIED PRODUCTS													
Agha Steel Industries Limited (A+, VIS, non-traded)	Quarterly	October 9, 2025	687,500	3 months KIBOR plus base rate of 0.80%	182	-	-	182	129,697	124,627	(5,070)	1.09	1.31
CHEMICALS													
Engro Polymer and Chemicals Limited (AA, PACRA, non-traded)	Quarterly / Semi-annually commencing from July 11, 2024	July 11, 2026 **	100,000	3 months KIBOR plus base rate of 0.90%	478	-	478	-	-	-	-	-	-
TEXTILE COMPOSITE													
Masood Textile Mills Limited (A, VIS, non-traded)	Quarterly	December 17, 2024	428,571	3 months KIBOR plus base rate of 2.00%	127	-	-	127	53,614	54,402	788	0.47	0.57
Total as at June 30, 2023									2,105,395	2,095,897	(9,498)	18.27	22.11
Total as at June 30, 2022									3,960,238	4,006,211	45,973	21.53	26.54

* In case of debt securities against which provision has been made, these are carried at carrying value less provision.

** The issuer of these sukuk certificates has exercised the call option during the year.

6.1.2.1 The Securities and Exchange Commission of Pakistan vide Circular no. 7 of 2009 dated March 06, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the Circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Islamic Income Fund (the Fund) as an 'Income Scheme' in accordance with the said Circular. As at June 30, 2023, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Following investments of the Funds are in sukuk certificates which are non-compliant securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of non-compliant investment	Type of investment	Note	Value of investment before provision	Provision held	Value of investment after provision	Percentage of	
						Net assets	Total assets
						----- % -----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	6.1.2.1.1	70,000	70,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	6.1.2.1.1	58,472	58,472	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	6.1.2.1.2	15,403	15,403	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	6.1.2.1.3	99,259	99,259	-	-	-
Shakarganj Food Products Limited	Non-traded sukuk certificates	6.1.2.1.4	49,680	11,173	38,507	0.34	0.32
Total as at June 30, 2023			292,814	254,307	38,507	0.34	0.32
Total as at June 30, 2022			311,026	243,134	67,892	0.36	0.36

6.1.2.1.1 On May 06, 2011, Arzoo Textile Mills Limited and Eden Housing Limited sukuk certificates have been classified as non-performing by Mutual Funds Association of Pakistan (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.70 million and Rs.58.472 million respectively have also been held as provision against the outstanding principal as at June 30, 2023.

6.1.2.1.2 The agreement with Security Leasing Corporation Limited (SLCL) had been amended on February 19, 2012. In accordance with the revised terms no mark-up is payable on the said sukuk as per the approval of 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 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 of the Fund, an amount of Rs.15.403 million has also been held as provision against the outstanding principal as at June 30, 2023.

6.1.2.1.3 On April 1, 2021, sukuk certificates of Hascol Petroleum Limited have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs.99.259 million have also been held as provision. The face value of sukuk certificates is Rs.100 million as at June 30, 2023.

6.1.2.1.4 On April 26, 2023, sukuk certificates of Shakarganj Food Products Limited have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No. 33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs.11.173 million have also been held as provision against the outstanding principal as at June 30, 2023.

6.1.2.2 Circular No. 33 of 2012 allows the asset manager to apply a mark up / mark down within available limit for valuation of any specific debt security. Exercising the discretionary power, the above mentioned sukuk certificates of Engro Powergen Thar (Private) Limited has been valued at a discretionary rate of Rs.101.7342 when the reported market rate on MUFAP valuation sheet as at June 30, 2023 was Rs.101.0255. The mark down in price has been done within allowable limits.

	Note	2023 ----- (Rupees in '000) -----	2022
6.1.2.4 Movement of provision			
Balance as at July 01, 2022		243,134	198,134
Charge for the year		11,173	45,000
Reversal for the year		-	-
Balance as at June 30, 2023		<u>254,307</u>	<u>243,134</u>

6.2 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution) as at June 30, 2023	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----			----- % -----		Net assets of the Fund
Mughal Iron & Steel Industries Limited ICP-1 (A-2, VIS)	July 21, 2022	6 months KIBOR plus base rate of 1.75%	300	-	300	-	-	-	-	-	-
Lucky Electric Power Company Limited ICP-2 (AA-, PACRA)	July 12, 2022	6 months KIBOR plus base rate of 1.50%	250	-	250	-	-	-	-	-	-
Total as at June 30, 2023							-	-	-	-	-
Total as at June 30, 2022							552,203	552,203	-	2.97	3.66

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

	2023 ----- (Rupees in '000) -----	2022
6.3 Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		
Market value of investments	9,479,354	15,097,091
Less: Carrying value of investments	<u>(9,565,399)</u>	<u>(15,098,080)</u>
	<u>(86,045)</u>	<u>(989)</u>

	Note	2023	2022
----- (Rupees in '000) -----			
7	ADVANCE, DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES		
	Security deposit with Central Depository Company of Pakistan Limited	100	100
	Prepayments	290	282
	Advance tax	3,127	3,127
	Profit receivable on balances with banks	58,163	45,778
	Profit receivable on sukuk certificates	252,116	273,591
	Advance against IBFT redemptions	1,000	-
	ATM deposit with Meezan Bank Limited	2,704	2,704
		<u>317,500</u>	<u>325,582</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 profit on debt securities 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 May 12, 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 profit on debt securities and profit on bank deposits amounts to Rs.3.127 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 profit on debt securities and profit on bank deposits has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2023	2022
----- (Rupees in '000) -----			
8	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Remuneration payable	1,279	1,464
	Sindh Sales Tax payable on remuneration of the Management Company	166	190
	Allocated expenses payable	1,698	157
	Selling and marketing expenses payable	13,850	7,205
	Sales load payable	1,848	3,653
	Sindh Sales Tax payable on sales load	240	475
		<u>19,081</u>	<u>13,144</u>

8.1 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 0.50% (2022: 0.50%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs.10.937 million (2022: Rs.17.278 million) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.10.961 million (2022: Rs.17.186 million) has been paid to the Management Company which acts as a collecting agent.

8.3 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 rate of 0.15% (2022: 0.15%) of the average annual net assets of the Fund during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

- 8.4 In accordance with Circular 11 dated July 05, 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 following rates during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred:

Rate applicable from July 1, 2022 to June 30, 2023	Rate applicable from October, 2021 to June 30, 2022	Rate applicable from July 1, 2021 to September 30, 2021
0.4% of the average annual net assets of the Fund	0.4% of the average annual net assets of the Fund	0.3% of the average annual net assets of the Fund

	Note	2023 ----- (Rupees in '000) -----	2022
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable	9.1	849	1,246
Sindh Sales Tax payable on remuneration of the Trustee	9.2	110	162
		959	1,408

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2022: 0.075%) per annum of the average annual net assets of the Fund.

- 9.2 During the year, an amount of Rs. 1.640 million (2022: Rs. 2.590 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1,692 million (2022: Rs. 2.711 million) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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% (2022: 0.02%) of the average annual net assets of the Fund.

	Note	2023 ----- (Rupees in '000) -----	2022
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		492	459
Brokerage payable		825	527
Shariah advisor fee payable		532	531
Withholding tax payable		188,636	163,987
Capital gain tax payable		46,691	33,900
Zakat payable		73	381
Other payable		-	954
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	11.1	50,417	50,417
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	11.1	2,642	2,642
		290,308	253,798

- 11.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration made was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 04, 2013, a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution, the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs.53.059 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2023 would have been higher by Re.0.24 (2022: Re.0.15) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

13 AUDITORS' REMUNERATION

	2023	2022
	----- (Rupees in '000) -----	
Annual audit fee	532	419
Half yearly review fee	159	150
Fee for other certifications	-	100
Out of pocket expenses	37	12
	<u>728</u>	<u>681</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.25% (2022: 1.22%) which includes 0.10% (2022: 0.10%) 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 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Income Scheme'.

15 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed at least 90% of the Fund's accounting income for the year ended June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unit holders, 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.

16 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	2023	2022
	----- (Rupees in '000) -----	
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	1,279	1,464
Sindh Sales Tax payable on remuneration of the Management Company	166	190
Allocated expenses payable	1,698	157
Selling and marketing expenses payable	13,850	7,205
Sales load payable	1,848	3,653
Sindh Sales Tax on sales load payable	240	475
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	100	100
Remuneration payable	849	1,246
Sindh Sales Tax payable on remuneration of the Trustee	110	162
Meezan Bank Limited		
Balances with bank	20,598	147,637
Profit receivable on savings accounts	273	199
Sales load payable	447	1,030
Sindh Sales Tax on sales load payable	58	134
ATM deposit	2,704	2,704
Shariah advisor fee payable	532	531
Advance against IBFT redemptions	1,000	-
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of nil (2022: 1,418,225 units)	-	73,084
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of nil (2022: 936,854 units)	-	48,278
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of nil (2022: 2,080,458 units)	-	107,211
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 8,906 units (2022: 217,135 units)	460	11,189
Directors and Executives of the Management Company		
Investment of 31,878 units (2022: 260,557 units)	1,646	13,427
Unit Holders holding 10% or more units of the Fund		
Investment 27,544,351 units (2022: 21,370 units)	1,422,641	1,101
Transactions during the year		
AI Meezan Investment Management Limited - Management Company		
Remuneration of the Management Company	84,128	132,905
Sindh Sales Tax on remuneration of the Management Company	10,937	17,278
Allocated expenses	25,238	39,872
Selling and marketing expenses	67,314	98,795
Units issued: 19,050,954 units (2022: 7,606,241 units)	1,084,702	400,117
Units redeemed: 19,050,954 units (2022: 7,606,241 units)	1,087,763	400,467
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	12,619	19,922
Sindh Sales Tax on remuneration of the Trustee	1,640	2,590
CDS charges	79	59
Meezan Bank Limited		
Profit on savings accounts	3,914	2,544
Profit on sukuk certificates	-	10,515
Sale of GoP Ijarah Sukuk Certificates - XXV - VRR: nil certificates (2022: 2,500 sukuk certificates)	-	253,000
Shariah advisor fee	1,080	1,073



Transactions during the year

	2023	2022
	(Rupees in '000)	
Meezan Sovereign Fund		
Purchase of Pakistan Energy Sukuk II: nil certificates (2022: 130,000 sukuk certificates)	-	662,999
MSAF - Meezan Strategic Allocation Plan - I		
Units issued: nil (2022: 4,524,388 units)	-	240,143
Units redeemed: nil (2022: 4,524,388 units)	-	241,280
MSAF - Meezan Strategic Allocation Plan - II		
Units issued: nil (2022: 2,913,682 units)	-	154,745
Units redeemed: nil (2022: 2,913,682 units)	-	155,719
MSAF - Meezan Strategic Allocation Plan - III		
Units issued: nil (2022: 2,688,979 units)	-	142,388
Units redeemed: nil (2022: 2,688,979 units)	-	143,037
MSAF - Meezan Strategic Allocation Plan - IV		
Units issued: nil (2022: 1,104,674 units)	-	58,512
Units redeemed: nil (2022: 1,104,674 units)	-	58,803
MSAF - Meezan Strategic Allocation Plan - V		
Units issued: nil (2022: 374,414 units)	-	19,830
Units redeemed: nil (2022: 374,414 units)	-	19,928
Meezan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Units issued: 30,761 units (2022: 241,623 units)	1,750	12,615
Units redeemed: 1,448,986 units (2022: 504,568 units)	80,751	26,714
Dividend paid	-	5,987
Refund of capital	-	178
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Units issued: 64,770 units (2022: 489,959 units)	3,500	25,671
Units redeemed: 1,001,624 units (2022: 1,005,937 units)	56,715	53,631
Dividend paid	-	3,520
Refund of capital	-	451
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Units issued: nil (2022: 807,839 units)	-	42,684
Units redeemed: 2,080,458 units (2022: 2,024,508 units)	115,875	109,293
Dividend paid	-	7,607
Refund of capital	-	1,101
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: nil (2022: 989,214 units)	-	52,304
Units redeemed: nil (2022: 1,829,642 units)	-	96,664
Al Meezan Investment Management Limited - Employees' Gratuity Fund		
Units issued: 1,135 units (2022: 16,996 units)	58	875
Units redeemed: 209,364 units (2022: Nil)	11,000	-
Dividend paid	58	875
Directors and Executives of the Management Company		
Units issued: 4,631,346 units (2022: 4,007,564 units)	270,693	209,303
Units redeemed: of 4,837,035 units (2022: 4,185,267 units)	282,586	221,528
Dividend paid	133	687
Refund of capital	79	329
Unit Holders holding 10% or more units of the Fund		
Units issued 48,321,041 units (2022: Nil units)	2,850,502	-
Units redeemed 24,307,724 units (2022: Nil units)	1,420,555	-
Refund of Capital	180,861	-

17 FINANCIAL INSTRUMENTS BY CATEGORY

----- 2023 -----			
At amortised cost	At fair value through profit or loss	Total	
----- (Rupees in '000) -----			
Financial assets			
Balances with banks	2,340,015	-	2,340,015
Investments	-	9,479,354	9,479,354
Receivable against conversion of units	3,037	-	3,037
Deposit and other receivables	313,083	-	313,083
	<u>2,656,135</u>	<u>9,479,354</u>	<u>12,135,489</u>
Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	19,081	-	19,081
Payable to Central Depository Company of Pakistan Limited - Trustee	959	-	959
Payable to Meezan Bank Limited	505	-	505
Payable against redemption and conversion of units	314,198	-	314,198
Accrued expenses and other liabilities	1,849	-	1,849
	<u>336,592</u>	<u>-</u>	<u>336,592</u>

----- 2022 -----			
At amortised cost	At fair value through profit or loss	Total	
----- (Rupees in '000) -----			
Financial assets			
Balances with banks	3,440,427	-	3,440,427
Investments	-	15,097,091	15,097,091
Receivable against conversion of units	86,611	-	86,611
Deposit and other receivables	322,173	-	322,173
	<u>3,849,211</u>	<u>15,097,091</u>	<u>18,946,302</u>
Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	13,144	-	13,144
Payable to Central Depository Company of Pakistan Limited - Trustee	1,408	-	1,408
Payable to Meezan Bank Limited	1,164	-	1,164
Payable against redemption and conversion of units	65,446	-	65,446
Accrued expenses and other liabilities	2,471	-	2,471
	<u>83,633</u>	<u>-</u>	<u>83,633</u>

18 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.

18.1 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, 2023, the Fund is exposed to such risk on its balances held with banks and investments in sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based sukuk certificates and balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs.113.689 million (2022: Rs.175.053 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds fixed rate GoP Ijara sukuk certificates which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs.4.504 million (2022: Rs.10.322 million).

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 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, 2023 can be determined as follows:

	Effective profit rate (%)	2023				Total
		Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
		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	6.74% - 20.50%	2,339,975	-	-	40	2,340,015
Investments	Weighted Average 6 months T-Bills & KIBOR + 0.8% to KIBOR +2.5%	1,488,244	7,502,186	-	488,924	9,479,354
Receivable against conversion of units		-	-	-	3,037	3,037
Deposit and other receivables		-	-	-	313,083	313,083
		3,828,219	7,502,186	-	805,084	12,135,489
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	19,081	19,081
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	959	959
Payable to Meezan Bank Limited		-	-	-	505	505
Payable against redemption and conversion of units		-	-	-	314,198	314,198
Accrued expenses and other liabilities		-	-	-	1,849	1,849
		-	-	-	336,592	336,592
On-balance sheet gap (a)		3,828,219	7,502,186	-	468,492	11,798,897
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		3,828,219	7,502,186	-		
Cumulative interest rate sensitivity gap		3,828,219	11,330,405	11,330,405		

----- 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	3.00% - 16.25%	3,440,383	-	-	44	3,440,427
Investments - Sukuk certificates	Weighted Average 6 months T-Bills & KIBOR + 0.5% to KIBOR +2.5%	13,101,441	1,995,650	-	-	15,097,091
Receivable against conversion of units		-	-	-	86,611	86,611
Deposit and other receivables		-	-	-	322,173	322,173
		16,541,824	1,995,650	-	408,828	18,946,302
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	13,144	13,144
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,408	1,408
Payable to Meezan Bank Limited		-	-	-	1,164	1,164
Payable against conversion and redemption of units		-	-	-	65,446	65,446
Accrued expenses and other liabilities		-	-	-	2,471	2,471
		-	-	-	83,633	83,633
On-balance sheet gap (a)		16,541,824	1,995,650	-	325,195	18,862,669
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		16,541,824	1,995,650	-		
Cumulative interest rate sensitivity gap		16,541,824	18,537,474	18,537,474		

(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.

18.2 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, 2023.

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:

----- 2023 -----						
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	2,340,015	-	-	-	-	2,340,015
Investments	-	-	-	2,560,721	6,918,633	9,479,354
Receivable against conversion of units	3,037	-	-	-	-	3,037
Deposit and other receivables	78,048	38,951	193,280	-	2,804	313,083
	2,421,100	38,951	193,280	2,560,721	6,918,633	12,135,489

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	19,081	-	-	-	-	19,081
Payable to Central Depository Company of Pakistan Limited - Trustee	959	-	-	-	-	959
Payable to Meezan Bank Limited	505	-	-	-	-	505
Payable against redemption and conversion of units	314,198	-	-	-	-	314,198
Accrued expenses and other liabilities	825	1,024	-	-	-	1,849
	335,568	1,024	-	-	-	336,592

Net financial assets / (liabilities)

	2,085,532	37,927	193,280	2,560,721	6,918,633	2,804	11,798,897
--	-----------	--------	---------	-----------	-----------	-------	------------

----- 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	3,440,427	-	-	-	-	3,440,427
Investments	552,203	-	350,000	4,489,947	9,704,941	15,097,091
Receivable against conversion of units	86,611	-	-	-	-	86,611
Deposit and other receivables	88,895	190,949	39,525	-	2,804	322,173
	4,168,136	190,949	389,525	4,489,947	9,704,941	18,946,302

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	13,144	-	-	-	-	13,144
Payable to Central Depository Company of Pakistan Limited - Trustee	1,408	-	-	-	-	1,408
Payable to Meezan Bank Limited	1,164	-	-	-	-	1,164
Payable against redemption and conversion of units	65,446	-	-	-	-	65,446
Accrued expenses and other liabilities	1,481	990	-	-	-	2,471
	82,643	990	-	-	-	83,633

Net financial assets / (liabilities)

	4,085,493	189,959	389,525	4,489,947	9,704,941	2,804	18,862,669
--	-----------	---------	---------	-----------	-----------	-------	------------

18.3 Credit risk

- 18.3.1** 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, credit exposure arising as a result of investment in debt securities, profit receivable on debt securities and receivable against conversion of units.

Credit risk arising on the debt instruments other than government securities is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

	2023		2022	
	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	2,340,015	2,340,015	3,440,427	3,440,427
Investments in debt instruments	9,479,354	2,095,897	15,097,091	4,558,414
Receivable against conversion of units	3,037	3,037	86,611	86,611
Deposit and other receivables	313,083	310,379	322,173	319,469
	12,135,489	4,749,328	18,946,302	8,404,921

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in government securities and related profit receivable, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

18.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, investment in sukuk certificates, commercial papers and related profit receivable thereon. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
AAA	32.46%	56.00%
AA+	0.09%	-
AA	0.04%	-
AA-	0.73%	0.01%
A+	1.73%	43.99%
A	64.95%	-
	100.00%	100.00%

Ratings of investments have been disclosed in related notes to these financial statements. Since, the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

18.3.3 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, 2023 and June 30, 2022 are unsecured and are not impaired except for sukuk certificates Arzoo Textiles Limited, Security Leasing Corporation II, Eden Housing Limited, Hascol Petroleum Limited and Shakarganj Food Products Limited as disclosed in note 6 to these financial statements.

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	2023			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	9,479,354	-	9,479,354
Commercial papers	-	-	-	-
	<u>-</u>	<u>9,479,354</u>	<u>-</u>	<u>9,479,354</u>
	2022			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	(Rupees in '000)			
Sukuk certificates	-	14,544,888	-	14,544,888
Commercial papers **	-	552,203	-	552,203
	<u>-</u>	<u>15,097,091</u>	<u>-</u>	<u>15,097,091</u>

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

** The valuation of commercial papers has been done based on amortisation to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and are placed with counterparties which have high credit rating except for the commercial paper of Mughal Iron & Steel Industries Limited which has a tenure of one year, however, this has also been valued on the same basis.

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	23,859	10,101,399	88.03%	23,820	14,717,133	79.08%
Associated companies /						
Directors	3	816	0.01%	6	245,762	1.32%
Insurance companies	2	1,411	0.01%	5	373,706	2.01%
Retirement funds	74	996,335	8.68%	104	1,275,224	6.85%
Private limited companies	75	253,107	2.21%	51	800,071	4.30%
Public limited companies	-	-	0.00%	3	10,306	0.06%
Others	39	121,280	1.06%	77	1,187,234	6.38%
	24,052	11,474,348	100.00%	24,066	18,609,435	100.00%

22 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
JS Global Capital Limited	47.14%	JS Global Capital Limited	31.04%
BIPL Securities Limited	22.73%	Next Capital Limited	26.90%
Next Capital Limited	14.36%	BIPL Securities Limited	14.63%
C & M Management (Private) Limited	4.96%	Paramount Capital (Private) Limited	10.99%
AKD Securities Limited	4.29%	Summit Capital (Private) Limited	8.72%
Continental Exchange (Private) Limited	2.36%	Alfalah CLSA Securities (Private) Limited	4.05%
Arif Habib Limited	1.65%	C & M Management (Private) Limited	3.41%
Invest One Markets Limited	1.15%	BMA Capital Management Limited	0.27%
Alfalah Securities (Private) Limited	1.03%		
Paramount Capital (Private) Limited	0.33%		

22.1 The Fund has traded with only the above mentioned 10 brokers / dealers during the year ended June 30, 2023 (2022: 8 brokers / dealers).

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

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

- Meezan Cash Fund;
- Meezan Fixed Term Fund; and
- Meezan Rozana Amdani Fund

24 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	Position on the Board	Meeting held on			
		16-Aug-22	13-Oct-22	13-Feb-23	12-Apr-23
Mr. Ariful Islam	Chairman	✓	✓	✓	✓
Mr. Muhammad Abdullah Ahmed	Non-Executive	✓	✓	✓	✓
Mr. Moin M. Fudda*	Non-Executive	✓	✓	✓	✓
Mr. Furquan Kidwai	Independent Director	✓	✓	✓	✓
Mr. Mubashar Maqbool	Non-Executive	✓	✓	✓	✓
Mr. Tariq Mairaj	Non-Executive	✓	✓	✓	✓
Mr. Naeem	Non-Executive	✓	✓	✓	✓
Mr. Feroz Rizvi	Independent Director	✓	✓	✓	✓
Ms. Danish Zuberi	Independent Director	✓	x	✓	✓
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	✓	✓	✓	✓

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

25 GENERAL

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

25.2 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

26 DATE OF AUTHORISATION FOR ISSUE

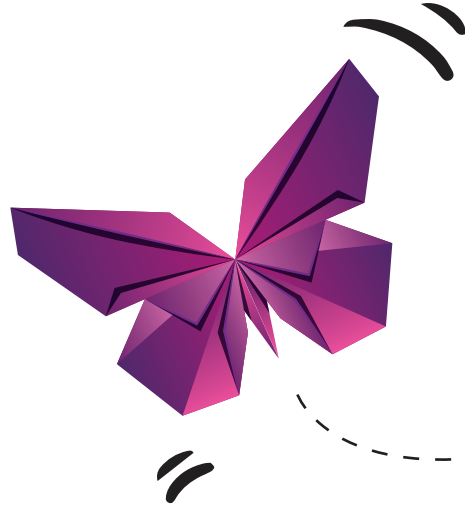
These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

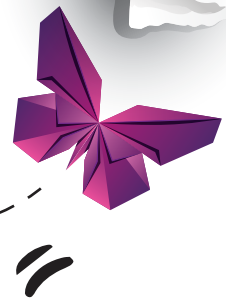


Diverse Fund Family

Al Meezan showcases its commitment to excellence by continuously evolving its product mix and expanding its range of investment solutions to best meet investors' needs.

Meezan Sovereign Fund

Meezan Sovereign Fund is Pakistan's first Shariah Compliant Government Securities Fund. The purpose of the fund is to provide maximum possible preservation of capital and a reasonable rate of return.



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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

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 - Islamic Banking
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
Dubai Islamic Bank Pakistan Limited	Soneri Bank Limited
Faysal Bank Limited - Islamic Banking	The Bank Of Punjab Limited
	UBL Ameen - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Sovereign Fund (MSF)

Type of Fund

Open end Sovereign mutual fund which falls under the category of Income Funds.

Objective

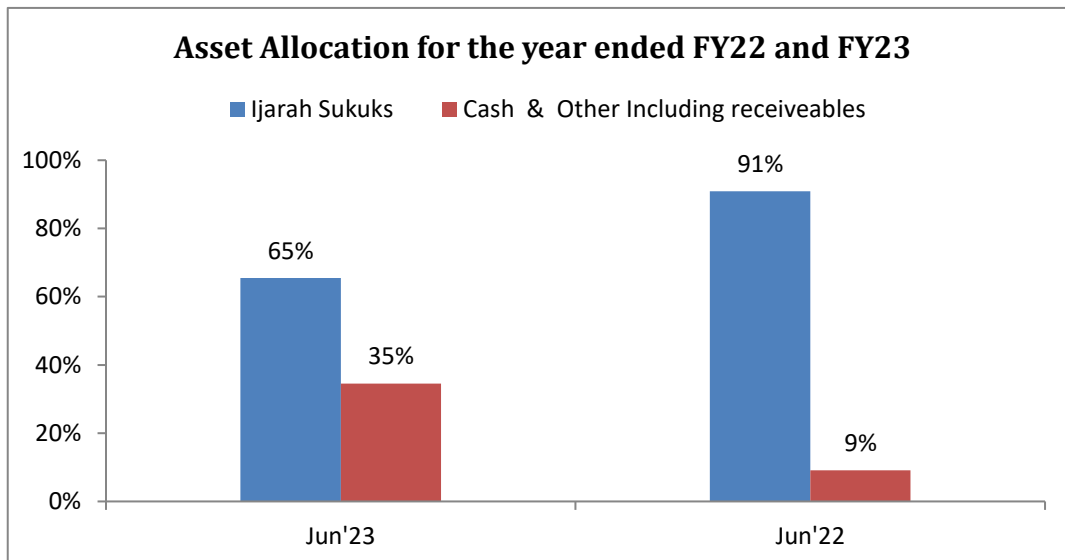
The Fund's primary objective is to provide investors with a low risk and stable rate of current income by primarily investing in Shariah Compliant Sovereign Securities.

Investment Policy and Strategy

The investment policy of the fund demarcates that at least 70% of the net assets of the fund shall be invested in Shariah compliant fixed income government securities on a monthly average basis while at least 10% of the fund size has to be maintained in cash on a monthly average basis. The remaining allocation can be in other permissible Islamic investment avenues. The instruments in which MSF invests are Sovereign Sukuks (Islamic Bonds), Musharaka and Murabaha instruments, Certificate of Islamic Investments, Islamic bank deposits and other Sovereign Islamic income products.

Asset Allocation for the year ended FY22 and FY23

The asset allocation of the fund on June 30, 2022 and June 30, 2023 is as follows:



Performance Review

Meezan Sovereign Fund (MSF) provided a return of 15.37% to its investors for the year ended June 30, 2023 against a deposits at Islamic Banks (benchmark) return of 6.06%.



Pure. Profit.



	MSF	Deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 30, 2022	51.67	
Net Asset Value as on June 30, 2023	52.14	
Return for the year	15.37%	6.06%
Underperformance	9.32%	

During the year, the Fund earned a gross income of Rs. 1,031 million, which was primarily due to profit on Sukuks certificates worth Rs. 870 million. Profit on saving accounts at Islamic banks contributed Rs. 197 million. On the other side, the fund accrued realized loss and unrealized loss worth Rs. 6 million and Rs. 30 million respectively. The fund also incurred expenses totalling to Rs. 76 million, which brought the net income figure to Rs. 955 million. The net assets of the Fund as at June 30, 2023 were Rs. 8,133 million as compared to Rs. 6,196 million at the end of last year depicting increase of 31%. The net asset value per unit as at June 30, 2023 was Rs. 52.1375 as compared to Rs. 51.6654 per unit as on June 30, 2022.

Distributions

Interim Pay-out by the Fund during the fiscal year ended June 30, 2023 was Rs. 7.4027 per unit (14.8%). Total distribution made by the fund was Rs. 666 million.

Fund Stability Rating

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

SWWF Disclosure

Not Applicable

Unit holder Break down:

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	9,022
10,000 - 49,999	841
50,000 - 99,999	186
100,000 - 499,999	158
500,000 and above	47
Total	10,254

PERFORMANCE TABLE
MEEZAN SOVEREIGN FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	8,132,964	6,196,077	9,939,252
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	52.1375	51.6654	51.5918
Offer price per unit as at June 30, (Rs.) (ex-distribution)	52.7266	52.2492	52.1747
Highest offer price per unit (Rs.)	59.7355	56.3320	56.0695
Lowest offer price per unit (Rs.)	52.2492	52.1293	51.8486
Highest redemption price per unit (Rs.)	59.0681	55.7026	55.4430
Lowest redemption price per unit (Rs.)	51.6654	51.5469	51.5574
Distribution (%)			
Interim	14.8	8.4	7.8
Final			
Date of distribution			
Interim			
Final	19-Jun-23	24-Jun-22	25-Jun-21
Income distribution (Rupees in '000)	665,732	348,331	617,730
Growth distribution (Rupees in '000)	-	-	-
Total return (%)	15.37	8.27	7.65

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	15.37%	11.76%	10.38%

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

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Sovereign Fund (MSF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Thirteenth year of operations of Meezan Sovereign Fund (the “MSF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



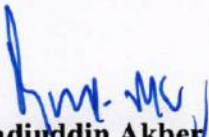
TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN SOVEREIGN FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Sovereign 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Sovereign Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Sovereign Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of debt instruments) held by the Fund represent 96% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR2023100765hIPC8Fb0



**MEEZAN SOVEREIGN FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023**

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
Assets			
Balances with banks	5	3,054,345	384,892
Investments	6	6,444,210	5,794,717
Receivable against conversion of units		92,944	79,729
Deposit, prepayments and other receivables	7	254,588	115,438
Total assets		9,846,087	6,374,776
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	8	9,603	2,521
Payable to Central Depository Company of Pakistan Limited - Trustee	9	423	329
Payable to the Securities and Exchange Commission of Pakistan	10	1,321	1,789
Payable to Meezan Bank Limited		251	516
Payable against redemption and conversion of units		1,582,929	35,110
Dividend payable		386	-
Accrued expenses and other liabilities	11	118,210	138,434
Total liabilities		1,713,123	178,699
Net assets		8,132,964	6,196,077
Unit holders' fund (as per statement attached)		8,132,964	6,196,077
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		155,990,593	119,927,049
		(Rupees)	
Net asset value per unit		52.1375	51.6654

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN SOVEREIGN FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 ----- (Rupees in '000) -----	2022
Income			
Profit on sukuk certificates		869,745	668,615
Net realised loss on sale of sukuk certificates		(5,779)	(18,505)
Profit on savings accounts with banks		196,606	116,275
Other income		-	578
		1,060,572	766,963
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	(29,660)	(2,431)
Total income		1,030,912	764,532
Expenses			
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	33,045	44,732
Sindh Sales Tax on remuneration of the Management Company	8.2	4,296	5,815
Allocated expenses	8.3	9,914	13,419
Selling and marketing expenses	8.4	19,811	26,839
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	3,635	5,172
Sindh Sales Tax on remuneration of the Trustee	9.2	473	672
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	1,321	1,789
Auditors' remuneration	13	554	578
Legal and professional charges		198	184
Fees and subscription		1,128	1,172
Brokerage expense		1,139	643
Printing expenses		10	-
Bank and settlement charges		492	125
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	11.1	-	(40,077)
Total expenses		76,016	61,063
Net income for the year before taxation		954,896	703,469
Taxation	15	-	-
Net income for the year after taxation		954,896	703,469
Allocation of net income for the year			
Net income for the year after taxation		954,896	703,469
Income already paid on units redeemed		(499,100)	(434,081)
		455,796	269,388
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		455,796	269,388
		455,796	269,388

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN SOVEREIGN FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	----- (Rupees in '000) -----	
Net income for the year after taxation	954,896	703,469
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>954,896</u>	<u>703,469</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN SOVEREIGN FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		954,896	703,469
Adjustments for:			
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	29,660	2,431
		<u>984,556</u>	<u>705,900</u>
(Increase) / decrease in assets			
Investments - net		-679,153	1,816,359
Deposit, prepayments and other receivables		-139,150	-26,770
		<u>-818,303</u>	<u>1,789,589</u>
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		7,082	-7,069
Payable to Central Depository Company of Pakistan - Trustee		94	-501
Payable to the Securities and Exchange Commission of Pakistan		-468	-33
Payable to Meezan Bank Limited		-265	-318
Accrued expenses and other liabilities		-20,224	-44,739
		<u>-13,781</u>	<u>-52,660</u>
Net cash generated from operating activities		<u>152,472</u>	<u>2,442,829</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		15,734,603	16,974,539
Payments against redemption and conversion of units		-12,825,181	-20,830,071
Dividend paid		-392,441	-262,606
Net cash generated from / (used in) financing activities		<u>2,516,981</u>	<u>-4,118,138</u>
Net increase / (decrease) in cash and cash equivalents during the year		<u>2,669,453</u>	<u>-1,675,309</u>
Cash and cash equivalents at the beginning of the year		384,892	2,060,201
Cash and cash equivalents at the end of the year	5	<u>3,054,345</u>	<u>384,892</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN SOVEREIGN FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the year	5,884,164	311,913	6,196,077	9,634,121	305,131	9,939,252
Issue of 293,143,686 units (2022: 313,601,076 units)						
- Capital value (at net asset value per unit at the beginning of the year)	15,145,386	-	15,145,386	16,179,244	-	16,179,244
- Element of income	875,337	-	875,337	434,015	-	434,015
Total proceeds on issuance of units	16,020,723	-	16,020,723	16,613,259	-	16,613,259
Redemption of 257,080,143 units (2022: 386,325,726 units)						
- Capital value (at net asset value per unit at the beginning of the year)	13,282,148	-	13,282,148	19,931,240	-	19,931,240
- Element of income	591,752	499,100	1,090,852	346,251	434,081	780,332
Total payments on redemption of units	13,873,900	499,100	14,373,000	20,277,491	434,081	20,711,572
Total comprehensive income for the year	-	954,896	954,896	-	703,469	703,469
Distribution for the year ended June 30, 2023	-	(392,827)	(392,827)	-	-	-
Refund of capital for the year ended June 30, 2023	(272,905)	-	(272,905)	-	-	-
Distribution for the year ended June 30, 2022	-	-	-	-	(262,606)	(262,606)
Refund of capital for the year ended June 30, 2022	-	-	-	(85,725)	-	(85,725)
Total distribution during the year	(272,905)	(392,827)	(665,732)	(85,725)	(262,606)	(348,331)
Net assets at the end of the year	7,758,082	374,882	8,132,964	5,884,164	311,913	6,196,077
Undistributed income brought forward						
- Realised income		314,344			203,956	
- Unrealised income		(2,431)			101,175	
		311,913			305,131	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		455,796			269,388	
		455,796			269,388	
Interim distribution during the year at Rs. 7.4027 per unit i.e. 14.8054% of the par value of Rs. 50/- each (June 16, 2023)		(392,827)			-	
Interim distribution during the year at Rs. 4.1829 per unit i.e. 8.3658% of the par value of Rs. 50/- each (June 24, 2022)		-			(262,606)	
Undistributed income carried forward		374,882			311,913	
Undistributed income carried forward						
- Realised income		404,542			314,344	
- Unrealised loss		(29,660)			(2,431)	
		374,882			311,913	
Net asset value per unit at the beginning of the year			51.6654			51.5918
Net asset value per unit at the end of the year			52.1375			51.6654

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN SOVEREIGN FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Sovereign Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above mentioned Trust Deed has been registered under the Sindh Trust Act. 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, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unit holders preservation of capital along with Halal returns by investing primarily in a portfolio of Shariah compliant government securities, thus minimising the credit risk of investments. The Fund also keeps an exposure in short-term near cash instruments for the purpose of maintaining liquidity and to capitalise on high returns if available at any given point of time. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open end Shariah Compliant (Islamic) Income Scheme, listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of 'AA(f)' by VIS Credit Rating Company Limited dated January 03, 2023 (2022: 'AA(f)' December 27, 2021).
- 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 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 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments	Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8 Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising from a - Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1 Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16 Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7 Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 - and IFRS 7	January 01, 2024
IAS 12 International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:



**IASB Effective date
(annual periods
beginning on or after)**

Standards

IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Company's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

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

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

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 Debt instruments

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

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

based on the business model of the entity.

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

4.2.3 Impairment

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

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

4.2.3.1 Impairment loss on debt securities

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

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

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.

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;
- Income on sukuk certificates and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; 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 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.13 Earnings per unit

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

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

4.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
5 BALANCES WITH BANKS			
Balances with banks in:			
Savings accounts	5.1	3,054,340	384,888
Current accounts		5	4
		<u>3,054,345</u>	<u>384,892</u>

5.1 This includes balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10.00% (2022: 6.01%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 6.74% to 20.5% (2022: 3.00% to 16.25%) per annum.

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
6 INVESTMENTS			
Investments - 'at fair value through profit or loss'			
Sukuk certificates	6.1	<u>6,444,210</u>	<u>5,794,717</u>
6.1 Sukuk certificates			
Government securities	6.1.1	6,421,246	5,761,444
Corporate sukuk certificates	6.1.2	22,964	33,273
		<u>6,444,210</u>	<u>5,794,717</u>

6.1.1 Government securities

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised diminution as at June 30, 2023	Percentage in relation to	
					----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the Fund	Total market value of investments	
Pakistan Energy Sukuk I	Semi-annually / At maturity	March 1, 2019	March 1, 2029	6 months KIBOR plus base rate of 0.80%	150,000	-	-	150,000	801,000	801,000	-	9.85%	12.43%
Pakistan Energy Sukuk II	Semi-annually / At maturity	May 21, 2020	May 21, 2030	6 months KIBOR minus base rate of 0.10%	984,200	110,000	180,000	914,200	4,599,157	4,571,914	(27,243)	56.21%	70.95%
GoP Ijarah Sukuk Certificates - XXX - VRR	Semi-annually / At maturity	April 17, 2023	April 17, 2024	Weighted average 6 months T-Bills	-	7,000	3,500	3,500	350,332	350,199	(133)	4.31%	5.43%
GoP Ijarah Sukuk Certificates - XXXI - VRR	Semi-annually / At maturity	May 22, 2023	May 22, 2024	Weighted average 6 months T-Bills	-	7,000	3,500	3,500	350,403	350,233	(170)	4.31%	5.43%
GoP Ijarah Sukuk Certificates - XXI - VRR	Semi-annually / At maturity	July 29, 2020	July 29, 2025	Weighted average 6 months T-Bills	-	7,000	3,500	3,500	348,023	347,900	(123)	4.28%	5.40%
GoP Ijarah Sukuk Certificates - XVIII - FRR	Semi-annually / At maturity	March 8, 2023	March 8, 2024	Weighted average 6 months T-Bills	-	3,000	3,000	-	-	-	-	0.00%	0.00%
GoP Ijarah Sukuk Certificates - XXIV - VRR	Semi-annually / At maturity	October 29, 2021	October 29, 2026	Weighted average 6 months T-Bills	50	2,000	2,050	-	-	-	-	0.00%	0.00%
Total as at June 30, 2023									6,448,915	6,421,246	(27,669)	78.96%	99.64%
Total as at June 30, 2022									5,766,001	5,761,444	(4,557)		

6.1.1.1 The nominal value of these sukuk certificates is Rs.100,000 each except for Pakistan Energy sukuk certificates I and II having nominal value of Rs.5,000 each.

6.1.2 Corporate sukuk certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
				----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the Fund	Total market value of investments	
Power generation & distribution												
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded)	Semi-annually	June 29, 2026	6 months KIBOR plus base rate of 1.13%	720	-	-	720	24,955	22,964	(1,991)	0.28%	0.36%
Total as at June 30, 2023								24,955	22,964	(1,991)	0.28%	0.36%
Total as at June 30, 2022								31,147	33,273	2,126		

6.1.2.1 The nominal value of these sukuk certificates is Rs.31,500 each.

	Note	2023	2022
		----- (Rupees in '000) -----	
6.2	Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		
Market value of investments	6.1.1 & 6.1.2	6,444,210	5,794,717
Less: Carrying value of investments	6.1.1 & 6.1.2	(6,473,870)	(5,797,148)
		<u>(29,660)</u>	<u>(2,431)</u>
7	DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES		
Security deposit with Central Depository Company of Pakistan Limited		100	100
Prepayments		219	177
Profit receivable on balances with banks		37,917	3,331
Profit receivable on sukuk certificates		215,957	111,436
ATM deposit with Meezan Bank Limited		395	394
		<u>254,588</u>	<u>115,438</u>
8	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Remuneration payable	8.1	974	416
Sindh Sales Tax payable on remuneration of the Management Company	8.2	127	54
Allocated expenses payable	8.3	1,020	47
Selling and marketing expenses payable	8.4	5,480	1,787
Sales load payable		1,772	192
Sindh Sales Tax on sales load payable		230	25
		<u>9,603</u>	<u>2,521</u>
8.1	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 0.5% (2022: 0.5%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.		
8.2	During the year, an amount of Rs.4.296 million (2022: Rs.5.815 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.4.223 million (2022: Rs.5.796 million) has been paid to the Management Company which acts as a collecting agent.		
8.3	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 rate of 0.15% (2022: 0.15%) of the average annual net assets of the Fund during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.		
8.4	In accordance with Circular 11 dated July 05, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, charged selling and marketing expense at the rate of 0.3% during the year ended June 30, 2023 (2022: 0.3%) per annum of the average annual net assets of the Fund subject to the total expense charged not being higher than actual expense incurred.		
		Note	2023
			2022
		----- (Rupees in '000) -----	
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
Remuneration payable	9.1	374	291
Sindh Sales Tax payable on remuneration of the Trustee	9.2	49	38
		<u>423</u>	<u>329</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged trustee fee 0.055% during the year ended June 30, 2023 (2022: 0.055%)

9.2 During the year, an amount of Rs.0.473 million (2022: Rs.0.672 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.0.462 million (2022: Rs.0.703 million) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

10.1 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% (2022: 0.02%) of the average annual net assets of the Fund.

	Note	2023	2022
		----- (Rupees in '000) -----	
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		333	368
Brokerage payable		513	377
Shariah advisor fee payable		218	268
Withholding tax payable		-	41,908
Capital gain tax payable		34,338	12,763
Zakat payable		169	111
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	11.1	80,077	80,077
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	11.1	2,562	2,562
		<u>118,210</u>	<u>138,434</u>

11.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration made was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 04, 2013, a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution, the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs.82.639 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2023 would have been higher by Re.0.53 (2022: Re.0.69) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022
	----- (Rupees in '000) -----	
13 AUDITORS' REMUNERATION		
Annual audit fee	361	302
Fee for half yearly review of condensed interim financial statements	168	150
Fee for other certifications	-	102
Out of pocket expenses	25	24
	<u>554</u>	<u>578</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.15% (2022: 1.13%) which includes 0.09% (2022: 0.09%) 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 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Income Scheme'.

15 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed at least 90% of the Fund's accounting income for the year ended June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unit holders, 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.

16 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	2023	2022
	----- (Rupees in '000) -----	
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	974	416
Sindh Sales Tax payable on remuneration of the Management Company	127	54
Allocated expenses payable	1,020	47
Selling and marketing expenses payable	5,480	1,787
Sales load payable	1,772	192
Sindh Sales Tax on sales load payable	230	25
Investment of Nil units (2022: 9,873,760 units)	-	510,132
Meezan Bank Limited		
Balances with bank	224,245	265,464
Profit receivable on savings accounts	364	88
Sales load payable	222	457
Sindh Sales Tax on sales load payable	29	59
Shariah advisor fee payable	218	268
ATM deposit	395	394
Investment of 9,969 units (2022: 9,969 units)	520	515
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	374	291
Sindh Sales Tax payable on remuneration of the Trustee	49	38
Security deposit	100	100
Meezan Strategic Allocation Fund II - MCPP - V *		
Investment of Nil units (2022: 3 units)	-	-
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 214,472 units (2022: 187,593 units)	11,182	9,691
Directors and Executives of the Management Company		
Investment of 7,175,564 units (2022: 158,349 units)	374,116	8,185

* Nil figures due to rounding off

Transactions during the year	2023	2022
	----- (Rupees in '000) -----	
AI Meezan Investment Management Limited - Management Company		
Remuneration of the Management Company	33,045	44,732
Sindh Sales Tax on remuneration of the Management Company	4,296	5,815
Allocated expenses	9,914	13,419
Selling and marketing expenses	19,811	26,839
Units issued: 33,040,152 units (2022: 9,884,452 units)	1,812,566	510,581
Units redeemed: 42,913,911 units (2022: 19,399,367 units)	2,350,385	1,002,327
Meezan Bank Limited		
Profit on savings accounts	2,549	1,165
Shariah advisor fee	759	806
Units issued: Nil units (2022: 9,969 units)	-	539
Dividend paid	-	14
Cash dividend	74	-
Refund of capital	-	24
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	3,635	5,172
Sindh Sales Tax on remuneration of the Trustee	473	672
CDS charges	72	18

For the year ended June 30,
2023 2022
----- (Rupees in '000) -----

Transactions during the year
Meezan Islamic Income Fund

Sale of Pakistan Energy Sukuk II certificates: Nil sukuk certificates
(2022: 130,000 certificates)

-	662,999

Meezan Strategic Allocation Fund - MCPP - III

Units issued: 2,347,330 units (2022: 4,798,411 units)
Units redeemed: 2,347,330 units (2022: 4,798,411 units)

121,652	257,387
122,151	260,528

Meezan Strategic Allocation Fund II - MCPP - IV

Units issued: 3,430,352 units (2022: 9,205,562 units)
Units redeemed: 3,430,352 units (2022: 9,205,562 units)

177,780	492,845
178,513	500,368

Meezan Strategic Allocation Fund II - MCPP - V

Units issued: 617,773 units (2022: 2,375,613 units)
Units redeemed: 617,776 units (2022: 2,375,609 units)

32,016	127,777
32,149	128,767

Meezan Strategic Allocation Fund II - MCPP - VI

Units issued: 859,215 units (2022: 2,417,989 units)
Units redeemed: 859,215 units (2022: 2,417,989 units)

44,529	129,998
44,713	131,077

Meezan Strategic Allocation Fund II - MCPP - VII

Units issued: 481,352 units (2022: 2,755,659 units)
Units redeemed: 481,352 units (2022: 2,755,659 units)

24,946	148,148
25,049	149,473

Meezan Financial Planning Fund of Funds- Aggressive A.Plan

Units issued: 312,778 units (2022: Nil units)
Units redeemed: 312,778 units (2022: Nil units)

16,210	-
16,276	-

Meezan Financial Planning Fund of Funds- Conservativ A.Plan

Units issued: 862,999 units (2022: Nil units)
Units redeemed: 862,999 units (2022: Nil units)

44,725	-
44,909	-

Meezan Financial Planning Fund of Funds- Moderate A.Plan

Units issued: 598,357 units (2022: Nil units)
Units redeemed: 598,357 units (2022: Nil units)

31,010	-
31,138	-

Meezan Strategic Allocation Fund III - MCPP - IX

Units issued: 3,373,730 units (2022: 1,064,988 units)
Units redeemed: 3,373,730 units (2022: 1,064,988 units)

174,846	56,917
175,564	57,488

AI Meezan Investment Management Limited - Employees Gratuity Fund

Units issued: 26,878 units (2022: 14,069 units)
Dividend paid

1,389	726
1,389	726

Directors and Executives of the Management Company

Units issued: 13,063,939 units (2022: 1,594,737 units)
Units redeemed: 6,046,724 units (2022: 1,979,393 units)
Dividend paid
Refund of capital

712,217	85,412
353,382	106,231
157	243
231	463

17 FINANCIAL INSTRUMENTS BY CATEGORY
Financial assets

----- 2023 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Balances with banks	3,054,345	3,054,345
Investments	-	6,444,210
Receivable against conversion of units	92,944	92,944
Deposit and other receivables	254,369	254,369
	<u>3,401,658</u>	<u>9,845,868</u>

Financial liabilities

----- 2023 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Payable to Al Meezan Investment Management Limited - Management Company	9,603	9,603
Payable to Central Depository Company of Pakistan Limited - Trustee	423	423
Payable against redemption and conversion of units	1,582,929	1,582,929
Payable to Meezan Bank Limited	251	251
Accrued expenses and other liabilities	1,064	1,064
	<u>1,594,270</u>	<u>1,594,270</u>

Financial assets

----- 2022 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Balances with banks	384,892	384,892
Investments	-	5,794,717
Receivable against conversion of units	79,729	79,729
Deposit and other receivables	115,261	115,261
	<u>579,882</u>	<u>6,374,599</u>

Financial liabilities

----- 2022 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Payable to Al Meezan Investment Management Limited - Management Company	2,521	2,521
Payable to Central Depository Company of Pakistan Limited - Trustee	329	329
Payable against redemption and conversion of units	35,110	35,110
Payable to Meezan Bank Limited	516	516
Accrued expenses and other liabilities	1,013	1,013
	<u>39,489</u>	<u>39,489</u>

18 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.

18.1 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, 2023, the Fund is exposed to such risk on its balances held with banks and investments in sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based sukuk certificates and balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 94.986 million (2022: Rs. 61.796 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund did not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 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, 2023 can be determined as follows:

----- 2023 -----					
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	6.74% - 20.5%	3,054,340	-	-	5
Investments	17.65% - 24.10%	1,148,900	5,295,310	-	-
Receivable against conversion of units		-	-	-	92,944
Deposit and other receivables		-	-	-	254,369
		4,203,240	5,295,310	-	347,318
					9,845,868
Financial liabilities					
Payable to AI Meezan Investment Management Limited - Management Company		-	-	-	9,603
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	423
Payable against redemption and conversion of units		-	-	-	1,582,929
Payable to Meezan Bank Limited		-	-	-	251
Accrued expenses and other liabilities		-	-	-	1,064
		-	-	-	1,594,270
					1,594,270
On-balance sheet gap (a)		4,203,240	5,295,310	-	(1,246,952)
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		4,203,240	5,295,310	-	
Cumulative interest rate sensitivity gap		4,203,240	9,498,550	9,498,550	

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	3.00% - 16.25%	384,888	-	-	4
Investments	11.83% - 14.77%	801,000	4,993,717	-	-
Receivable against conversion of units		-	-	-	79,729
Deposit, prepayments and other receivables		-	-	-	115,261
		1,185,888	4,993,717	-	194,994
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	2,521
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	329
Payable against redemption and conversion of units		-	-	-	35,110
Payable to Meezan Bank Limited		-	-	-	516
Accrued expenses and other liabilities		-	-	-	1,013
		-	-	-	39,489
On-balance sheet gap (a)		1,185,888	4,993,717	-	155,505
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		1,185,888	4,993,717	-	
Cumulative interest rate sensitivity gap		1,185,888	6,179,605	6,179,605	

(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.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not hold any instruments that expose it to price risk (other than those arising from profit rate risk or currency risk) as of June 30, 2023.

18.2 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, 2023.

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:

----- 2023 -----						
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	3,054,345	-	-	-	-	3,054,345
Investments	-	-	700,432	370,864	5,372,915	6,444,210
Receivable against conversion of units	92,944	-	-	-	-	92,944
Deposit and other receivables	37,917	78,103	137,854	-	495	254,369
	3,185,206	78,103	838,286	370,864	5,372,915	9,845,868
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	9,603	-	-	-	-	9,603
Payable to Central Depository Company of Pakistan Limited - Trustee	423	-	-	-	-	423
Payable against redemption and conversion of units	1,582,929	-	-	-	-	1,582,929
Payable to Meezan Bank Limited	251	-	-	-	-	251
Accrued expenses and other liabilities	513	551	-	-	-	1,064
	1,593,719	551	-	-	-	1,594,270
Net financial assets / (liabilities)	1,591,487	77,552	838,286	370,864	495	8,251,598

----- 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	384,892	-	-	-	-	384,892
Investments	-	-	38,270	5,756,447	-	5,794,717
Receivable against conversion of units	79,729	-	-	-	-	79,729
Deposit and other receivables	3,331	-	111,436	-	494	115,261
	467,952	-	111,436	38,270	5,756,447	6,374,599
Financial liabilities						
Payable to Al Meezan Investment Management Limited Management Company	2,521	-	-	-	-	2,521
Payable to the Central Depository Company of Pakistan Limited - Trustee	329	-	-	-	-	329
Payable against redemption and conversion of units	35,110	-	-	-	-	35,110
Payable to Meezan Bank Limited	516	-	-	-	-	516
Accrued expenses and other liabilities	377	636	-	-	-	1,013
	38,853	636	-	-	-	39,489
Net financial assets / (liabilities)	429,099	(636)	111,436	38,270	5,756,447	6,335,110

18.3 Credit risk

- 18.3.1** 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, credit exposure arising as a result of investment in debt securities, profit receivable on debt securities and receivable against conversion of units.

Credit risk arising on the debt instruments other than government securities is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

	2023		2022	
	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	3,054,345	3,054,345	384,892	384,892
Investments	6,444,210	22,964	5,794,717	33,273
Receivable against conversion of units	92,944	92,944	79,729	79,729
Deposits and other receivables	254,369	38,044	115,261	3,458
	9,845,868	3,208,297	6,374,599	501,352

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in government securities and related profit receivable, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

18.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2023	2022
Balances with banks		
AAA	97.65	75.04
AA+	0.10	0.70
AA	0.30	3.31
A+	0.30	20.92
AA-	1.65	0.03
	100.00	100.00

Ratings of investments have been disclosed in related notes to these financial statements. Since, the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

18.3.3 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, 2023 and June 30, 2022 are unsecured and are not impaired.

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

2023			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
ASSETS			
Financial assets 'at fair value through profit or loss'			
Sukuk certificates	-	6,444,210	-
	<u>6,444,210</u>		<u>6,444,210</u>
ASSETS			
Financial assets 'at fair value through profit or loss'			
Sukuk certificates	-	5,794,717	-
	<u>5,794,717</u>		<u>5,794,717</u>

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	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	10,120	5,888,601	72.41	8,314	4,400,331	71.01
Associated companies / Directors	5	374,464	4.60	6	525,314	8.48
Insurance companies	4	81,258	1.00	4	172,839	2.79
Retirement funds	51	944,868	11.62	49	575,567	9.29
Others	74	843,773	10.37	74	522,026	8.43
Total	<u>10,254</u>	<u>8,132,964</u>	<u>100.00</u>	<u>8,447</u>	<u>6,196,077</u>	<u>100.00</u>

22 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
JS Global Capital Limited	52.61	Summit Capital (Private) Limited	21.97
BIPL Securities Limited	22.33	BIPL Securities Limited	18.01
Invest One Markets Limited	20.84	JS Global Capital Limited	60.02
Arif Habib Limited	1.99		
Alfalah CLSA Securities Pvt Ltd	1.24		

22.1 The Fund has traded with only the above mentioned 5 brokers / dealers during the year ended June 30, 2023 (2022: 3 brokers / dealers).

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

23.2 The Fund manager of the Fund is Mr. Zohaib Saeed. Other Fund being managed by the Fund Manager is as follows:
- Meezan Daily Income Fund

24 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 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

* Mr. Moin M. Fudda resigned from the Board on June 09, 2023.

25 GENERAL

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

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director



Nationwide Presence

Al Meezan's presence in 13 major cities and through over 950 branches of Meezan Bank in 300 cities aligns with its commitment to expanding nationwide presence and services contributing to the financial well-being of the people.

Meezan Daily Income Fund

Meezan Daily Income Fund is an Allocation Plan under "Meezan Daily Income Fund (MDIF)" with an objective to provide investors with a competitive rate of return, together with daily payout, through investment in Shariah Compliant Fixed Income Instruments.

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)	Allied Bank Limited - Islamic Banking
Askari Bank Ltd - Islamic Banking	Bank Islami Pakistan Limited
Bank of Khyber - Islamic Banking	Bank Alfalah Limited
Habib Bank Limited - Islamic Banking	Dubai Islamic Bank
Soneri Bank Ltd - Islamic Banking	Faysal Bank Limited - Islamic Banking
United Bank Limited- Islamic Banking	Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited	The Bank of Punjab - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Daily Income Plan (MDIP-I) (Managed under Meezan Daily Income Fund)

Type of Fund

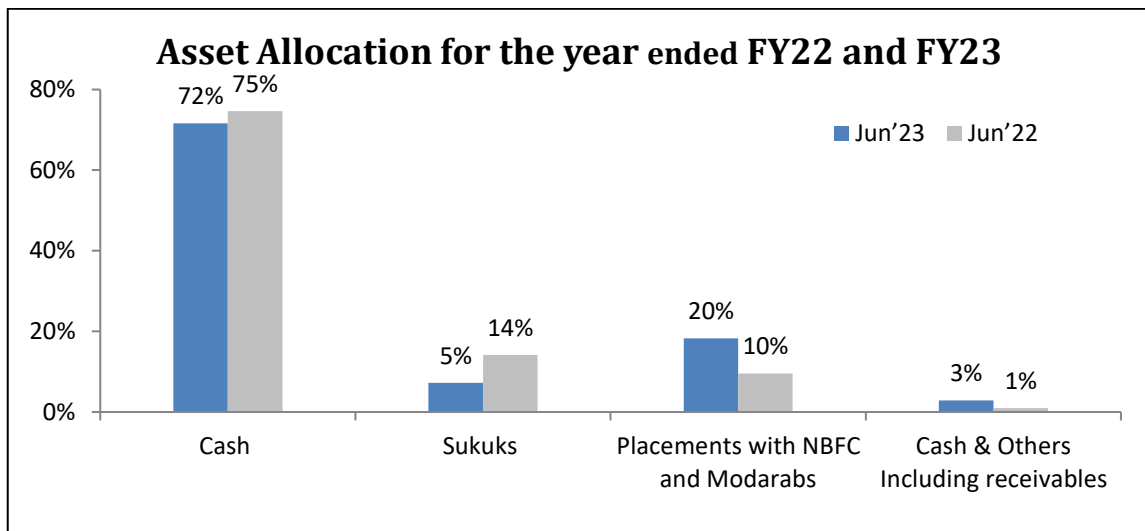
Open ended Shariah Compliant Fixed Income fund investing primarily in Shariah Compliant Fixed Income Instruments.

Objective

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

Investment Policy and Strategy

The fund provides investors with the opportunity to park their excess liquidity in secure high quality instruments. To minimize the credit risk, the investment policy limits the investment avenues to short term tenors in corporate sukuk. As per its investment policy, MDIP I can invest or place funds in instruments with a credit rating of at least 'double A' (AA).



Performance Review

Meezan Daily Income Fund (MDIP-I) provided a return of 16.86% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 6.06%

	MDIP-I	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 30, 2022	49.98	
Net Asset Value as on June 30, 2023	49.92	
Return for the year	16.86%	6.06%
Outperformance	10.81%	

Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks



Pure. Profit.



The Fund earned a gross income of Rs. 11,266 million, which was primarily due to profit on bank deposits, placements, bai muajjal and Sukuks amounting to Rs. 11,240 million. The fund also incurred expenses totalling to Rs. 591 million, which brought the net income figure to Rs. 10,675 million. The net assets of the Fund as at June 30, 2023 were Rs. 91,147 million. The net asset value per unit as at June 30, 2023 was Rs. 50 (Ex-dividend).

Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 7.7880 per unit (15.58%).

Total distribution made by the fund was Rs. 10,675 million.

Fund Stability Rating

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

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	5,880
10,000 - 49,999	8,212
50,000 - 99,999	2,921
100,000 - 499,999	2,907
500,000 and above	557
Total	20,477



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Mahana Munafa Plan (MMMP-I) (Managed under Meezan Daily Income Fund)

Type of Fund

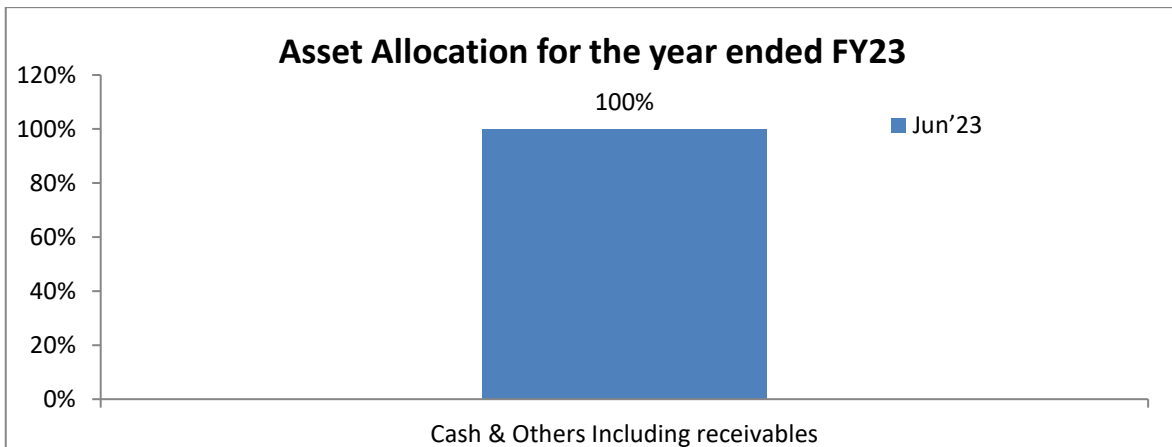
Open ended Shariah Compliant Fixed Income Plan investing primarily in Shariah Compliant Fixed Income Instruments.

Objective

The Investment Objective of the Plan is to provide Investors with a competitive rate of return, together with monthly profit, through investment in Shariah Compliant fixed income instruments.

Investment Policy and Strategy

The fund provides investors with the opportunity to park their excess liquidity in secure high quality instruments. To minimize the credit risk, the investment policy limits the investment avenues to short term tenors in corporate sukuk. As per its investment policy, MDIP I can invest or place funds in instruments with a credit rating of at least 'double A' (AA).



Performance Review

Meezan Mahana Munafa Plan (MMMP-I) provided a return of 15.28% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 6.52%

Launched date October 28, 2022

	MMMP-I	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on October 28, 2022	50.00	
Net Asset Value as on June 30, 2023	49.93	
Return for the year	15.28%	6.52%
Outperformance	8.75%	

Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks



Pure. Profit.



The Fund earned a gross income of Rs. 504 million, which was primarily due to profit on bank deposits and placements amounting to Rs. 504 million. The fund also incurred expenses totalling to Rs. 57 million, which brought the net income figure to Rs. 446 million. The net assets of the Fund as at June 30, 2023 were Rs. 5,543 million. The net asset value per unit as at June 30, 2023 was Rs. 50 (Ex-dividend).

Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 4.8797 per unit (9.76%). Total distribution made by the fund was Rs. 446 million.

Fund Stability Rating

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

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	316
10,000 - 49,999	686
50,000 - 99,999	250
100,000 - 499,999	278
500,000 and above	34
Total	1,564



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Sehl Account Plan (MDIP-SHEL) (Managed under Meezan Daily Income Fund)

Type of Fund

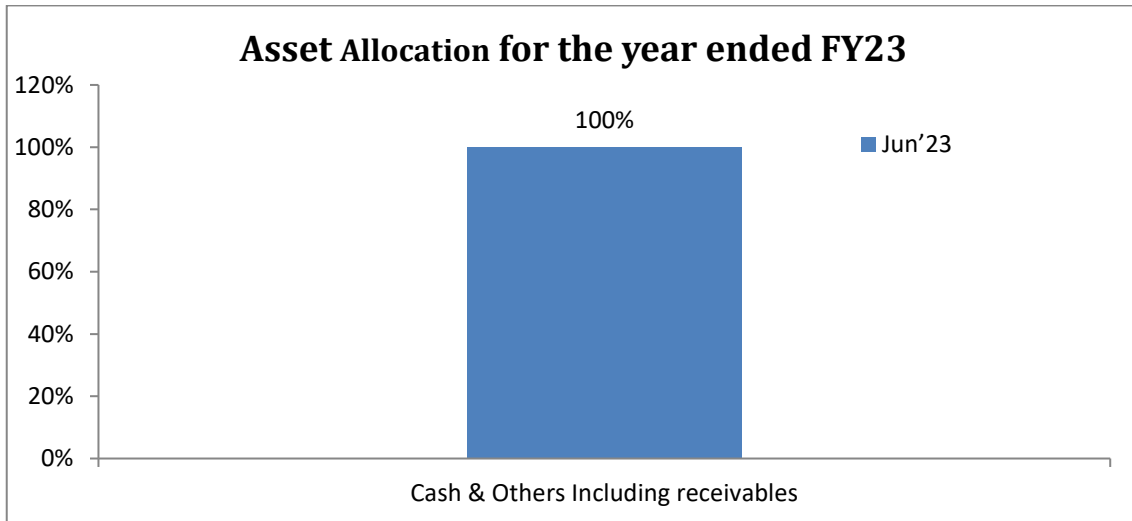
Open ended Shariah Compliant Fixed Income Plan investing primarily in Shariah Compliant Money Market & Fixed Income Instruments (Sukuks).

Objective

The investment objective of the Plan is to meet liquidity needs of investors by providing investors with a 24/7 access to their invested funds through investment in Shariah Compliant Fixed Income and money market instruments.

Investment Policy and Strategy

The fund provides investors with the opportunity to park their excess liquidity in secure high quality instruments. To minimize the credit risk, the investment policy limits the investment avenues to short term tenors in corporate sukuk. As per its investment policy, MDIP I can invest or place funds in instruments with a credit rating of at least 'double A' (AA).



Performance Review

Meezan Sehl Account Plan (MDIP-SHEL) provided a return of 8.72% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 7.08%

Launched date June 19, 2023

	MDIP-SHEL	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 19, 2023	50.00	
Net Asset Value as on June 30, 2023	50.13	
Return for the year	8.72%	7.08%
Outperformance	1.64%	

Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks



Pure. Profit.



The Fund earned a gross income of Rs. 0.006 million, which was primarily due to profit on bank deposits amounting to Rs. 0.006 million. The fund also incurred expenses totalling to Rs. 0.001 million, which brought the net income figure to Rs. 0.005 million. The net assets of the Fund as at June 30, 2023 were Rs. 4 million. The net asset value per unit as at June 30, 2023 was Rs. 50.1314.

Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was nil (0.00%).
No distribution made by the fund.

Fund Stability Rating

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

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	1,716
10,000 - 49,999	0
50,000 - 99,999	0
100,000 - 499,999	0
500,000 and above	0
Total	1,716

PERFORMANCE TABLE**MEEZAN DAILY INCOME FUND - MDIP I**

	MDIP I		MMMP	SEHL
	2023	2022	2023	2023
Net assets (Rs. '000) (ex-distribution)	91,146,922.00	30,648,644.00	5,543,205.00	4,117.00
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	50.0000	50.0000	50.0000	50.1314
Offer price per unit as at June 30, (Rs.) (ex-distribution)	50.5650	50.5650	50.0000	50.1314
Highest offer price per unit (Rs.)	50.5650	50.5650	50.0000	50.4401
Lowest offer price per unit (Rs.)	50.5650	50.5650	50.0000	50.0000
Highest redemption price per unit (Rs.)	50.0000	50.0000	50.0000	50.4401
Lowest redemption price per unit (Rs.)	50.0000	50.0000	50.0000	50.0000
Distribution (%)				
Interim	15.58	8.07	9.7594	-
Final				
Date of distribution				
Interim				
Final				
Income distribution (Rupees in '000)	10,674,949	1,482,226	446,334	-
Growth distribution (Rupees in '000)	-	-	-	-
Total return (%)	16.86	10.58	15.28	8.72

	One Year	Two Years	One Year	One Year
Average annual return as at June 30, 2023 (%)	16.86%	13.68%	15.28%	8.72%

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

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor – Meezan Daily Income Fund (MDIF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Second year of operations of Meezan Daily Income Fund (the “MDIF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah 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 DAILY INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Daily Income 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Daily Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Daily Income Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of debt instruments) held by the Fund represent 97% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

5

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

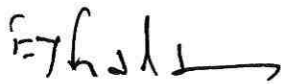
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR2023100762bjTGztgw



**MEEZAN DAILY INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023**

	2023				2022	
	MDIP-I	MMMP	SEHL	Total	MDIP-I	
Note	------(Rupees in '000)-----					
Assets						
Balances with banks	5	65,828,982	5,518,840	4,132	71,351,954	22,995,517
Investments	6	23,450,000	-	-	23,450,000	7,294,000
Receivable against conversion of units		1,077,419	252	-	1,077,671	47,229
Deposits, prepayments and profit receivable	7	1,570,316	75,556	6	1,645,878	484,814
Preliminary expenses and floatation costs	8	495	-	-	495	648
Total assets		91,927,212	5,594,648	4,138	97,525,998	30,822,208
Liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	9	111,718	4,960	1	116,679	8,087
Payable to Central Depository Company of Pakistan Limited - Trustee	10	7,128	400	-	7,528	2,072
Payable to the Securities and Exchange Commission of Pakistan	11	13,301	587	-	13,888	2,638
Payable to Meezan Bank Limited		79,963	-	-	79,963	15,378
Payable against conversion and redemption of units		205,715	24,688	-	230,403	107,446
Dividend payable		138,224	7,979	-	146,203	-
Accrued expenses and other liabilities	12	224,241	12,829	20	237,090	37,943
Total liabilities		780,290	51,443	21	831,754	173,564
Net assets		91,146,922	5,543,205	4,117	96,694,244	30,648,644
Unit holders' fund (as per statement attached)		91,146,922	5,543,205	4,117	96,694,244	30,648,644
Contingencies and commitments						
	13	-----Number of units-----				
Number of units in issue		1,822,938,406	110,864,138	82,118		612,972,871
		-----Rupees-----				
Net asset value per unit		50.0000	50.0000	50.1314		50.0000

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

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

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN DAILY INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023	For the period from October 29, 2022 to June 30, 2023	For the period from June 19, 2023 to June 30, 2023	Total	For the period from September 14, 2021 to June 30, 2022	
	MDIP-I	MMMP	SEHL		MDIP-I	
Note ----- (Rupees in '000) -----						
Income						
Profit on sukuks	1,257,765	-	-	1,257,765	166,703	
Income on commercial papers	-	-	-	-	31,281	
Profit on term deposit receipts and certificate of musharaka	2,945,152	1,774	-	2,946,926	173,491	
Profit on savings accounts with banks	6,457,313	501,767	6	6,959,086	1,170,881	
Profit on Bai muajjal	579,317	-	-	579,317	-	
Net realised gain / (loss) on sale of investment	26,463	-	-	26,463	(235)	
Total income	11,266,010	503,541	6	11,769,557	1,542,121	
Expenses						
Remuneration of Al Meezan Investment Management Limited - Management Company	9.1	298,762	43,158	1	341,921	26,983
Sindh Sales Tax on remuneration of the Management Company	9.2	38,839	5,611	-	44,450	3,508
Selling and marketing expenses	9.3	175,700	4,704	-	180,404	13,093
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	49,881	2,202	-	52,083	9,892
Sindh Sales Tax on remuneration of the Trustee	10.2	6,484	286	-	6,770	1,286
Annual fee to the Securities and Exchange Commission of Pakis	11	13,301	587	-	13,888	2,638
Auditors' remuneration		382	21	-	403	212
Brokerage expenses		3,086	1	-	3,087	38
Bank and settlement charges		3,161	50	-	3,211	568
Allocated expense	9.4	-	587	-	587	-
Amortisation of preliminary expenses and floatation costs	8	153	-	-	153	121
Printing Charges		18	-	-	18	-
Fees and subscription		1,294	-	-	1,294	1,556
Total expenses		591,061	57,207	1	648,269	59,895
Net income for the period before taxation		10,674,949	446,334	5	11,121,288	1,482,226
Taxation	16	-	-	-	-	-
Net income for the period after taxation		10,674,949	446,334	5	11,121,288	1,482,226
Allocation of net income for the period						
Net income for the period after taxation		10,674,949	446,334	5	11,121,288	1,482,226
Income already paid on units redeemed		-	-	-	-	-
		10,674,949	446,334	5	11,121,288	1,482,226
Accounting income available for distribution						
- Relating to capital gains		26,463	-	-	26,463	-
- Excluding capital gains		10,648,486	446,334	5	11,094,825	1,482,226
		10,674,949	446,334	5	11,121,288	1,482,226

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN DAILY INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2023	For the period from October 29, 2022 to June 30, 2023	For the period from June 19, 2023 to June 30, 2023	Total	For the period from September 14, 2021 to June 30, 2022	
MDIP-I	MMMP	SEHL		MDIP-I	
(Rupees in '000)					
Net income for the period after taxation	10,674,949	446,334	5	11,121,288	1,482,226
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	10,674,949	446,334	5	11,121,288	1,482,226

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

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN DAILY INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Nine months period ended June 30, 2023			For the period from October 29, 2022 to June 30, 2023			For the period from June 19, 2023 to June 30, 2023			For the period from September 14, 2021 to June 30, 2022		
	MDIP-I			MMMP			SEHL			MDIP-I		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)											
Net assets at the beginning of the period	30,648,644	-	30,648,644	-	-	-	-	-	-	-	-	-
Issuance of units: MDIP-I 3,477,360,758 units, MMMP 362,581,065 units, SEHL 95,757 units (2022: MDIP-I 1,393,049,810 units, MMMP Nil, SEHL Nil)												
- Capital value (at par value per unit)	173,868,039	-	173,868,039	18,129,051	-	18,129,051	4,788	-	4,788	69,652,491	-	69,652,491
- Element of income	-	-	-	-	-	-	7	-	7	-	-	-
Total proceeds on issuance of units	173,868,039	-	173,868,039	18,129,051	-	18,129,051	4,795	-	4,795	69,652,491	-	69,652,491
Redemption of units: MDIP-I 2,267,395,223 units, MMMP 251,716,927 units, SEHL 13,639 units (2022: MDIP-I 780,076,939 units, MMMP Nil, SEHL Nil)												
- Capital value (at par value per unit)	113,369,761	-	113,369,761	12,585,846	-	12,585,846	682	-	682	39,003,847	-	39,003,847
- Element of loss	-	-	-	-	-	-	1	-	1	-	-	-
Total payments on redemption of units	113,369,761	-	113,369,761	12,585,846	-	12,585,846	683	-	683	39,003,847	-	39,003,847
Total comprehensive income for the period	-	10,674,949	10,674,949	-	446,334	446,334	-	5	5	-	1,482,226	1,482,226
Distributions during the period*	-	(10,674,949)	(10,674,949)	-	(446,334)	(446,334)	-	-	-	-	(1,482,226)	(1,482,226)
Net income for the period less distribution	-	-	-	-	-	-	-	5	5	-	-	-
Net assets at the end of the period	91,146,922	-	91,146,922	5,543,205	-	5,543,205	4,112	5	4,117	30,648,644	-	30,648,644
Accounting income available for distribution												
- Relating to capital gains		26,463			-			-			-	
- Excluding capital gains		10,648,486			446,334			5			1,482,226	
		10,674,949			446,334			5			1,482,226	
Distributions during the period*		(10,674,949)			(446,334)			-			(1,482,226)	
Undistributed income carried forward		-			-			5			-	
Undistributed income carried forward												
- Realised income		-			-			-			-	
- Unrealised income		-			-			5			-	
		-			-			5			-	
		(Rupees)			(Rupees)			(Rupees)			(Rupees)	
Net assets value per unit at the end of the period		50.0000			50.0000			50.1314			50.0000	

* Meezan Daily Income Plan - I and Meezan Mahana Munafa Plan are required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the period ended June 30, 2023 are Rs 7.7880 per unit and Rs 4.8797 per unit respectively

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

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

Chief Executive

Chief Financial Officer

Director

MEEZAN DAILY INCOME FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2023	For the period from October 29, 2022 to June 30, 2023	For the period from June 19, 2023 to June 30, 2023	Total	For the period from September 14, 2021 to June 30, 2022
	MDIP-I	MMMP	SEHL		MDIP-I
Note ----- (Rupees in '000) -----					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation	10,674,949	446,334	5	11,121,288	1,482,226
Adjustment for non-cash items:					
Amortisation of preliminary expenses and floatation costs	153	-	-	153	121
	<u>10,675,102</u>	<u>446,334</u>	<u>5</u>	<u>11,121,441</u>	<u>1,482,347</u>
Increase in assets					
Investments - net	200,000	-	-	200,000	(4,350,000)
Deposits, prepayments and profit receivable	(1,085,502)	(75,556)	(6)	(1,161,064)	(484,814)
Preliminary expenses and floatation costs paid	-	-	-	-	(769)
	<u>(885,502)</u>	<u>(75,556)</u>	<u>(6)</u>	<u>(961,064)</u>	<u>(4,835,583)</u>
Increase in liabilities					
Payable to AI Meezan Investment Management Limited - Management Company	103,631	4,960	1	108,592	8,087
Payable to Central Depository Company of Pakistan Limited - Trustee	5,056	400	-	5,456	2,072
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10,663	587	-	11,250	2,638
Payable to Meezan Bank Limited	64,585	-	-	64,585	15,378
Accrued expenses and other liabilities	186,298	12,829	20	199,147	37,943
	<u>370,233</u>	<u>18,776</u>	<u>21</u>	<u>389,030</u>	<u>66,118</u>
Net cash generated from / (used in) operating activities	<u>10,159,833</u>	<u>389,554</u>	<u>20</u>	<u>10,549,407</u>	<u>(3,287,118)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance and conversion of units	172,837,849	18,128,799	4,795	190,971,443	69,605,262
Payments against redemption and conversion of units	(113,271,492)	(12,561,158)	(683)	(125,833,333)	(38,896,401)
Dividend paid	(10,536,725)	(438,355)	-	(10,975,080)	(1,482,226)
Net cash generated from financing activities	<u>49,029,632</u>	<u>5,129,286</u>	<u>4,112</u>	<u>54,163,030</u>	<u>29,226,635</u>
Net increase in cash and cash equivalents	<u>59,189,465</u>	<u>5,518,840</u>	<u>4,132</u>	<u>64,712,437</u>	<u>25,939,517</u>
Cash and cash equivalents at the beginning of the period	25,939,517	-	-	25,939,517	-
Cash and cash equivalents at the end of the period	<u>18</u> <u>85,128,982</u>	<u>5,518,840</u>	<u>4,132</u>	<u>90,651,954</u>	<u>25,939,517</u>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN DAILY INCOME FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Daily Income Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 13, 2021 under Sindh Trusts Act, 2020 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

1.2 The Fund is an open ended Shariah compliant Income Scheme with allocation plans. The investment objective of the Fund is to earn return by investing in Shariah compliant fixed income instruments and has the following specific features:

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

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

1.3 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 Pakistan Stock Exchange Limited.

1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of A+(f) by VIS Credit Rating Company Limited dated January 19, 2023.

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

1.6 During the current period Meezan Mahana Munafa Plan has been launched as at October 29, 2022 and Meezan SEHL Account Plan has been launched at June 19, 2023.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim 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 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 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 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments	Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8 January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1 January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 Not yet finalised

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRS January 01, 2004
IFRS 17	Insurance Contracts January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

3.6 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these financial statements are set out below.

4.2 Cash and cash equivalents

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

4.3 Financial assets

4.3.1 Initial recognition and measurement

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

4.3.2 Classification and subsequent measurement

a) Debt instruments

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

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

based on the business model of the entity.

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

b) Impairment

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

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

c) Impairment loss on debt securities

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

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

4.3.3 Regular way contracts

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

4.3.4 Derecognition

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

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Provisions

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

4.7 Net asset value per unit

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

4.8 Issue and redemption of units

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

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives subscription money during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

4.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration by the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period. As more fully explained in note 1.2 to the financial statements, the Fund is required to make distribution on each business day.

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

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

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

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Profit on balances with banks, certificate of musharaka and term deposit receipts is recognised on accrual basis.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Income on sukuk certificates and commercial papers is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.

4.12 Expenses

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

4.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.14 Earnings / (loss) per unit

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

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

4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	June 30, 2023				June 30, 2022
		MDIP-I	MMMP	SEHL	Total	MDIP-I
5 BALANCE WITH BANKS		(Rupees in '000)				
Current accounts		10	-	-	10	-
Savings accounts	5.1	65,828,972	5,518,840	4,132	71,351,944	22,995,517
		<u>65,828,982</u>	<u>5,518,840</u>	<u>4,132</u>	<u>71,351,954</u>	<u>22,995,517</u>

5.1 This includes a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10.00% (June 30, 2022: 6.01%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 6.74% to 20.50% (June 30, 2022: 3.70% to 16.40%) per annum.

		June 30, 2023				June 30, 2022 (Audited)	
		MDIP-I	MMMP	SEHL	Total	MDIP-I	
6	INVESTMENTS	(Rupees in '000)					
	Note						
	At fair value through profit or loss						
	Sukuk Certificates	6.1	4,150,000	-	-	4,150,000	4,350,000
	Term Deposit receipts	6.2	8,800,000	-	-	8,800,000	-
	Certificates of musharaka	6.3	10,500,000	-	-	10,500,000	2,944,000
	Bai Muajjal receivable	6.4	-	-	-	-	-
			<u>23,450,000</u>	<u>-</u>	<u>-</u>	<u>23,450,000</u>	<u>7,294,000</u>
6.1	Sukuk certificates						
	Government securities	6.1.1	-	-	-	-	-
	Corporate sukuk certificates	6.1.2	4,150,000	-	-	4,150,000	4,350,000
			<u>4,150,000</u>	<u>-</u>	<u>-</u>	<u>4,150,000</u>	<u>4,350,000</u>

6.1.1 Government securities

Name of the Security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
											Net assets of the Fund	Total market value of investments
					--- Number of certificates ---		--- (Rupees in '000) ---			%		
GoP (jarah) Sukuk Certificates - XVIII - VRR	Semi-annually / At maturity	April 30, 2020	April 30, 2025	Weighted Average 6 months T-Bills	62,950	62,950	-	-	-	-	0.00%	0.00%
GoP (jarah) Sukuk Certificates - XIX - VRR	Semi-annually / At maturity	May 29, 2020	May 29, 2025	Weighted Average 6 months T-Bills	6,000	6,000	-	-	-	-	0.00%	0.00%
GoP (jarah) Sukuk Certificates - XXIV - VRR	Semi-annually / At maturity	October 29, 2021	October 29, 2026	Weighted Average 6 months T-Bills	2,500	2,500	-	-	-	-	0.00%	0.00%
GoP (jarah) Sukuk Certificates - XXV - VRR	Semi-annually / At maturity	April 27, 2022	April 27, 2027	Weighted Average 6 months T-Bills	15,000	15,000	-	-	-	-	0.00%	0.00%
GoP (jarah) Sukuk Certificates - XVIII - VRR	Semi-annually / At maturity	April 30, 2020	April 30, 2025	Weighted Average 6 months T-Bills	62,950	62,950	-	-	-	-	0.00%	0.00%
Total as at June 30, 2023												
Total as at June 30, 2022												

6.1.1.1 The nominal value of the GOP ijarah sukuk certificates is Rs.100,000 each

6.1.2 Corporate sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold / redeemed during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)		Net assets of the Fund		Total market value of investments	
										%	
K-Electric Limited PPSTS - 1 (AA, PACRA) (note 6.1.2.2)	August 04, 2022	6 months KIBOR plus base rate of 0.85%	625	-	625	-	-	-	-	0.00%	0.00%
K-Electric Limited PPSTS - 2 (AA, PACRA) (note 6.1.2.2)	August 15, 2022	6 months KIBOR plus base rate of 0.85%	675	-	675	-	-	-	-	0.00%	0.00%
K-Electric Limited PPSTS - 3 (AA, PACRA) (note 6.1.2.2)	September 01, 2022	6 months KIBOR plus base rate of 0.85%	675	-	675	-	-	-	-	0.00%	0.00%
K-Electric Limited PPSTS - 4 (AA, PACRA) (note 6.1.2.2)	September 23, 2022	6 months KIBOR plus base rate of 0.85%	300	-	300	-	-	-	-	0.00%	0.00%
K-Electric Limited PPSTS - 5 (AA, PACRA) (note 6.1.2.2)	October 12, 2022	6 months KIBOR plus base rate of 0.95%	400	-	400	-	-	-	-	0.00%	0.00%
Hub Power Company Limited XI (AA+, PACRA) (note 6.1.2.1)	October 27, 2022	6 months KIBOR plus base rate of 1.00%	6,750	-	6,750	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited PPSTS - 2 (AA, PACRA) (note 6.1.2.2)	December 15, 2022	6 months KIBOR plus base rate of 1.20%	1,000	-	1,000	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited PPSTS - 4 (AA, PACRA) (note 6.1.2.2)	January 09, 2023	6 months KIBOR plus base rate of 1.20%	-	750	750	-	-	-	-	0.00%	0.00%
China Power Hub Generation Company (PVT) Limited - I (A-1+, PACRA) (note 6.1.2.2)	January 30, 2023	6 months KIBOR plus base rate of 1.35%	-	1,200	1,200	-	-	-	-	0.00%	0.00%
K-Electric Limited PPSTS - 7 (AA, PACRA) (note 6.1.2.2)	February 10, 2023	6 months KIBOR plus base rate of 1.35%	-	750	750	-	-	-	-	0.00%	0.00%
K-Electric Limited PPSTS - 8 (AA, PACRA) (note 6.1.2.2)	February 28, 2023	6 months KIBOR plus base rate of 1.35%	-	600	600	-	-	-	-	0.00%	0.00%
K-Electric Limited PPSTS - 9 (AA, PACRA) (note 6.1.2.2)	March 21, 2023	6 months KIBOR plus base rate of 1.40%	-	300	300	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited PPSTS - 5 (AA, PACRA) (note 6.1.2.2)	March 28, 2023	6 months KIBOR plus base rate of 1.50%	-	750	750	-	-	-	-	0.00%	0.00%
K-Electric Limited - X (A-1+, PACRA) (note 6.1.2.2)	April 05, 2023	6 months KIBOR plus base rate of 1.45%	-	400	400	-	-	-	-	0.00%	0.00%
Lucky Electric Limited - V (A-1+, PACRA) (note 6.1.2.2)	April 13, 2023	6 months KIBOR plus base rate of 1.5%	-	1,050	1,050	-	-	-	-	0.00%	0.00%
K-Electric Limited - XI (A-1+, PACRA) (note 6.1.2.2)	April 26, 2023	6 months KIBOR plus base rate of 1.45%	-	750	750	-	-	-	-	0.00%	0.00%
Nishat Mills Limited (A-1+, PACRA) (note 6.1.2.2)	February 23, 2023	6 months KIBOR plus base rate of 0.9%	-	320	320	-	-	-	-	-	-
China Power Hub Generation Company - I (A-1+, PACRA) (note 6.1.2.2)	June 07, 2023	6 months KIBOR plus base rate of 1.45%	-	675	675	-	-	-	-	0.00%	0.00%
K-Electric Limited - XII (A-1+, PACRA) (note 6.1.2.2)	June 13, 2023	6 months KIBOR plus base rate of 1.4%	-	750	750	-	-	-	-	0.00%	0.00%
Lucky Electric Limited - VI (A-1+, PACRA) (note 6.1.2.2)	June 13, 2023	6 months KIBOR plus base rate of 1.35%	-	600	600	-	-	-	-	0.00%	0.00%
Lucky Electric Limited - VIII (A-1+, PACRA) (note 6.1.2.2)	September 27, 2023	6 months KIBOR plus base rate of 0.55%	-	750	-	750	750,000	750,000	-	0.82%	3.20%
China Power Hub Generation Company - I (A-1+, PACRA) (note 6.1.2.2)	September 29, 2023	6 months KIBOR plus base rate of 0.70%	-	1,050	-	1,050	1,050,000	1,050,000	-	1.15%	4.48%
Lucky Electric Limited - VII (A-1+, PACRA) (note 6.1.2.2)	August 15, 2023	6 months KIBOR plus base rate of 0.65%	-	700	-	700	700,000	700,000	-	0.77%	2.99%
Lucky Electric Limited - IX (A-1+, PACRA) (note 6.1.2.2)	October 13, 2023	6 months KIBOR plus base rate of 0.30%	-	1,050	-	1,050	1,050,000	1,050,000	-	1.15%	4.48%
Lucky Electric Limited - XI (A-1+, PACRA) (note 6.1.2.2)	December 13, 2023	6 months KIBOR plus base rate of 0.50%	-	600	-	600	600,000	600,000	-	0.66%	2.56%
Total as at June 30, 2023							4,150,000	4,150,000	-	4.55%	17.70%
Total as at June 30, 2022							4,350,000	4,350,000			

6.1.2.1 The nominal value of the sukuk certificates is Rs.100,000 and the profit and principal of corporate sukuks is receivable at maturity.

6.1.2.2 The nominal value of the sukuk certificates is Rs.1,000,000 and the profit and principal of corporate sukuks is receivable at maturity.

6.2 Term Deposit receipts

MDIP-I

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the year	Matured during the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution) as at June 30, 2023	Percentage in relation to	
									Net assets of the Fund	Total market value of investments
									-----%-----	
(Rupees in '000)										
Meezan Bank Limited (AAA, PACRA)	August 29, 2022	14.15%	-	2,500,000	2,500,000	-	-	-	0.00%	0.00%
The Bank Of Punjab (AA+, PACRA)	February 16, 2023	15.80%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Bank Alfalah Limited (AA+, PACRA)	March 2, 2023	16.00%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
The Bank Of Punjab (AA+, PACRA)	January 20, 2023	15.50%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
The Bank Of Punjab (AA+, PACRA)	January 30, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%
Askari Bank Limited (AA+, PACRA)	March 17, 2023	15.50%	-	500,000	500,000	-	-	-	0.00%	0.00%
Bank Alfalah Limited (AA+, PACRA)	March 10, 2023	16.55%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
The Bank Of Punjab (AA+, PACRA)	March 16, 2023	16.25%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Bank Alfalah Limited (AA+, PACRA)	June 9, 2023	17.72%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Bank Alfalah Limited (AA+, PACRA)	May 2, 2023	18.75%	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%
Askari Bank Limited (AA+, PACRA)	June 1, 2023	19.50%	-	2,500,000	2,500,000	-	-	-	0.00%	0.00%
Bank Alfalah Limited (AA+, PACRA)	July 10, 2023	18.57%	-	2,000,000	-	2,000,000	2,000,000	-	2.19%	8.53%
Bank Alfalah Limited (AA+, PACRA)	July 5, 2023	19.25%	-	1,000,000	-	1,000,000	1,000,000	-	1.10%	4.26%
Bank Alfalah Limited (AA+, PACRA)	July 5, 2023	20.50%	-	2,800,000	-	2,800,000	2,800,000	-	3.07%	11.94%
Bank Alfalah Limited (AA+, PACRA)	July 5, 2023	20.50%	-	3,000,000	-	3,000,000	3,000,000	-	3.29%	12.79%
Total as at June 30, 2023						8,800,000	8,800,000		9.65%	37.52%
Total as at June 30, 2022						-	-		-	-

MMMP

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the period	Matured during the period	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution) as at June 30, 2023	Percentage in relation to	
									Net assets of the Fund	Total market value of investments
									-----%-----	
(Rupees in '000)										
Habib Bank Limited (AAA, PACRA)	March 29, 2023	19.00%	-	500,000	500,000	-	-	-	0.00%	0.00%
Total as at June 30, 2023						-	-		0.00%	0.00%
Total as at June 30, 2022						-	-		-	-

6.3 Certificate of Musharaka

MDIP

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the year	Matured during the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution) as at June 30, 2023	Percentage in relation to	
									Net assets of the Fund	Total market value of investments
									-----%-----	
------(Rupees in '000)-----										
First Habib Modaraba (AA+, PACRA)	July 28, 2022	15.50%	718,000	-	718,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	July 28, 2022	15.50%	718,000	-	718,000	-	-	-	0.00%	0.00%
Orix Modaraba (AA, PACRA)	July 29, 2022	15.86%	700,000	-	700,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	August 9, 2022	15.50%	308,000	-	308,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	August 19, 2022	15.50%	500,000	-	500,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	October 28, 2022	15.80%	-	718,000	718,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	October 28, 2022	15.80%	-	718,000	718,000	-	-	-	0.00%	0.00%
Orix Modaraba (AA, PACRA)	October 28, 2022	16.12%	-	300,000	300,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	November 10, 2022	15.80%	-	308,000	308,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	November 18, 2022	15.80%	-	500,000	500,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	January 13, 2023	16.88%	-	300,000	300,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	January 27, 2023	16.88%	-	718,000	718,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	January 27, 2023	16.88%	-	718,000	718,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	February 10, 2023	16.88%	-	300,000	300,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	February 17, 2023	16.88%	-	500,000	500,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	December 13, 2022	14.80%	-	6,000,000	6,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	December 16, 2022	14.80%	-	400,000	400,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	December 16, 2022	15.50%	-	1,500,000	1,500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	December 16, 2022	15.50%	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	January 13, 2023	15.70%	-	6,000,000	6,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	January 13, 2023	15.70%	-	300,000	300,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	January 13, 2023	15.70%	-	400,000	400,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	December 23, 2022	15.50%	-	6,500,000	6,500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	December 30, 2022	15.50%	-	4,500,000	4,500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	January 13, 2023	15.50%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	January 13, 2023	15.50%	-	750,000	750,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	January 13, 2023	15.70%	-	550,000	550,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	January 13, 2023	15.50%	-	4,500,000	4,500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	January 27, 2023	15.50%	-	7,200,000	7,200,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	January 27, 2023	15.25%	-	7,400,000	7,400,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	April 13, 2023	17.80%	-	300,000	300,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	January 25, 2023	14.80%	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	February 3, 2023	15.25%	-	2,500,000	2,500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	March 17, 2023	16.50%	-	7,800,000	7,800,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	April 27, 2023	17.80%	-	750,000	750,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	April 27, 2023	17.80%	-	750,000	750,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	March 3, 2023	16.50%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	February 3, 2023	16.50%	-	5,000,000	5,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	March 3, 2023	16.35%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	February 17, 2023	15.60%	-	4,500,000	4,500,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	March 6, 2023	16.35%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	February 24, 2023	16.00%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Dubai Islamic Bank (AA, PACRA)	February 17, 2023	16.35%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	March 3, 2023	15.75%	-	4,500,000	4,500,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	May 17, 2023	18.00%	-	500,000	500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	March 3, 2023	16.50%	-	500,000	500,000	-	-	-	0.00%	0.00%
Dubai Islamic Bank (AA, PACRA)	March 3, 2023	16.50%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	April 7, 2023	18.25%	-	8,400,000	8,400,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	April 7, 2023	19.50%	-	600,000	600,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	March 28, 2023	17.45%	-	5,000,000	5,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	March 28, 2023	17.45%	-	3,400,000	3,400,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	April 7, 2023	19.50%	-	4,800,000	4,800,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	April 7, 2023	19.50%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Habib Bank Limited (AAA, PACRA)	March 29, 2023	19.00%	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	June 29, 2023	21.00%	-	500,000	500,000	-	-	-	0.00%	0.00%
Dubai Islamic Bank (AA, PACRA)	April 27, 2023	19.35%	-	2,500,000	2,500,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	May 8, 2023	19.25%	-	8,200,000	8,200,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	June 14, 2023	20.00%	-	8,200,000	8,200,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	June 16, 2023	19.75%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	July 13, 2023	21.10%	-	300,000	-	300,000	300,000	-	0.33%	1.28%
First Habib Modaraba (AA+, PACRA)	July 27, 2023	21.10%	-	1,200,000	-	1,200,000	1,200,000	-	1.32%	5.12%
First Habib Modaraba (AA+, PACRA)	August 17, 2023	21.10%	-	500,000	-	500,000	500,000	-	0.55%	2.13%
First Habib Modaraba (AA+, PACRA)	September 22, 2023	21.25%	-	500,000	-	500,000	500,000	-	0.55%	2.13%
Meezan Bank Limited (AAA, PACRA)	June 16, 2023	20.15%	-	1,800,000	1,800,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	June 16, 2023	20.15%	-	4,000,000	4,000,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	May 5, 2023	20.15%	-	2,200,000	2,200,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	May 5, 2023	20.15%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	May 5, 2023	20.15%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	June 16, 2023	20.15%	-	2,400,000	2,400,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	June 23, 2023	19.90%	-	3,100,000	3,100,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	June 23, 2023	19.90%	-	1,800,000	1,800,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	June 23, 2023	19.90%	-	3,300,000	3,300,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	April 28, 2023	19.00%	-	8,200,000	8,200,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	May 15, 2023	20.00%	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	July 7, 2023	20.25%	-	5,000,000	-	5,000,000	5,000,000	-	5.49%	21.32%
UBL Ameen (AAA, PACRA)	August 21, 2023	20.25%	-	3,000,000	-	3,000,000	3,000,000	-	3.29%	12.79%
Total as at June 30, 2023						10,500,000	10,500,000		11.53%	44.77%
Total as at June 30, 2022						2,944,000	2,944,000			

6.3.1 The profit and principal of certificate of musharaka is receivable at maturity.

6.4 **Bai Muajjal receivable**

Name of the counterparty	Maturity date	Profit rate	Total transaction Price	Total deferred income	Profit for the year	Carrying value as at June 30, 2023	Percentage in relation to	
							Net assets of the Fund	Total market value of investment
(Rupees in '000)							%	
Samba Bank Limited (AA, VIS)	December 13, 2022	14.90%	772,672	19,241	19,241	-	0.00%	0.00%
Samba Bank Limited (AA, VIS)	December 14, 2022	14.90%	773,026	19,249	19,249	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	518,185	11,634	11,634	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	518,421	11,428	11,428	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	259,210	5,714	5,714	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 21, 2022	14.90%	518,657	11,433	11,433	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 21, 2022	14.90%	259,328	5,717	5,717	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 22, 2022	14.90%	2,423,177	51,438	51,438	-	0.00%	0.00%
Pak Brunei Investment Company Limited (AA+, VIS)	May 15, 2023	15.50%	784,008	60,584	60,584	-	0.00%	0.00%
Pak Brunei Investment Company Limited (AA+, VIS)	May 15, 2023	15.50%	784,362	60,288	60,288	-	0.00%	0.00%
Pak Brunei Investment Company Limited (AA+, VIS)	May 15, 2023	15.50%	784,716	59,982	59,982	-	0.00%	0.00%
Pak Brunei Investment Company Limited (AA+, VIS)	May 15, 2023	15.50%	785,070	59,676	59,676	-	0.00%	0.00%
Pak Brunei Investment Company Limited (AA+, VIS)	May 15, 2023	15.50%	366,532	27,706	27,706	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	799,949	31,362	31,362	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	635,248	24,905	24,905	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	811,382	31,811	31,811	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	800,303	31,028	31,028	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	635,549	24,640	24,640	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	811,733	31,471	31,471	-	0.00%	0.00%
Total as at June 30, 2023						579,317	-	0.00%
Total as at June 30, 2022						-	-	-

6.4 **Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'**

		2023	2022
		MDIP-I	
		(Rupees in '000)	
Market value of investments	6.1, 6.2 & 6.3	23,450,000	7,294,000
Carrying value of investments	6.1, 6.2 & 6.3	23,450,000	7,294,000
		-	-

7 **DEPOSITS, PREPAYMENTS AND PROFIT RECEIVABLE**

	2023				2022
	MDIP-I	MMMP	SEHL	Total	MDIP-I
(Rupees in '000)					
Security deposit with Central Depository Company of Pakistan Limited	100	-	-	100	100
Profit receivable on balances with banks	953,924	75,556	6	1,029,486	276,751
Profit receivable on sukuk certificates	221,857	-	-	221,857	135,697
Profit receivable on certificates of musharaka	392,335	-	-	392,335	71,188
Prepayments	100	-	-	100	78
Advance against IBFT redemptions	1,000	-	-	1,000	-
ATM deposit with Meezan Bank Limited	1,000	-	-	1,000	1,000
	<u>1,570,316</u>	<u>75,556</u>	<u>6</u>	<u>1,645,878</u>	<u>484,814</u>

8 **PRELIMINARY EXPENSES AND FLOTATION COSTS**

At the beginning of the period		648	-	-	648	769
Less: Amortisation during the period	8.1	(153)	-	-	(153)	(121)
At the end of the year		<u>495</u>	<u>-</u>	<u>-</u>	<u>495</u>	<u>648</u>

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

9 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Note	2023				2022	
	MDIP-I	MMMP	SEHL	Total	MDIP-I	
	(Rupees in '000)					
Management fee payable	9.1	7,969	1,844	1	9,814	1,027
Sindh Sales Tax on remuneration of the Management Company	9.2	1,036	240	-	1,276	134
Selling and marketing expenses payable	9.3	92,872	2,782	-	95,654	2,135
Allocated expense payable	9.4	-	94	-	94	-
Sales load payable		8,709	-	-	8,709	4,240
Sindh Sales Tax on sales load payable		1,132	-	-	1,132	551
		111,718	4,960	1	116,679	8,087

- 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 following rates during the period ended June 30, 2023:

MDIP-I

Rate applicable from July 1, 2022 to November 30, 2022	Rate applicable from December 1, 2022 to March 31, 2023
0.45% of the average annual net assets	0.49% of the average annual net assets

Rate applicable from April 01, 2023 to June 30, 2023
0.40% of the average annual net assets

MMMP

Rate applicable from October 29, 2022 to June 30, 2023
1.47% of the average annual net assets

SEHL

Rate applicable from June 19, 2023 to June 30, 2023
1.00% of the average annual net assets

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

- 9.2 During the period, an amount of Rs. 44.45 million (2022: Rs 3.508 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. 43.308 million (2022: 3.374 million) has been paid to the Management Company which acts as a collecting agent.

- 9.3 In accordance with Circular 11 dated July 5, 2019, the Management Company is entitled for charging selling and marketing expenses to Collective Investment Schemes (CISs) managed by them upto a maximum limit approved by the Board of Directors as part of annual plan. The Management Company, based on its own discretion, has charged selling and marketing expenses while keeping in view the overall return and the total expense ratio limit at the following rates subject to the total expense charged not being higher than the actual expense incurred during the period:

MDIP-I

Rate applicable from July 1, 2022 to October 24, 2022	Rate applicable from October 25, 2022 to November 30, 2022
0.12% of the average annual net assets	0.13% of the average annual net assets

Rate applicable from December 1, 2022 to March 31, 2023	Rate applicable from April 01, 2023 to April 03, 2023
0.23% of the average annual net assets	0.42% of the average annual net assets

Rate applicable from April 04, 2023 to June 30, 2023
0.44% of the average annual net assets

MMMP

Rate applicable from October 29, 2022 to June 30, 2023
0.12% of the average annual net assets

9.4 The Management Company, based on its own discretion, has charged such expenses at the rate of 0.02% of the average annual net assets of the Fund during the period ended June 30, 2023, subject to total expense charged being lower than actual expense incurred in MMMP.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	June 30, 2023				June 30, 2022
	MDIP-I	MMMP	SEHL	Total	MDIP-I
	----- (Rupees in '000) -----				
Remuneration payable	5,618	354	-	5,972	1,834
Sindh Sales Tax on remuneration	730	46	-	776	238
CDS Charges Payable	780	-	-	780	-
	<u>7,128</u>	<u>400</u>	<u>-</u>	<u>7,528</u>	<u>2,072</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed, at the rate of 0.075% per annum of net assets of the Fund.

10.2 During the period, an amount of Rs 6.770 million (2022: Rs. 1.286 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 6.232 million (2022: Rs. 1.048 million) was paid to the Trustee which acts as a collecting agent.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% per annum of average annual net assets during the period.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	2023				2022
	MDIP-I	MMMP	SEHL	Total	MDIP-I
	----- (Rupees in '000) -----				
Brokerage payable	1,904	1	-	1,905	16
Auditors' remuneration payable	280	21	-	301	131
Zakat Payable	2,614	247	-	2,861	612
Withholding tax payable	218,893	12,560	-	231,453	36,645
Other Payable	-	-	20	20	-
Shariah advisory fee payable	550	-	-	550	539
	<u>224,241</u>	<u>12,829</u>	<u>20</u>	<u>237,090</u>	<u>37,943</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

14 AUDITORS' REMUNERATION

	2023				2022
	MDIP-I	MMMP	SEHL	Total	MDIP-I
	----- (Rupees in '000) -----				
Statutory audit fee	290	-	-	290	133
Half yearly review fee	79	21	-	100	79
Out of pocket	13	-	-	13	-
	<u>382</u>	<u>21</u>	<u>-</u>	<u>403</u>	<u>212</u>

15 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at June 30, 2023 based on current period results is as follows:

	As at June 30, 2023		
	MDIP-I	MMMP	SEHL
Total Expense Ratio (TER)	0.89%	1.93%	1.24%
Government levies (included in TER)	0.09%	0.22%	0.16%

	As at June 30, 2022		
	MDIP-I	MMMP	SEHL
Total Expense Ratio (TER)	0.36%	-	-
Government levies (included in TER)	0.05%	-	-

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

16 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute at least 90 percent of the net accounting income other than capital gains to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the period ended June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the period.

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 RELATED PARTIES / CONNECTED PERSONS

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

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 period and balances with them as at period end are as follows:

	2023	2022
	MDIP-I	
	(Rupees in '000)	
Balances		
Al Meezan Investment Management Limited - Management Company		
Management fee payable	7,969	1,027
Sindh Sales Tax on management fee payable	1,036	134
Selling and marketing expenses payable	92,872	2,135
Sales load payable	8,709	4,240
Sindh Sales Tax on sales load payable	1,132	551
Investment of 18,205,639 units (June 30, 2022: Nil)	910,282	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	5,618	1,834
Sindh Sales Tax on remuneration of the Trustee	730	238
CDS charges payable	780	-
Security deposit	100	100
Meezan Bank Limited		
Balance with bank	348,876	458,682
Profit receivable on saving account	3,840	1,202
Sales load payable	70,764	13,609
Sindh Sales Tax on sales load payable	9,199	1,769
Shariah advisor fee payable	550	539
ATM deposit	1,000	-
Advance against IBFT redemptions	1,000	-



	2023	2022
MDIP-I		
(Rupees in '000)		
Balances		
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 474,061 units (June 30, 2022: Nil)	<u>23,703</u>	<u>-</u>
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 1,691,418 units (June 30, 2022: 1,667,038 units)	<u>84,571</u>	<u>83,352</u>
Meezan Strategic Allocation Fund - MSAP - II		
Investment of 1,467,292 units (June 30, 2022: 1,452,507 units)	<u>73,365</u>	<u>72,625</u>
Meezan Strategic Allocation Fund - MSAP - III		
Investment of 1,195,828 units (June 30, 2022: 923,647 units)	<u>59,791</u>	<u>46,182</u>
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of 662,866 units (June 30, 2022: 409,858 units)	<u>33,143</u>	<u>20,493</u>
Meezan Strategic Allocation Fund - MSAP - V		
Investment of 305,716 units (June 30, 2022: 220,543 units)	<u>15,286</u>	<u>11,027</u>
Meezan Financial Planning Fund Of Funds - MAAP - I		
Investment of 679,598 units (June 30, 2022: 340,490 units)	<u>33,980</u>	<u>17,025</u>
Directors and Executives of the Management Company		
Investment of 10,248,541 units (June 30, 2022: 7,558,695 units)	<u>512,427</u>	<u>377,935</u>
	For the year ended June 30, 2023	For the period from September 14, 2021 to June 30, 2022
	MDIP-I	
	(Rupees in '000)	
Transactions during the period		
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	<u>298,762</u>	<u>26,983</u>
Sindh Sales Tax on management fee for the period	<u>38,839</u>	<u>3,508</u>
Selling and marketing expense	<u>175,700</u>	<u>13,093</u>
Units issued: 59,136,270 units (June 30, 2022: 64,476,273 units)	<u>2,963,981</u>	<u>3,223,814</u>
Units redeemed: 40,930,631 units (June 30, 2022: 64,476,273 units)	<u>2,046,532</u>	<u>3,223,814</u>
Dividend paid	<u>47,786</u>	<u>57,161</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	<u>49,881</u>	<u>9,892</u>
Sindh Sales Tax on remuneration of the Trustee	<u>6,484</u>	<u>1,286</u>
CDS charges	<u>1,667</u>	<u>7</u>
Meezan Bank Limited		
Profit on savings account	<u>30,298</u>	<u>5,389</u>
Shariah advisory fee	<u>1,090</u>	<u>862</u>
Profit on term deposit receipts and certificate of musharaka	<u>734,534</u>	<u>9,067</u>
Term deposit receipt and certificate of musharaka placed	<u>71,750,000</u>	<u>1,200,000</u>
Term deposit receipt and certificate of musharaka matured	<u>71,750,000</u>	<u>1,200,000</u>
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Units issued: 714,061 units (June 30, 2022: Nil)	<u>35,703</u>	<u>-</u>
Units redeemed: 240,000 units (June 30, 2022: Nil)	<u>12,000</u>	<u>-</u>
Dividend paid	<u>2,203</u>	<u>-</u>
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 1,629,881 units (June 30, 2022: 7,957,107 units)	<u>81,494</u>	<u>397,855</u>
Units redeemed: 1,605,500 units (June 30, 2022: 6,290,069 units)	<u>80,275</u>	<u>314,503</u>
Dividend paid	<u>8,484</u>	<u>7,769</u>
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 1,101,295 units (June 30, 2022: 5,342,797 units)	<u>55,065</u>	<u>267,140</u>
Units redeemed: 1,086,511 units (June 30, 2022: 3,890,290 units)	<u>54,326</u>	<u>194,515</u>
Dividend paid	<u>7,065</u>	<u>5,564</u>
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 962,181 units (June 30, 2022: 5,095,204 units)	<u>48,109</u>	<u>254,760</u>
Units redeemed: 690,000 units (June 30, 2022: 4,171,557 units)	<u>34,500</u>	<u>208,578</u>
Dividend paid	<u>6,609</u>	<u>4,814</u>



Meezan Strategic Allocation Fund - MSAP - IV

Units issued: 602,628 units (June 30, 2022: 2,160,094 units)
Units redeemed: 349,620 units (June 30, 2022: 1,750,236 units)
Dividend paid

<u>30,131</u>	<u>108,005</u>
<u>17,481</u>	<u>87,512</u>
<u>2,716</u>	<u>1,934</u>

Meezan Strategic Allocation Fund - MSAP - V

Units issued: 253,773 units (June 30, 2022: 706,934 units)
Units redeemed: 168,600 units (June 30, 2022: 486,391 units)
Dividend paid

<u>12,689</u>	<u>35,347</u>
<u>8,430</u>	<u>24,320</u>
<u>1,189</u>	<u>791</u>

Meezan Financial Planning Fund Of Funds - MAAP - I

Units issued: 438,107 units (June 30, 2022: 1,986,772 units)
Units redeemed: 99,000 units (June 30, 2022: 1,646,282 units)
Dividend paid

<u>21,905</u>	<u>99,339</u>
<u>4,950</u>	<u>82,314</u>
<u>2,905</u>	<u>1,731</u>

Directors and Executives of the Management Company

Units issued: 32,559,214 units (June 30, 2022: 17,030,250 units)
Units redeemed: 29,811,455 units (June 30, 2022: 9,471,555 units)
Dividend Paid

<u>1,643,790</u>	<u>851,513</u>
<u>1,490,573</u>	<u>473,578</u>
<u>105,448</u>	<u>11,334</u>

Balances

MMMP
2023
(Rupees in '000)

AI Meezan Investment Management Limited - Management Company

Management fee payable
Sindh Sales Tax on management fee payable
Selling and marketing expenses payable
Allocated expense payable

<u>1,844</u>
<u>240</u>
<u>2,782</u>
<u>94</u>

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee
Sindh Sales Tax on remuneration of the Trustee

<u>354</u>
<u>46</u>

Meezan Bank Limited

Balance with bank
Profit receivable on saving account

<u>33,731</u>
<u>886</u>

For the period from October
29, 2022 to June 30 2023

MMMP
(Rupees in '000)

Transactions during the period

AI Meezan Investment Management Limited - Management Company

Remuneration for the period
Sindh Sales Tax on management fee for the period
Selling and marketing expense
Allocated expense

<u>43,158</u>
<u>5,611</u>
<u>4,704</u>
<u>587</u>

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee
Sindh Sales Tax on remuneration of the Trustee

<u>2,202</u>
<u>286</u>

Meezan Bank Limited

Profit on savings account

<u>12,367</u>

Balances

SEHL
2023
(Rupees in '000)

AI Meezan Investment Management Limited - Management Company

Management fee payable
Sindh Sales Tax on management fee payable

<u>1</u>
<u>-</u>

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee
Sindh Sales Tax on remuneration of the Trustee

<u>-</u>
<u>-</u>

Meezan Bank Limited

Balance with bank
Profit receivable on saving account

<u>5</u>
<u>-</u>

For the period from June 19,
2023 to June 30, 2023

SEHL

(Rupees in '000)

Transactions during the period

Al Meezan Investment Management Limited - Management Company

Remuneration for the period	1
Sindh Sales Tax on management fee for the period	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	-
Sindh Sales Tax on remuneration of the Trustee	-

Meezan Bank Limited

Profit on savings account	-
---------------------------	---

	2023				2022	
	MDIP-I	MMMP	SEHL	Total	MDIP-I	
18 CASH AND CASH EQUIVALEN' Note	(Rupees in '000)					
Balances with banks	5	65,828,982	5,518,840	4,132	71,351,954	22,995,517
Term deposit receipts - having original maturity of 3 months or less	6.2	16,300,000	-	-	16,300,000	2,944,000
Certificates of musharakah	6.2	3,000,000	-	-	3,000,000	-
		<u>85,128,982</u>	<u>5,518,840</u>	<u>4,132</u>	<u>90,651,954</u>	<u>25,939,517</u>

FINANCIAL INSTRUMENTS BY CATEGORY

	MDIP-I		
	2023		
	At amortised cost	At fair value through profit or loss	Total
19 Financial assets	(Rupees in '000)		
Balances with banks	65,828,982	-	65,828,982
Investments	-	23,450,000	23,450,000
Receivable against conversion of units	1,077,419	-	1,077,419
Deposits and profit receivable	1,570,216	-	1,570,216
	<u>68,476,617</u>	<u>23,450,000</u>	<u>91,926,617</u>

Financial liabilities

	2023		
	2023		
	At amortised cost	At fair value through profit or loss	Total
Financial liabilities	(Rupees in '000)		
Payable to Al Meezan Investment Management Limited - Management Company	111,718	-	111,718
Payable to Central Depository Company of Pakistan Limited - Trustee	7,128	-	7,128
Payable to Meezan Bank Limited	79,963	-	79,963
Payable against conversion and redemption of units	205,715	-	205,715
Dividend payable	138,224	-	138,224
Accrued expenses and other liabilities	2,734	-	2,734
	<u>545,482</u>	<u>-</u>	<u>545,482</u>

Financial assets

	MMMP		
	2023		
	At amortised cost	At fair value through profit or loss	Total
Financial assets	(Rupees in '000)		
Balances with banks	5,518,840	-	5,518,840
Investments	-	-	-
Receivable against conversion of units	252	-	252
Deposits and profit receivable	75,556	-	75,556
	<u>5,594,648</u>	<u>-</u>	<u>5,594,648</u>

2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	4,960	-	4,960
Payable to Central Depository Company of Pakistan Limited - Trustee	400	-	400
Payable to Meezan Bank Limited	-	-	-
Payable against conversion and redemption of units	24,688	-	24,688
Dividend payable	7,979	-	7,979
Accrued expenses and other liabilities	22	-	22
	<u>38,049</u>	<u>-</u>	<u>38,049</u>

SEHL		
2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

Financial assets

Balances with banks	4,132	-	4,132
Investments	-	-	-
Receivable against conversion of units	-	-	-
Deposits and profit receivable	6	-	6
	<u>4,138</u>	<u>-</u>	<u>4,138</u>

2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	1	-	1
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-
Payable to Meezan Bank Limited	-	-	-
Payable against conversion and redemption of units	-	-	-
Dividend payable	-	-	-
Accrued expenses and other liabilities	20	-	20
	<u>21</u>	<u>-</u>	<u>21</u>

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

Financial assets

Balances with banks	22,995,517	-	22,995,517
Investments	-	7,294,000	7,294,000
Receivable against conversion of units	47,229	-	47,229
Deposits and profit receivable	484,736	-	484,736
	<u>23,527,482</u>	<u>7,294,000</u>	<u>30,821,482</u>

2022		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		
8,087	-	8,087
2,072	-	2,072
15,378	-	15,378
107,446	-	107,446
686	-	686
<u>133,669</u>	<u>-</u>	<u>133,669</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	8,087	-	8,087
Payable to Central Depository Company of Pakistan Limited - Trustee	2,072	-	2,072
Payable to Meezan Bank Limited	15,378	-	15,378
Payable against conversion and redemption of units	107,446	-	107,446
Accrued expenses and other liabilities	686	-	686

20 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.

20.1 Market risk

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

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, 2023, the Fund is exposed to such risk on its balances held with banks, investments in sukuk certificates and certificates of musharaka. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund's variable rate risk arises from the balances with banks. At June 30, 2023, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the period then ended would have been higher / lower by Rs 658.290 million. (June 30, 2022: Rs. 229.955 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, 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, 2023 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, 2023 can be determined as follows:

MDIP-I					
2023					
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000)					
Financial assets					
Balances with bank	6.74% - 20.50%	65,828,982	-	-	65,828,982
Investments	18.57% - 22.72%	21,800,000	1,650,000	-	23,450,000
Receivable against conversion of units		-	-	1,077,419	1,077,419
Deposits and profit receivable		-	-	1,570,216	1,570,216
		87,628,982	1,650,000	2,647,635	91,926,617
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	111,718	111,718
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	7,128	7,128
Payable to Meezan Bank Limited		-	-	79,963	79,963
Payable against conversion and redemption of units		-	-	205,715	205,715
Dividend payable		-	-	138,224	138,224
Accrued expenses and other liabilities		-	-	2,734	2,734
		-	-	545,482	545,482
On-balance sheet gap (a)		87,628,982	1,650,000	2,102,153	91,381,135
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		87,628,982	1,650,000	-	-
Cumulative profit rate sensitivity gap		87,628,982	89,278,982	89,278,982	-

MMMP					
2023					
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000)					
Financial assets					
Balances with bank	10.00% - 20.00%	5,518,840	-	-	5,518,840
Investments		-	-	-	-
Receivable against conversion of units		-	-	252	252
Deposits and profit receivable		-	-	75,556	75,556
		5,518,840	-	75,808	5,594,648
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	4,960	4,960
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	400	400
Payable to Meezan Bank Limited		-	-	-	-
Payable against conversion and redemption of units		-	-	24,688	24,688
Dividend payable		-	-	7,979	7,979
Accrued expenses and other liabilities		-	-	22	22
		-	-	38,049	38,049
On-balance sheet gap (a)		5,518,840	-	37,759	5,556,599
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		5,518,840	-	-	-
Cumulative profit rate sensitivity gap		5,518,840	5,518,840	5,518,840	-

SEHL					
2023					
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000)					
Financial assets					
Balances with bank	4,132	-	-	-	4,132
Investments	-	-	-	-	-
Receivable against conversion of units	-	-	-	-	-
Deposits and profit receivable	-	-	-	6	6
	4,132	-	-	6	4,138
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	1	1
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-
Payable to Meezan Bank Limited	-	-	-	-	-
Payable against conversion and redemption of units	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	20	20
	-	-	-	21	21
On-balance sheet gap (a)	4,132	-	-	(15)	4,117
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap (b)	-	-	-	-	-
Total profit rate sensitivity gap (a+b)	4,132	-	-		
Cumulative profit rate sensitivity gap	4,132	4,132	4,132		

MDIP-I					
2022					
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000)					
Financial assets					
Balances with bank	22,995,517	-	-	-	22,995,517
Investments	5,219,000	2,075,000	-	-	7,294,000
Receivable against conversion of units	-	-	-	47,229	47,229
Deposits and profit receivable	-	-	-	484,736	484,736
	28,214,517	2,075,000	-	531,965	30,821,482
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	8,087	8,087
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	2,072	2,072
Payable to Meezan Bank Limited	-	-	-	15,378	15,378
Payable against conversion and redemption of units	-	-	-	107,446	107,446
Accrued expenses and other liabilities	-	-	-	686	686
	-	-	-	133,669	133,669
On-balance sheet gap (a)	28,214,517	2,075,000	-	398,296	30,687,813
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap (b)	-	-	-	-	-
Total profit rate sensitivity gap (a+b)	28,214,517	2,075,000	-		
Cumulative profit rate sensitivity gap	28,214,517	30,289,517	30,289,517		

(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 does not hold any instruments that expose it to price risk as of June 30, 2023.

20.2 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period ended June 30, 2023.

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

MDIP-I						
2023						
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	65,828,982	-	-	-	-	65,828,982
Investments	9,500,000	12,300,000	1,650,000	-	-	23,450,000
Receivable against conversion of units	1,077,419	-	-	-	-	1,077,419
Deposits, prepayments and profit receivable	953,924	558,222	55,970	-	2,100	1,570,216
	77,360,325	12,858,222	1,705,970	-	2,100	91,926,617
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	111,718	-	-	-	-	111,718
Payable to Central Depository Company of Pakistan Limited - Trustee	7,128	-	-	-	-	7,128
Payable to Meezan Bank Limited	79,963	-	-	-	-	79,963
Payable against conversion and redemption of units	205,715	-	-	-	-	205,715
Dividend payable	138,224	-	-	-	-	138,224
Accrued expenses and other liabilities	2,734	-	-	-	-	2,734
	545,482	-	-	-	-	545,482
Net assets / (liabilities)	76,814,843	12,858,222	1,705,970	-	2,100	91,381,135

MMMP						
2023						
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	5,518,840	-	-	-	-	5,518,840
Investments	-	-	-	-	-	-
Receivable against conversion of units	252	-	-	-	-	252
Deposits, prepayments and profit receivable	75,556	-	-	-	-	75,556
	5,594,648	-	-	-	-	5,594,648

Financial liabilities

Payable to Al Meezan Investment Management

Limited - Management Company

Payable to Central Depository Company of

Pakistan Limited - Trustee

Payable to Meezan Bank Limited

Payable against conversion and redemption of units

Dividend payable

Accrued expenses and other liabilities

4,960	-	-	-	-	-	4,960
400	-	-	-	-	-	400
-	-	-	-	-	-	-
24,688	-	-	-	-	-	24,688
7,979	-	-	-	-	-	7,979
22	-	-	-	-	-	22
38,049	-	-	-	-	-	38,049

Net assets / (liabilities)

5,556,599	-	-	-	-	-	5,556,599
------------------	---	---	---	---	---	------------------

SEHL

2023

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

Investments

Receivable against conversion of units

Deposits, prepayments and profit receivable

4,132	-	-	-	-	-	4,132
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6	-	-	-	-	-	6
4,138	-	-	-	-	-	4,138

Financial liabilities

Payable to Al Meezan Investment Management

Limited - Management Company

Payable to Central Depository Company of

Pakistan Limited - Trustee

Payable to Meezan Bank Limited

Payable against conversion and redemption of units

Accrued expenses and other liabilities

1	-	-	-	-	-	1
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20	-	-	-	-	-	20
21	-	-	-	-	-	21

Net assets / (liabilities)

4,117	-	-	-	-	-	4,117
--------------	---	---	---	---	---	--------------

MDIP-I

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

Investments

Receivable against conversion of units

Deposits, prepayments and profit receivable

22,995,517	-	-	-	-	-	22,995,517
2,136,000	3,083,000	2,075,000	-	-	-	7,294,000
47,229	-	-	-	-	-	47,229
339,103	106,748	37,785	-	-	1,100	484,736
25,517,849	3,189,748	2,112,785	-	-	1,100	30,821,482

Financial liabilities

Payable to Al Meezan Investment Management

Limited - Management Company

Payable to Central Depository Company of

Pakistan Limited - Trustee

Payable to Meezan Bank Limited

Payable against conversion and redemption of units

Accrued expenses and other liabilities

8,087	-	-	-	-	-	8,087
2,072	-	-	-	-	-	2,072
15,378	-	-	-	-	-	15,378
107,446	-	-	-	-	-	107,446
686	-	-	-	-	-	686
133,669	-	-	-	-	-	133,669

Net assets / (liabilities)

25,384,180	3,189,748	2,112,785	-	-	1,100	30,687,813
-------------------	------------------	------------------	---	---	--------------	-------------------

20.3 Credit risk

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

MDIP-I	
2023	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees in '000	
Balances with banks	65,828,982
Investments	23,450,000
Receivable against conversion of units	1,077,419
Deposits, prepayments and profit receivable	1,570,316
	<u>91,926,717</u>

MMMP	
2023	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees in '000	
Balances with banks	5,518,840
Receivable against conversion of units	252
Deposits, prepayments and profit receivable	75,556
	<u>5,594,648</u>

SEHL	
2023	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees in '000	
Balances with banks	4,132
Deposits, prepayments and profit receivable	6
	<u>4,138</u>

MDIP-I	
2022	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees in '000	
Balances with banks	22,995,517
Investments	7,294,000
Receivable against conversion of units	47,229
Deposits, prepayments and profit receivable	484,814
	<u>30,821,560</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

20.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk		
	2023		
	MDIP-I	MMMP	SEHL
AAA	34.60%	80.58%	100.00%
AA+	0.08%	0.00%	0.00%
AA-	23.45%	0.00%	0.00%
AA	0.76%	19.41%	0.00%
A+	41.11%	0.01%	0.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Rating	% of financial assets exposed to
	2022
AAA	39.12%
AA-	14.75%
A+	46.13%
	<u>100.00%</u>

Ratings of investments have been disclosed in related notes to these financial statements. Since, the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

20.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties 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, 2023 are unsecured and are not impaired.

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

MDIP-I

As at June 30, 2023			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Financial assets - at fair value through profit or loss			
Corporate sukuks *	4,150,000	-	4,150,000
Term deposit receipts	8,800,000	-	8,800,000
Certificates of musharakah *	10,500,000	-	10,500,000
Bai Muajjal receivable	-	-	-
	<u>23,450,000</u>	<u>-</u>	<u>23,450,000</u>

MDIP-I

As at June 30, 2022			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Financial assets - at fair value through profit or loss			
Corporate sukuks *	4,350,000	-	4,350,000
Certificates of musharakah *	2,944,000	-	2,944,000
	<u>7,294,000</u>	<u>-</u>	<u>7,294,000</u>

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

The valuation of bai muajjal receivable has been carried out based on amortisation to their fair value / sale price as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and are placed with counterparties which have high credit rating.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

23 UNIT HOLDING PATTERN OF THE FUND

MDIP-I

Category	2023		
	Number of unit holders	Investment amount	Percentage of total
(Rupees in '000)			
Individuals	20,210	78,690,405	86.33
Associated Companies / Directors	9	1,709,152	1.88
Retirement Funds	55	1,182,524	1.30
Private limited companies	175	8,585,063	9.42
Others	28	979,778	1.07
	<u>20,477</u>	<u>91,146,922</u>	<u>100%</u>

MMMP

Category	2023		
	Number of unit holders	Investment amount	Percentage of total
(Rupees in '000)			
Individuals	1,551	5,410,788	97.61
Retirement Funds	1	2,203	0.04
Private limited companies	11	54,486	0.98
Others	1	75,728	1.37
	<u>1,564</u>	<u>5,543,205</u>	<u>100%</u>

SEHL

Category	2023		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	<u>1,716</u>	<u>4,117</u>	<u>100%</u>

MDIP-I

Category	2022		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	6,593	25,603,197	83.54
Associated Companies / Directors	8	572,492	1.87
Insurance Companies	1	2,250	0.01
Bank / DFIs	1	9,557	0.03
Retirement Funds	29	890,480	2.91
Private limited companies	80	3,141,323	10.25
Others	15	429,345	1.40
	<u>6,727</u>	<u>30,648,644</u>	<u>100%</u>

24 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

2023	
Name of broker	Percentage of commission paid
Arif Habib Limited	1.97%
Alfalsh Securities (Pvt.) Ltd	4.50%
JS Global Capital Limited	3.30%
Continental Securities3 Ltd	1.69%
Invest One Markets Limited	76.01%
Paramount Capital (Pvt.) Ltd	12.53%
	<u>100.00%</u>

2022	
Name of broker	Percentage of commission paid
JS Global Capital Limited	91.18%
Summit Capital (Private) Limited	5.88%
Invest One Markets Limited	2.94%
	<u>100.00%</u>

25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

The Fund Manager of the Fund is Mr. Zohaib Saeed. Other fund being managed by the Fund Manager is Meezan Sovereign Fund.

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Directors	Designation	Meeting held on			
		August 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda *	Director	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Director	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Director	Yes	Yes	Yes	Yes
Mr. Naeem	Director	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Director	Yes	Yes	Yes	Yes
Mr. Mohammad Shoab, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

27 GENERAL

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

28 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 7, 2023.

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

Chief Executive

Chief Financial Officer

Director



Client-Centric Evolution

At Al Meezan, clients are at the heart of our business. By actively listening to client feedback and evolving its offerings accordingly, Al Meezan Investments maintains excellence in serving its clients evolving financial needs.

Meezan Fixed Term Fund

The Meezan Paaidaar Munafa Plan series are allocation plans under "Meezan Fixed Term Fund" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah Compliant TDRs and money market placements / instruments for a specific duration.

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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Paaidaar Munafa Plan (MPMP-III) (Managed under Meezan Fixed Term Fund)

Type of Fund

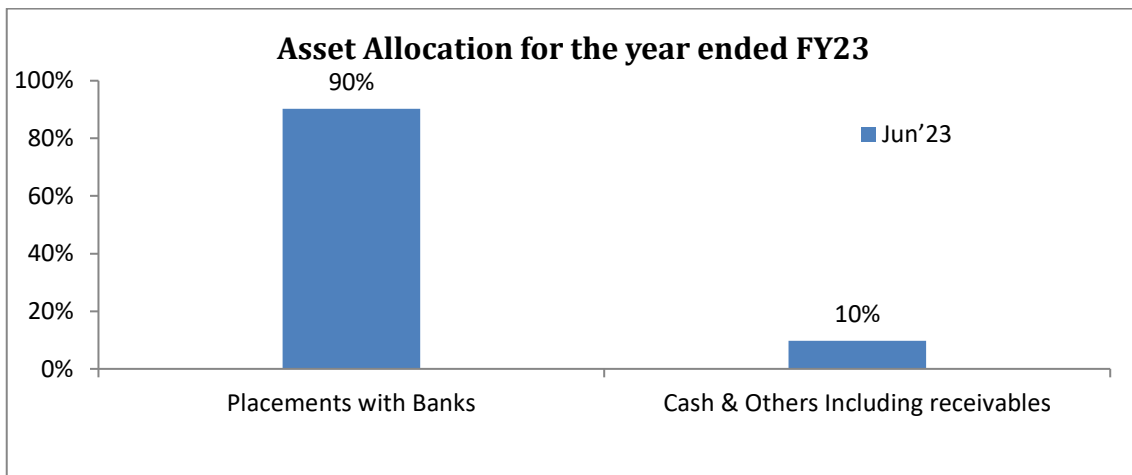
Open ended Shariah Compliant Fixed Rate/ Return plans investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

Objective

The Meezan Paaidaar Munafa Plan-III (MPMP-III) is an allocation plan under "Meezan Fixed Term Fund" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

Investment Policy and Strategy

The Allocation Plans being launched under "Meezan Fixed Term Fund (MFTF)" will be allocated between Shariah Compliant authorized investable avenues as mentioned in Offering Document of MFTF. The Allocation Plans shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.



Performance Review

Meezan Paaidaar Munafa Plan (MPMP-III) provided a return of 20.27% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 6.38%

Launched date March 28, 2023

	MPMP III	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on March 28, 2023	50.00	
Net Asset Value as on June 30, 2023	50.10	
Return for the year	20.27%	6.38%
Outperformance	13.89%	

Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks



Pure. Profit.



The Fund earned a gross income of Rs. 31 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 30 million. The fund also incurred expenses totalling to Rs. 1.5 million, which brought the net income figure to Rs. 30 million. The net assets of the Fund as at June 30, 2023 were Rs. 543 million. The net asset value per unit as at June 30, 2023 was Rs. 50.0964 (Ex-dividend).

Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 2.5084 per unit (5.02%). Total distribution made by the fund was Rs. 26 million.

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	0
10,000 - 49,999	14
50,000 - 99,999	7
100,000 - 499,999	27
500,000 and above	4
Total	52



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Paaidaar Munafa Plan (MPMP-IV) (Managed under Meezan Fixed Term Fund)

Type of Fund

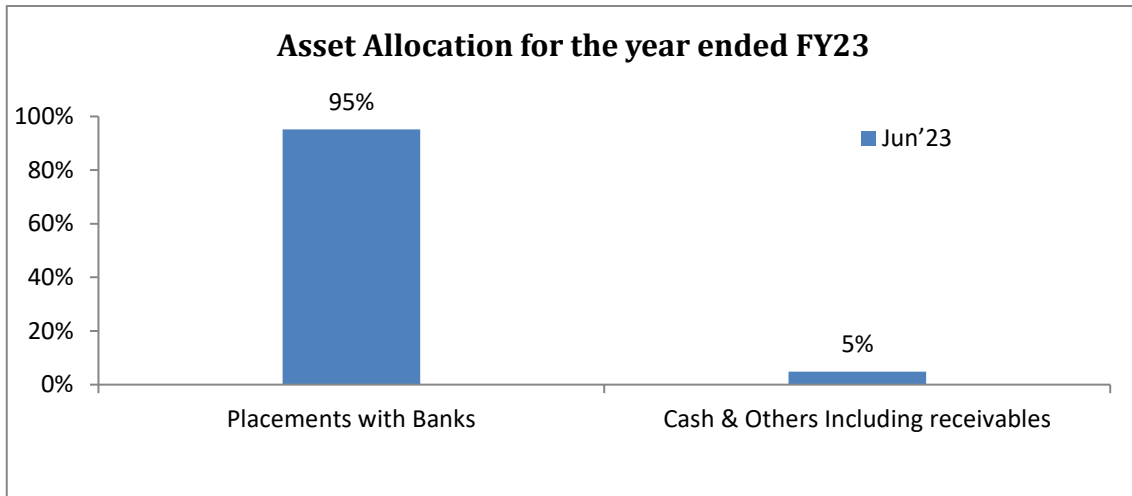
Open ended Shariah Compliant Fixed Rate/ Return plans investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

Objective

The Meezan Paaidaar Munafa Plan-IV (MPMP-IV) is an allocation plan under "Meezan Fixed Term Fund" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah Compliant TDRs and money market placements / Instruments for a specific duration.

Investment Policy and Strategy

The Allocation Plans being launched under "Meezan Fixed Term Fund (MFTF)" will be allocated between Shariah Compliant authorized investable avenues as mentioned in Offering Document of MFTF. The Allocation Plans shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.



Performance Review

Meezan Paaidaar Munafa Plan (MPMP-IV) provided a return of 19.92% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 6.41%

Launched date April 18, 2023

	MPMP IV	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on April 18, 2023	50.00	
Net Asset Value as on June 30, 2023	50.10	
Return for the year	19.92%	6.41%
Outperformance	13.51%	

Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks



Pure. Profit.



The Fund earned a gross income of Rs. 193 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 188 million. The fund also incurred expenses totalling to Rs. 18 million, which brought the net income figure to Rs. 176 million. The net assets of the Fund as at June 30, 2023 were Rs. 4,564 million. The net asset value per unit as at June 30, 2023 was Rs. 50.1020 (Ex-dividend).

Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 1.8863 per unit (3.87%). Total distribution made by the fund was Rs. 166.4 million.

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	0
10,000 - 49,999	242
50,000 - 99,999	87
100,000 - 499,999	110
500,000 and above	32
Total	471



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Paaidaar Munafa Plan (MPMP-V) (Managed under Meezan Fixed Term Fund)

Type of Fund

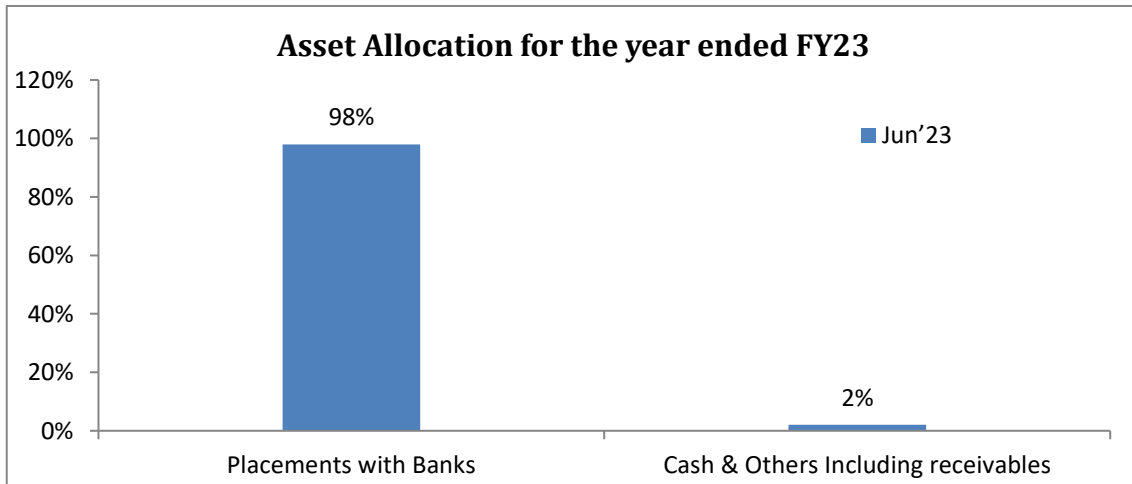
Open ended Shariah Compliant Fixed Rate/ Return plans investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

Objective

The Meezan Paaidaar Munafa Plan-V (MPMP-V) is an allocation plan under "Meezan Fixed Term Fund" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah Compliant TDRs and money market placements / Instruments for a specific duration.

Investment Policy and Strategy

The Allocation Plans being launched under "Meezan Fixed Term Fund (MFTF)" will be allocated between Shariah Compliant authorized investable avenues as mentioned in Offering Document of MFTF. The Allocation Plans shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.



Performance Review

Meezan Paaidaar Munafa Plan (MPMP-V) provided a return of 21.87% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 6.75%

Launched date May 28, 2023

	MPMP V	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on May 28, 2023	50.00	
Net Asset Value as on June 30, 2023	50.10	
Return for the year	21.87%	6.75%
Outperformance	15.12%	

Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks



Pure. Profit.



The Fund earned a gross income of Rs. 210 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 210 million. The fund also incurred expenses totalling to Rs. 12 million, which brought the net income figure to Rs. 198 million. The net assets of the Fund as at June 30, 2023 were Rs. 10,171 million. The net asset value per unit as at June 30, 2023 was Rs. 50.0973 (Ex-dividend).

Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 0.8896 per unit (1.78%). Total distribution made by the fund was Rs. 178 million.

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	0
10,000 - 49,999	0
50,000 - 99,999	0
100,000 - 499,999	0
500,000 and above	1
Total	1



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Paaidaar Munafa Plan (MPMP-VI) (Managed under Meezan Fixed Term Fund)

Type of Fund

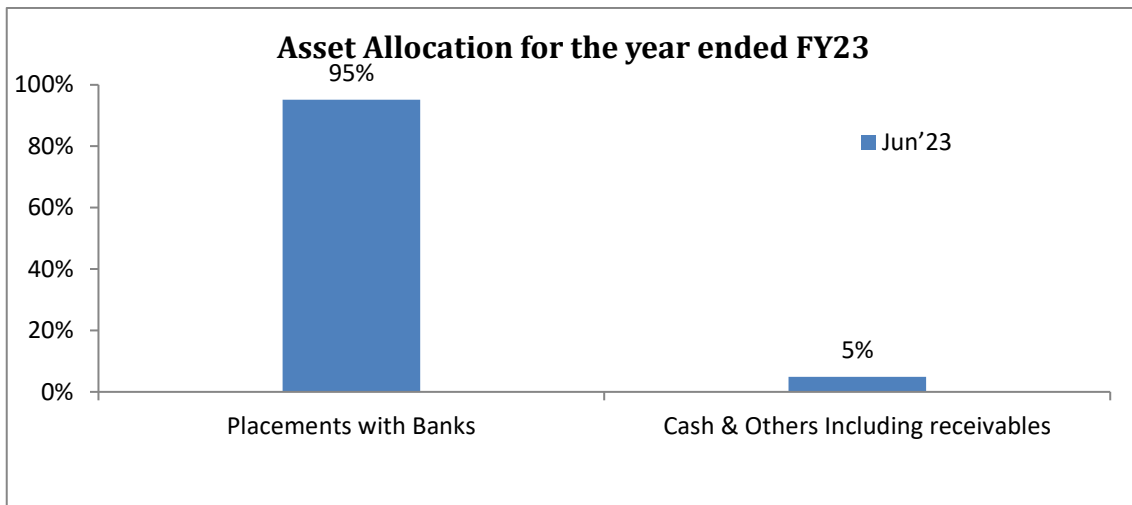
Open ended Shariah Compliant Fixed Rate/ Return plans investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

Objective

The Meezan Paaidaar Munafa Plan-VI (MPMP-VI) is an allocation plan under "Meezan Fixed Term Fund" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah Compliant TDRs and money market placements / Instruments for a specific duration.

Investment Policy and Strategy

The Allocation Plans being launched under "Meezan Fixed Term Fund (MFTF)" will be allocated between Shariah Compliant authorized investable avenues as mentioned in Offering Document of MFTF. The Allocation Plans shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.



Performance Review

Meezan Paaidaar Munafa Plan (MPMP-VI) provided a return of 19.65% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 6.75%

Launched date May 22, 2023

	MPMP VI	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on May 22, 2023	50.00	
Net Asset Value as on June 30, 2023	50.10	
Return for the year	19.65%	6.75%
Outperformance	12.90%	

Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks



Pure. Profit.



The Fund earned a gross income of Rs. 22 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 22 million. The fund also incurred expenses totalling to Rs. 2 million, which brought the net income figure to Rs. 20 million. The net assets of the Fund as at June 30, 2023 were Rs. 989 million. The net asset value per unit as at June 30, 2023 was Rs. 50.1025 (Ex-dividend).

Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 0.9451 per unit (1.90%). Total distribution made by the fund was Rs. 18 million.

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	0
10,000 - 49,999	149
50,000 - 99,999	30
100,000 - 499,999	37
500,000 and above	11
Total	227



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Paaidaar Munafa Plan (MPMP-VIII) (Managed under Meezan Fixed Term Fund)

Type of Fund

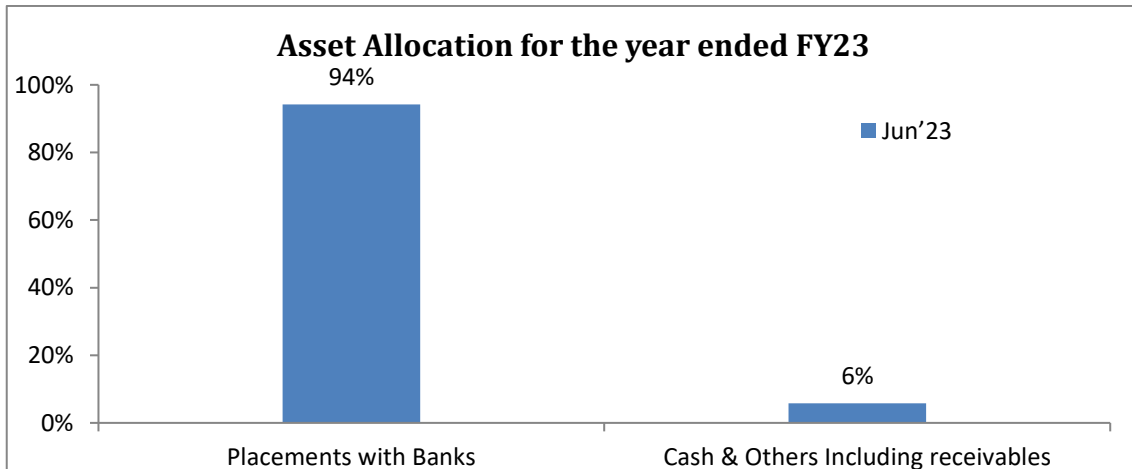
Open ended Shariah Compliant Fixed Rate/ Return plans investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

Objective

The Meezan Paaidaar Munafa Plan-VIII (MPMP-VIII) is an allocation plan under "Meezan Fixed Term Fund" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah Compliant TDRs and money market placements / Instruments for a specific duration.

Investment Policy and Strategy

The Allocation Plans being launched under "Meezan Fixed Term Fund (MFTF)" will be allocated between Shariah Compliant authorized investable avenues as mentioned in Offering Document of MFTF. The Allocation Plans shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.



Performance Review

Meezan Paaidaar Munafa Plan (MPMP-VIII) provided a return of 18.54% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 7.16%

Launched date June 05, 2023

	MPMP VIII	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 05, 2023	50.00	
Net Asset Value as on June 30, 2023	50.05	
Return for the year	18.54%	7.16%
Outperformance	11.38%	

Benchmark: 6 Months average deposit rates of 3 A-rated Islamic Banks



Pure. Profit.



The Fund earned a gross income of Rs. 56 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 56 million. The fund also incurred expenses totalling to Rs. 5 million, which brought the net income figure to Rs. 51 million. The net assets of the Fund as at June 30, 2023 were Rs. 4,064 million. The net asset value per unit as at June 30, 2023 was Rs. 50.0507 (Ex-dividend).

Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 0.5330 per unit (1.06%). Total distribution made by the fund was Rs. 43 million.

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	0
10,000 - 49,999	146
50,000 - 99,999	41
100,000 - 499,999	36
500,000 and above	18
Total	241

PERFORMANCE TABLE**MEEZAN FIXED TERM FUND- MEEZAN PAIDAR MUNAFA PLAN III**

	2023
Net assets (Rs. '000) (ex-distribution)	542,967.00
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	50.0964
Offer price per unit as at June 30, (Rs.) (ex-distribution)	-
Highest offer price per unit (Rs.)	-
Lowest offer price per unit (Rs.)	-
Highest redemption price per unit (Rs.)	52.5084
Lowest redemption price per unit (Rs.)	50.0000
Distribution (%)	
Interim	5.02%
Final	
Date of distribution	27-Jun-23
Interim	
Final	
Income distribution (Rupees in '000)	26,062
Growth distribution (Rupees in '000)	-
Total return (%)	20.27

Average annual return as at June 30, 2023 (%)

One Year

20.27%

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

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Fixed Term Fund (MFTF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the First year of operations of Meezan Fixed Term Fund (the “MFTF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

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 FIXED TERM FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Fixed Term 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 period from June 09, 2022 to June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Fixed Term Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Fixed Term Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of debt instruments) held by the Fund represent 98% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076vhcJMqkHp



MEEZAN FIXED TERM FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	2023	2023	2023	2023	2023	2023	2023	2023	2023
	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII	Total
(Rupees in '000)									
Assets									
Balances with banks	5	-	21,092	32,688	67,712	26,027	49,000	179,941	327,460
Investments	6	-	494,857	4,379,738	10,000,000	945,000	-	3,840,000	19,659,595
Receivables Against Conversion Of Units		-	-	-	-	-	517,500	-	-
Accrued profit	7	-	32,431	191,567	142,113	22,513	2,467	56,242	444,865
Total assets		-	548,380	4,603,993	10,209,825	993,540	568,968	4,076,183	20,431,921
Liabilities									
Payable to Al Meezan Investment Management Limited - Management Company	9	-	1,375	16,814	11,245	1,568	-	4,872	35,874
Payable to Central Depository Company of Pakistan Limited - Trustee	10	-	93	560	567	65	-	172	1,457
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	-	30	180	182	21	-	55	468
Profit Payable To Pre-Ipo Investors		-	-	-	-	-	2,467	-	0
Accrued expenses and other liabilities	12	-	3,915	22,615	26,844	3,021	-	7,076	63,471
Total liabilities		-	5,413	40,169	38,838	4,675	2,467	12,175	101,270
Net Assets		-	542,967	4,563,824	10,170,987	988,865	566,500	4,064,008	20,897,151
Unit holders' fund (as per statement attached)		-	542,967	4,563,824	10,170,987	988,865	566,500	4,064,008	20,897,151
Contingencies and commitments	13								
(Number of units)									
Number of units in issue		-	10,838,446	91,090,733	203,024,640	19,736,823	11,330,009	81,197,889	
(Rupees)									
Net asset value per unit		-	50.0964	50.1020	50.0973	50.1025	50.0000	50.0507	

The annexed notes 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN FIXED TERM FUND
INCOME STATEMENT
FOR THE PERIOD FROM JUNE 09, 2022 TO JUNE 30, 2023 AND YEAR ENDED JUNE 30, 2023

	MPMP-I (Upon initial maturity)	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII	Total
	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from January 6, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 21, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023	
Note -----(Rupees in '000)-----											
Income											
Profit on saving accounts with banks	2,370	4,672	2,315	49,259	775	2,695	54,181	584	-	2,324	119,175
Profit on certificate of musharaka	-	-	-	-	-	-	155,644	-	-	-	155,644
Profit on term deposit receipts	67,742	69,172	45,556	146,908	-	-	-	-	-	53,918	383,296
Profit on government sukuk certificates	-	-	-	-	28,808	185,937	-	21,507	-	-	236,252
Net realized loss on investments	-	-	-	-	-373	-	-	-	-	-	(373)
Other Income	115	24	162	-	559	-	-	-	-	-	860
Net unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	-	-	-	-	1,308	4,738	-	-	-	-	6,046
Total income	70,227	73,868	48,033	196,167	31,077	193,370	209,825	22,091	-	56,242	900,900
Expenses											
Remuneration of AI Meezan Investment Management Limited - Management Company	9.1 2,078	4,748	2,798	7,070	1,195	14,865	9,889	1,379	-	4,290	48,312
Sindh Sales Tax on remuneration of the Management Company	9.2 270	617	364	920	155	1,932	1,286	179	-	558	6,281
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 322	253	166	702	82	495	502	58	-	152	2,732
Sindh Sales Tax on remuneration of the Trustee	10.2 42	33	22	91	11	64	65	8	-	20	356
Annual fees to the Securities and Exchange Commission of Pakistan	11 99	92	60	255	30	180	182	21	-	55	974
Auditors' remuneration	14 72	88	42	42	13	9	26	5	-	13	310
Formation Cost	8.1 90	93	90	90	25	18	71	10	-	25	512
Bank and settlement charges	47	4	12	6	2	1	-	2	-	36	110
Fees and subscription	108	156	151	151	48	35	129	17	-	46	841
Total expenses	3,128	6,084	3,705	9,327	1,561	17,599	12,150	1,679	-	5,195	60,428
Net income for the period before taxation	67,099	67,784	44,328	186,840	29,516	175,771	197,675	20,412	-	51,047	840,472
Taxation	16 -	-	-	-	-	-	-	-	-	-	-
Net income for the period after taxation	67,099	67,784	44,328	186,840	29,516	175,771	197,675	20,412	-	51,047	840,472
Allocation of net income for the period											
Net income for the period after taxation	67,099	67,784	44,328	186,840	29,516	175,771	197,675	20,412	-	51,047	840,472
Income already paid on units redeemed	(7,379)	(31,391)	(19,061)	(69,259)	(2,409)	(86)	-	(25)	-	(26)	(129,636)
	59,720	36,393	25,267	117,581	27,107	175,685	197,675	20,387	-	51,021	710,836
Accounting income available for distribution											
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	59,720	36,393	25,267	117,581	27,107	175,685	197,675	20,387	-	51,021	710,836
	59,720	36,393	25,267	117,581	27,107	175,685	197,675	20,387	-	51,021	710,836

The annexed notes 1 to 26 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN FIXED TERM FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM JUNE 09, 2022 TO JUNE 30, 2023 AND YEAR ENDED JUNE 30, 2023

MPMP-I (Upon initial maturity)	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII	Total	
For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from January 6, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 21, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023		
------(Rupees in '000)-----											
Net income for the period after taxation	67,099	67,784	44,328	186,840	29,516	175,771	197,675	20,412	-	51,047	840,472
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	67,099	67,784	44,328	186,840	29,516	175,771	197,675	20,412	-	51,047	840,472

The annexed notes 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN FIXED TERM FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE PERIOD FROM JUNE 09, 2022 TO JUNE 30, 2023 AND YEAR ENDED JUNE 30, 2023

For the period from June 09, 2022 to September 09, 2022			For the period from September 26, 2022 to December 26, 2022			For the period from January 6, 2023 to March 17, 2023			For the period from September 12, 2022 to March 12, 2023			For the period from March 28, 2023 to June 30, 2023			For the period from April 18, 2023 to June 30, 2023			For the period from May 28, 2023 to June 30, 2023			For the period from May 22, 2023 to June 30, 2023			For the period from June 21, 2023 to June 30, 2023			For the period from June 05, 2023 to June 30, 2023		
Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total

Issuance of units:
MPMP-I: 38,766,267, 59,472,927 and 31,080,683 units /
MPMP-II: 52,510,000 units /
MPMP-III :11,938,548 units /
MPMP-IV: 91,206,697 units /
MPMP-V: 203,024,640 units /
MPMP-VI: 19,767,292 units /
MPMP-VII: 11,330,000 units and
MPMP-VIII: 81,331,889 units

- Capital value (at par value per unit)	1,938,313	-	1,938,313	2,973,646	-	2,973,646	4,033,130	-	4,033,130	2,625,500	-	2,625,500	596,927	-	596,927	4,560,335	-	4,560,335	10,151,232	-	10,151,232	988,365	-	988,365	566,500	-	566,500	4,066,597	-	4,066,597
- Element of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total proceeds on issuance of units	1,938,313	-	1,938,313	2,973,646	-	2,973,646	4,033,130	-	4,033,130	2,625,500	-	2,625,500	596,927	-	596,927	4,560,335	-	4,560,335	10,151,232	-	10,151,232	988,365	-	988,365	566,500	-	566,500	4,066,597	-	4,066,597

Redemption of units:
MPMP-I : 23,406,872, 40,130,443 and 63,134,603 units /
MPMP-II: 21,344,130 units /
MPMP-III :1,100,102 units /
MPMP-IV: 115,964 units /
MPMP-VI: 30,469 units and
MPMP-VIII: 134,000 units

- Capital value (at par value per unit)	1,170,344	-	1,170,344	2,006,522	-	2,006,522	3,156,730	-	3,156,730	1,067,208	-	1,067,208	55,005	-	55,005	5,798	-	5,798	-	-	-	1,524	-	1,524	-	-	-	-	6,700	-	6,700
- Element of loss	-	7,379	7,379	364	31,391	31,755	19,061	19,061	69,259	69,259	2,409	2,409	86	86	5,884	-	-	-	-	-	-	25	25	1,549	-	-	-	-	26	6,726	
Total payments on redemption of units	1,170,344	7,379	1,177,723	2,006,886	31,391	2,038,277	3,156,730	19,061	3,175,791	1,067,208	69,259	1,136,467	55,005	2,409	57,414	5,798	86	5,884	-	-	-	1,524	25	1,549	-	-	-	-	6,700	26	6,726

Total comprehensive income for the period	-	67,099	67,099	-	67,784	67,784	-	44,328	44,328	-	186,840	186,840	-	29,516	29,516	-	175,771	175,771	-	197,675	197,675	-	20,412	20,412	-	-	-	-	51,047	51,047
Distribution during the period	-	(59,720)	(59,720)	-	(36,393)	(36,393)	-	(25,267)	(25,267)	-	(117,581)	(117,581)	-	(26,062)	(26,062)	-	(166,398)	(166,398)	-	(177,920)	(177,920)	-	(18,363)	(18,363)	-	-	-	-	(46,910)	(46,910)
Net income for the period less distribution	-	7,379	7,379	-	31,391	31,391	-	19,061	19,061	-	69,259	69,259	-	3,454	3,454	-	9,373	9,373	-	19,755	19,755	-	2,049	2,049	-	-	-	-	4,137	4,137

Net assets at the end of the period	767,969	-	767,969	966,760	-	966,760	876,400	(0)	876,400	1,558,292	-	1,558,292	541,922	1,045	542,967	4,554,537	9,287	4,563,824	10,151,232	19,755	10,170,987	986,841	2,024	988,865	566,500	-	566,500	4,059,897	4,111	4,064,008
-------------------------------------	---------	---	---------	---------	---	---------	---------	-----	---------	-----------	---	-----------	---------	-------	---------	-----------	-------	-----------	------------	--------	------------	---------	-------	---------	---------	---	---------	-----------	-------	-----------

Accounting income available for distribution
- Relating to capital gains
- Excluding capital gains

- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	59,720	36,393	36,393	25,267	117,581	117,581	27,107	175,685	175,685	197,675	197,675	20,387	197,675	20,387	197,675	197,675	197,675	197,675	197,675	197,675	197,675	197,675	197,675	197,675	197,675	197,675	197,675	197,675	197,675	197,675
Distribution during the period	(59,720)	(36,393)	(36,393)	(25,267)	(117,581)	(117,581)	(26,062)	(166,398)	(166,398)	(177,920)	(177,920)	(18,363)	(177,920)	(18,363)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)	(177,920)
Undistributed income carried forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed income carried forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)

Net assets value per unit at the end of the period	50.0000	50.0000	50.0000	50.0000	50.0000	50.0000	50.0000	50.0000	50.0964	50.1020	50.0973	50.1025	50.0973	50.1025	50.0973	50.1025	50.0973	50.1025	50.0973	50.1025	50.0973	50.1025	50.0973	50.1025	50.0973	50.1025	50.0973	50.1025	50.0973	50.1025
--	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

The annexed notes 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN FIXED TERM FUND

CASH FLOW STATEMENT

FOR THE PERIOD FROM JUNE 09, 2022 TO JUNE 30, 2023 AND YEAR ENDED JUNE 30, 2023

MPMP-I (Upon initial maturity)	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII	Total
For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from January 6, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 21, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023	

(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation	67,099	67,784	44,328	186,840	29,516	175,771	197,675	20,412	-	51,047	840,472
Adjustment for non-cash items:											
Amortisation of preliminary expenses and flotation costs	90	93	90	90	25	18	71	10	-	25	512
Increase in assets	67,189	67,877	44,418	186,930	29,541	175,789	197,746	20,422	-	51,072	840,984
Investments	-	-	-	-	(494,857)	(4,379,738)	-	(945,000)	-	-	(5,819,595)
Accrued profit	(870)	(2,083)	(3,435)	(150,700)	(32,431)	(191,567)	(142,113)	(22,513)	(2,467)	(56,242)	(601,954)
Preliminary expenses and flotation costs	(90)	(93)	(90)	(90)	(25)	(18)	(71)	(10)	-	(25)	(512)
Increase in liabilities	(960)	(2,176)	(3,525)	(150,790)	(527,312)	(4,571,323)	(142,184)	(967,523)	(2,467)	(56,267)	(6,422,060)
Payable to Al Meezan Investment Management Limited - Management Company	2,349	5,548	3,435	8,115	1,375	16,814	11,245	1,568	-	4,872	55,321
Payable to Central Depository Company of Pakistan Limited - Trustee	363	286	187	793	93	560	567	65	-	172	3,086
Payable to the Securities and Exchange Commission of Pakistan (SECP)	99	92	152	255	30	180	182	21	-	55	1,066
Profit Payable To Pre-Ipo Investors	-	-	-	-	-	-	-	-	2,467	-	2,467
Accrued expenses and other liabilities	7,892	3,564	2,331	9,099	3,914	22,615	26,844	3,021	-	7,076	86,356
	10,703	9,490	6,105	18,262	5,412	40,169	38,838	4,675	2,467	12,175	148,296
Net cash generated from / (used in) operating activities	76,932	75,191	46,998	54,402	(492,359)	(4,355,365)	94,400	(942,426)	-	6,980	(5,432,781)

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts against issuance and conversion of units	1,916,562	2,973,646	4,033,130	2,625,500	596,927	4,560,335	10,151,232	988,365	49,000	4,066,597	31,912,294
Payments against redemption and conversion of units	(25,432)	(1,177,359)	(2,503,378)	(1,136,467)	(57,414)	(5,884)	-	(1,549)	-	(6,726)	(4,914,209)
Dividend paid	-	-	-	-	(26,062)	(166,398)	(177,920)	(18,363)	-	(46,910)	(435,653)
Net cash generated from financing activities	1,891,130	1,796,287	1,529,752	1,489,033	513,451	4,388,053	9,973,312	968,453	49,000	4,012,961	26,562,432
Net increase in cash and cash equivalents	1,968,062	1,871,478	1,576,750	1,543,435	21,092	32,688	10,067,712	26,027	49,000	4,019,941	21,176,185
Cash and cash equivalents at the beginning of the period	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at the end of the period	1,968,062	1,871,478	1,576,750	1,543,435	21,092	32,688	10,067,712	26,027	49,000	4,019,941	21,176,185

The annexed notes 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN FIXED TERM FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JUNE 09, 2022 TO JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Fixed Term Fund (the "Fund", the "Scheme") was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on April 05, 2022 under Sindh Trusts Act, 2020 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 Meezan Fixed Term Fund is an Open Ended Shariah Compliant Collective Investment Scheme as per SECP's Circular No.3 of 2022 dated February 10, 2022 with different allocation plans. The investment objective of the Fund is to earn potentially high returns by investing in Shariah Compliant Fixed Income instruments.
- 1.3 The following plans were launched on the following respective dates, with an objective to provide investors with potentially high returns through placement of deposit in Shariah Compliant Banks.

PLAN	LAUNCH DATE
Meezan Paaidaar Munafa Plan - I	June 9, 2022
Meezan Paaidaar Munafa Plan - II *	September 12, 2022
Meezan Paaidaar Munafa Plan - III *	March 28, 2023
Meezan Paaidaar Munafa Plan - IV *	April 18, 2023
Meezan Paaidaar Munafa Plan - V *	May 28, 2023
Meezan Paaidaar Munafa Plan - VI *	May 22, 2023
Meezan Paaidaar Munafa Plan - VII **	June 21, 2023
Meezan Paaidaar Munafa Plan - VIII *	June 5, 2023

* These plans were launched during the year, accordingly no comparative information in respect of Statement of Assets and Liabilities, Income statement, Statement of Comprehensive Income, Statement of Movement in unit holders' fund and Cashflow statement has been disclosed.

** The plan's subscription period commenced on June 21, 2023, however the plan is launched subsequently on July 11, 2023. During the year disclosures containing balances are disclosed, however, those with nil balances are not disclosed.

The assets and liabilities of MPMP-I initially matured on September 09, 2022 stood at Rs.1,968.933 million and Rs.1,162.995 million, respectively. The liabilities amounting to Rs.1,162.626 million has been paid off as at January 05, 2023, remaining outstanding balance of Rs.0.369 million was settled during the year.

Amongst the remaining assets amounting to Rs.805.938 million, dividend distribution of Rs.44.793 million is made upon maturity of the plan which has been re-invested by unit holders in roll over plan of MPMP-I launched on September 26, 2022.

The assets and liabilities of roll over plan MPMP-I matured on December 26, 2022 stood at Rs.1,873.561 million and Rs.870.407 million, respectively. The liabilities amounting to Rs.857.251 million has been paid off as at January 05, 2023 related to payments on redemption and conversion of units, remaining outstanding balance of Rs.13.157 was settled during the year.

Amongst the remaining assets amounting to Rs.1,003.154 million, dividend distribution of Rs.36.393 million is made upon maturity of the plan which has been re-invested by unit holders in roll over plan of MPMP-I launched on January 06, 2023.

The assets and liabilities of roll over plan MPMP-I matured on March 17, 2023 stood at Rs.1,580.185 million and Rs.703.786 million, respectively. The liabilities amounting to Rs.672.413 million has been paid off as at March 22, 2023 related to payments on redemption and conversion of units, remaining outstanding balance of Rs.31.373 will be paid off subsequently.

Amongst the remaining assets amounting to Rs.876.399 million, dividend distribution of Rs.25.2596 million is made upon maturity of the plan.

The assets and liabilities of plan MPMP-II matured on March 10, 2023 stood at Rs.1,694.132 million and Rs.135.837 million, respectively. The liabilities outstanding balance will be paid off subsequently.

Amongst the remaining assets amounting to Rs.1,558.294 million, dividend distribution of Rs.117.5764 million is made upon maturity of the plan.

- 1.4 Units are offered for public subscription for limited time period. The units are transferable and can be redeemed by surrendering them to the Fund after deduction of contingent load.
- 1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 As per offering document approved by SECP, the accounting period, in case of the first such period for MPMP-I, shall commence from the date on which the trust property is first paid or transferred to the Trustee. On the request of AMC, the SECP through letter # SCD/AMCW/MFTF/361/2022 dated June 06, 2022 has granted exemption from publishing financial statements for the period ending June 30, 2022. Accordingly, these financial statements have been prepared for the period from June 09, 2022 to June 30, 2023, and no comparative information in respect of Statement of Assets and Liabilities, Income statement, Statement of Comprehensive Income, Statement of Movement in unit holders' fund and Cashflow statement has been disclosed.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the 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 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments	Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8 Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising - from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1 Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its - Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7 Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 -and IFRS 7	January 01, 2024
IAS 12 International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 First time adoption of IFRS	January 01, 2004
IFRS 17 Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Funds' 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 Debt instruments

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

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

based on the business model of the entity.

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

4.2.2.2 Impairment

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

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

4.2.2.3 Impairment loss on debt securities

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

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

4.2.2.4 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.

4.2.2.5 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;
- Income on sukuk certificates and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Profit on savings accounts and term deposits 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 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.13 Earnings / (loss) per unit

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

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

4.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5	BALANCES WITH BANKS	Note	June 30, 2023								Total
			MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII	
	Balances with banks in:										
	Savings accounts	5.1	-	-	21,092	32,688	67,712	26,027	49,000	179,941	376,461

5.1 These include a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10.00% per annum. Other savings accounts of the Fund have expected rates of profit ranging from 20.00% to 20.25% per annum.

6	INVESTMENTS	Note	June 30, 2023								Total
			MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VIII		
	At fair value through profit or loss										
	Certificate of musharaka	6.1	-	-	-	-	10,000,000	-	-	-	10,000,000
	Term deposit receipts	6.2	-	-	-	-	-	-	3,840,000	-	3,840,000
	Government sukuk certificates	6.3	-	-	494,857	4,379,738	-	945,000	-	-	5,819,595
	Total as at 30 June 2023		-	-	494,857	4,379,738	10,000,000	945,000	3,840,000	-	19,659,595

6.1 Certificate of musharaka

Name of the bank	Maturity date	Profit rate	Placed during the period	Matured during the period	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
								Net assets of the fund	Total market value of investment
		%							%

Meezan Paaidar Munafa Plan - V

Faysal Bank (AA, PACRA)	July 10, 2023	20.30%	5,000,000	-	5,000,000	5,000,000	-	48.97%	49.16%
Faysal Bank (AA, PACRA)	June 9, 2023	20.30%	5,000,000	5,000,000	-	-	-	0.00%	0.00%
UBL Al Ameen (AAA, PACRA)	July 4, 2023	20.25%	5,000,000	-	5,000,000	5,000,000	-	48.97%	49.16%
As at June 30, 2023			15,000,000	5,000,000	10,000,000	10,000,000	-	97.94%	98.32%

6.2 Term deposit receipts

Name of the bank	Maturity date	Profit rate	Placed during the period	Matured during the period	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
								Net assets of the fund	Total market value of investment
		%			(Rupees in '000)				%
Meezan Paaidar Munafa Plan - I									
Askari Bank Limited (AA+, PACRA)	September 09, 2022	14.27%	1,918,500	1,918,500	-	-	-	0.00%	0.00%
Askari Bank Limited (AA+, PACRA)	December 26, 2022	15.50%	1,792,000	1,792,000	-	-	-	0.00%	0.00%
Askari Bank Limited (AA+, PACRA)	March 17, 2023	15.50%	1,548,500	1,548,500	-	-	-	0.00%	0.00%
Meezan Paaidar Munafa Plan - II									
Bank of Punjab (AA+, PACRA)	March 10, 2023	15.80%	1,875,000	1,875,000	-	-	-	0.00%	0.00%
Meezan Paaidar Munafa Plan - VIII									
Bank Alfalah (AA+, PACRA)	September 06, 2023	20.50%	3,840,000	-	3,840,000	3,840,000	-	94.49%	100.00%
As at June 30, 2023			10,974,000	7,134,000	3,840,000	3,840,000	-	94.49%	100.00%

6.2.1 The profit and principal of term deposit receipts is receivable at maturity.

6.3 Government sukuk certificates

Name of the Security	Maturity date	Profit payments / principal redemptions	Issue Date	Profit rate	As at July 1, 2022	Purchased during the year	Sales / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
												Number of certificates	Total market value of investments
									(Rs in '000)			(%)	
Meezan Paaidar Munafa Plan - III													
GoP Ijarah Sukuk Certificates - XVIII - FRR (note 6.1.1)	March 08, 2024	Semi-annually / At maturity	March 08, 2023	21.70%	-	5,500	565	4,935	493,549	494,857	1,308	91.14%	100.00%
Meezan Paaidar Munafa Plan - IV													
GoP Ijarah Sukuk Certificates - XX - FRR (note 6.1.1)	April 17, 2024	Semi-annually / At maturity	April 17, 2023	21.25%	-	43,750	-	43,750	4,375,000	4,379,738	4,738	95.97%	100.00%
Meezan Paaidar Munafa Plan - VI													
GoP Ijarah Sukuk Certificates - XXII - FRR (note 6.1.1)	April 17, 2024	Semi-annually / At maturity	May 22, 2023	21.30%	-	9,450	-	9,450	945,000	945,000	-	95.56%	100.00%
Total as at June 30, 2023					-	58,700	565	58,135	5,813,549	5,819,595	6,046	282.67%	300.00%

7	ACCRUED PROFIT	Note	June 30, 2023					Total		
			MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V		MPMP-VI	MPMP-VIII
			(Rupees in '000)							
	Profit accrued on:									
	Balances with banks		-	-	245	535	28,154	454	2,324	31,712
	Term deposit receipts		-	-	-	-	-	-	-	-
	Certificate of musharaka		-	-	-	-	113,959	-	-	113,959
	Government sukuk certificates		-	-	32,186	191,032	-	22,059	53,918	299,194
	Total as at June 30, 2022		-	-	32,431	191,567	142,113	22,513	56,242	444,865

8 PRELIMINARY EXPENSES AND FLOTATION COSTS

	Total for the year ended June 30, 2022	8.1	-	-	25	18	71	10	25	149
--	---	-----	---	---	----	----	----	----	----	-----

8.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund.

9	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	June 30, 2023					Total		
			MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V		MPMP-VI	MPMP-VIII
			(Rupees in '000)							
	Remuneration payable	9.1	-	-	1,195	14,864	9,889	1,379	4,290	31,617
	Sindh Sales Tax payable on remuneration of the Management Company	9.2	-	-	155	1,932	1,285	179	557	4,109
	Formation cost payable		-	-	25	18	71	10	25	148
	Total as at June 30, 2023		-	-	1,375	16,814	11,245	1,568	4,872	35,874

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.

9.2 The sales tax is charged at the rate of 13% of management fee.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30, 2023					Total		
			MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V		MPMP-VI	MPMP-VIII
			(Rupees in '000)							
	Trustee fee payable	10.1	-	-	82	495	502	58	152	1,289
	Sindh Sales Tax payable on trustee fee	10.2	-	-	11	64	65	8	20	168
	Total as at June 30, 2023		-	-	93	560	567	65	172	1,457

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed, at the rate of 0.055% per annum of net assets of the Fund.

10.2 The sales tax is charged at the rate of 13% of trustee fee.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% per annum of average annual net assets during the current period.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	June 30, 2023							Total
	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VIII	
	(Rupees in '000)							
Auditors' remuneration payable	-	-	13	9	26	5	13	66
Fund rating fee payable	-	-	19	14	39	5	14	91
Shariah advisor fee payable	-	-	29	21	90	12	32	184
Withholding tax payable on dividend	-	-	3,635	22,564	26,689	2,999	7,014	62,901
Capital gain tax payable	-	-	219	7	-	-	3	229
Total as at June 30, 2023	-	-	3,915	22,615	26,844	3,021	7,076	63,471

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023.

14 AUDITORS' REMUNERATION	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2023 to December 26, 2023	For the period from January 9, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023	Total
	MPMP-I	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VIII	
	(Rupees in '000)									
Statutory audit fee	35	79	42	42	13	9	26	5	13	264
Half yearly review fee	37	9	-	-	-	-	-	-	-	46
Total as at June 30, 2023	72	88	42	42	13	9	26	5	13	310

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended June 30, 2023 is as under:

	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from January 06, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023
	MPMP-I	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VIII
Total Expense Ratio (TER)	0.63%	1.32%	1.04%	0.12%	1.04%	1.95%	1.19%	1.56%	1.17%
Government Levies	0.08%	0.16%	0.67%	0.21%	0.13%	0.24%	0.15%	0.19%	0.14%

The above calculated ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The management has distributed the required income earned by the Fund in Tax Year 2022 and therefore no tax liability has been recorded in respect of income of the Fund for the said period.

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 RELATED PARTIES / CONNECTED PERSONS

17.1 Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Collective Investment Schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

17.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

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

	June 30, 2023							
Balances	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII
	(Rupees in '000)							
Al Meezan Investment Management Limited - Management Company								
Management fee payable	-	-	1,195	14,864	9,889	1,379	-	4,290
Sindh Sales Tax payable on the remuneration of the Management Company	-	-	155	1,932	1,285	179	-	557
Formation cost payable	-	-	25	18	71	10	-	25
Central Depository Company of Pakistan Limited - Trustee								
Remuneration payable to the Trustee	-	-	82	495	502	58	-	152
Sindh Sales Tax on remuneration of the Trustee	-	-	11	64	65	8	-	20
Meezan Bank Limited								
Balance with bank	-	-	21,092	32,688	67,712	26,027	-	179,941
Profit receivable on saving account	-	-	245	535	28,154	454	-	2,324
Shariah advisor fee payable	-	-	29	21	90	12	-	32
Directors and Executives of the Management Company								
Investment	-	-	-	207,868	-	-	252,000	1,011
Investment (Units)	-	-	-	4,148,910	-	-	5,040	20,181
Unitholders holding 10% or more units of the Fund								
Investment	-	-	-	-	-	101,815	-	-
Investment (Units)	-	-	-	-	-	2,032,133	-	-



Transactions during the period	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from January 06, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 21, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023
	MPMP-I	MPMP-I	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VIII
(Rupees in '000)										
AI Meezan Investment Management Limited - Management Company										
Remuneration of AI Meezan Investment Management Limited - Management Company	2,078	4,748	2,798	7,070	1,195	14,865	9,889	-	-	4,290
Sindh Sales Tax on the remuneration of the Management Company	270	617	364	920	155	1,932	1,286	179	-	558
Invested during the period	-	-	-	300,000	-	-	-	-	-	-
Invested during the period (Units)	-	-	-	6,000,000	-	-	-	-	-	-
Redeemed during the period	-	-	-	309,875	-	-	-	-	-	-
Redeemed during the period (Units)	-	-	-	6,000,000	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee										
Remuneration of the Trustee	322	253	166	702	82	495	502	58	-	152
Sindh Sales Tax on remuneration of the Trustee	42	33	22	91	11	64	65	8	-	20
Meezan Bank Limited										
Profit on savings account	60	48	1	29	144	1,478	0	7	-	5
Shariah advisory fee	65	111	107	42	29	21	90	12	-	32
AI Meezan Investment Management Limited - Employees' Gratuity Fund										
Invested during the period	-	-	-	11,830	-	-	-	-	-	-
Invested during the period (Units)	-	-	-	236,599	-	-	-	-	-	-
Redeemed during the period	-	-	-	11,830	-	-	-	-	-	-
Redeemed during the period (Units)	-	-	-	236,599	-	-	-	-	-	-
Dividend paid	-	-	-	830	-	-	-	-	-	-
Directors and Executives of the Management Company										
Invested during the period	2,500	111,500	177,500	24,000	-	207,868	-	-	252,000	1,011
Invested during the period (Units)	50,000	2,230,000	3,550,000	480,000	-	4,148,910	-	-	5,040	20,181
Redeemed during the period	2,500	117,856	182,169	25,630	-	-	-	-	-	-
Redeemed during the period (Units)	50,000	2,280,332	3,499,668	480,000	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	7,583	-	-	-	12
Unitholders holding 10% or more units of the Fund										
Invested during the period	-	-	-	-	-	-	-	100,000	-	-
Invested during the period (Units)	-	-	-	-	-	-	-	2,000,000	-	-
Dividend paid	-	-	-	-	-	-	-	30	-	-

18 FINANCIAL INSTRUMENTS BY CATEGORY

June 30, 2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

Financial assets
Meezan Paaidar Munafa Plan - I

Balances with banks	-	-	-
Investments	-	-	-
Accrued Profit	-	-	-

Meezan Paaidar Munafa Plan - II

Balances with banks	-	-	-
Investments	-	-	-
Accrued Profit	-	-	-

Meezan Paaidar Munafa Plan - III

Balances with banks	21,092	-	21,092
Investments	-	494,857	494,857
Accrued Profit	32,431	-	32,431

Meezan Paaidar Munafa Plan - IV

Balances with banks	32,688	-	32,688
Investments	-	4,379,738	4,379,738
Accrued Profit	191,567	-	191,567

Meezan Paaidar Munafa Plan - V

Balances with banks	67,712	-	67,712
Investments	-	10,000,000	10,000,000
Accrued Profit	142,113	-	142,113

Meezan Paaidar Munafa Plan - VI

Balances with banks	26,027	-	26,027
Investments	-	945,000	945,000
Accrued Profit	22,513	-	22,513

Meezan Paaidar Munafa Plan - VII

Balances with banks	49,000	-	49,000
Investments	-	-	-
Receivables Against Conversion Of Units	517,500	-	-
Accrued Profit	2,467	-	-

Meezan Paaidar Munafa Plan - VIII

Balances with banks	179,941	-	179,941
Investments	-	3,840,000	3,840,000
Accrued Profit	56,242	-	56,242

Financial Liabilities
Meezan Paaidar Munafa Plan - I

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-
Accrued expenses and other liabilities	-	-	-

June 30, 2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

Financial Liabilities
Meezan Paaidar Munafa Plan - II

Payable to AI Meezan Investment Management Limited - Management Company	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-
Accrued expenses and other liabilities	-	-	-

Meezan Paaidar Munafa Plan - III

Payable to AI Meezan Investment Management Limited - Management Company	1,375	-	1,375
Payable to Central Depository Company of Pakistan Limited - Trustee	93	-	93
Accrued expenses and other liabilities	3,915	-	3,915

Meezan Paaidar Munafa Plan - IV

Payable to AI Meezan Investment Management Limited - Management Company	16,814	-	16,814
Payable to Central Depository Company of Pakistan Limited - Trustee	560	-	560
Accrued expenses and other liabilities	22,615	-	22,615

Meezan Paaidar Munafa Plan - V

Payable to AI Meezan Investment Management Limited - Management Company	11,245	-	11,245
Payable to Central Depository Company of Pakistan Limited - Trustee	567	-	567
Accrued expenses and other liabilities	26,844	-	26,844

Meezan Paaidar Munafa Plan - VI

Payable to AI Meezan Investment Management Limited - Management Company	1,568	-	1,568
Payable to Central Depository Company of Pakistan Limited - Trustee	65	-	65
Accrued expenses and other liabilities	3,021	-	3,021

Meezan Paaidar Munafa Plan - VII

Payable to AI Meezan Investment Management Limited - Management Company	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-
Profit Payable To Pre-Ipo Investors	2,467	-	2,467
Accrued expenses and other liabilities	-	-	-

Meezan Paaidar Munafa Plan - VIII

Payable to AI Meezan Investment Management Limited - Management Company	4,872	-	4,872
Payable to Central Depository Company of Pakistan Limited - Trustee	172	-	172
Accrued expenses and other liabilities	7,076	-	7,076

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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.

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, 2023, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.211, Rs. 0.327, Rs. 0.677, Rs. 0.260, Rs. 1.799 for the MPMP-III, MPMP-IV, MPMP-V, MPMP-VI and MPMP-VIII respectively.

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds fixed rate GoP Ijara sukuk certificates which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs.4.949, Rs.43.797, Rs.9.450 million for the MPMP-III, MPMP-V and MPMP-VI respectively.

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 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, 2023 can be determined as follows:

	June 30, 2023					Total
	Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
		Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000)						
Financial assets						
Meezan Paaidaar Munafa Plan - I						
Balances with banks		-	-	-	-	-
Investments		-	-	-	-	-
Accrued Profit		-	-	-	-	-
Meezan Paaidaar Munafa Plan - II						
Balances with banks		-	-	-	-	-
Investments		-	-	-	-	-
Accrued Profit		-	-	-	-	-
Meezan Paaidaar Munafa Plan - III						
Balances with banks	10% to 20%	21,092	-	-	-	21,092
Investments	21.70%	-	-	-	494,857	494,857
Accrued Profit		-	-	-	32,431	32,431
Meezan Paaidaar Munafa Plan - IV						
Balances with banks	10% to 20%	32,688	-	-	-	32,688
Investments	21.25%	-	-	-	4,379,738	4,379,738
Accrued Profit		-	-	-	191,567	191,567
Meezan Paaidaar Munafa Plan - V						
Balances with banks	10% to 20%	67,712	-	-	-	67,712
Investments	21.30%	-	-	-	10,000,000	10,000,000
Accrued Profit		-	-	-	142,113	142,113
Meezan Paaidaar Munafa Plan - VI						
Balances with banks	10% to 20%	26,027	-	-	-	26,027
Investments	20.25% to 20.30%	-	-	-	945,000	945,000
Accrued Profit		-	-	-	22,513	22,513
Meezan Paaidaar Munafa Plan - VII						
Balances with banks	10% to 20%	49,000	-	-	-	49,000
Investments		-	-	-	-	-
Receivables Against Conversion Of Units		517,500	-	-	-	517,500
Accrued Profit		2,467	-	-	-	2,467
Meezan Paaidaar Munafa Plan - VIII						
Balances with banks	10% to 20.25%	179,941	-	-	-	179,941
Investments	14.27% to 20.5%	-	-	-	3,840,000	3,840,000
Accrued Profit		-	-	-	56,242	56,242
		896,428	-	-	20,104,461	21,000,888

Financial Liabilities

Meezan Paaidaar Munafa Plan - I

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-

Meezan Paaidaar Munafa Plan - II

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-

Meezan Paaidaar Munafa Plan - III

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	1,375	1,375
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	93	93
Accrued expenses and other liabilities	-	-	-	3,915	3,915

Meezan Paaidaar Munafa Plan - IV

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	16,814	16,814
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	560	560
Accrued expenses and other liabilities	-	-	-	22,615	22,615

Meezan Paaidaar Munafa Plan - V

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	11,245	11,245
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	567	567
Accrued expenses and other liabilities	-	-	-	26,844	26,844

Meezan Paaidaar Munafa Plan - VI

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	1,568	1,568
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	65	65
Accrued expenses and other liabilities	-	-	-	3,021	3,021

Meezan Paaidaar Munafa Plan - VII

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-
Profit Payable To Pre-Ipo Investors	-	-	-	2,467	2,467
Accrued expenses and other liabilities	-	-	-	-	-

Meezan Paaidaar Munafa Plan - VIII

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	4,872	4,872
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	172	172
Accrued expenses and other liabilities	-	-	-	7,076	7,076

	-	-	-	103,269	103,268
On-balance sheet gap (a)	896,428	-	-	20,001,192	20,897,620

Off-balance sheet financial instruments	-	-	-	-	-
--	---	---	---	---	---

Off-balance sheet gap (b)	-	-	-	-	-
----------------------------------	---	---	---	---	---

Total interest rate sensitivity gap (a+b)	896,428	-	-		
--	----------------	---	---	--	--

Cumulative interest rate sensitivity gap	896,428	896,428	896,428		
---	----------------	----------------	----------------	--	--

(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.

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, 2023.

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:

2023						
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
Meezan Paaidaar Munafa Plan - I

Balances with banks	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Accrued Profit	-	-	-	-	-	-

Meezan Paaidaar Munafa Plan - II

Balances with banks	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Accrued Profit	-	-	-	-	-	-
Preliminary expenses	-	-	-	-	-	-

Meezan Paaidaar Munafa Plan - III

Balances with banks	21,092	-	-	-	-	21,092
Investments	-	-	494,857	-	-	494,857
Accrued Profit	32,431	-	-	-	-	32,431

Meezan Paaidaar Munafa Plan - IV

Balances with banks	32,688	-	-	-	-	32,688
Investments	-	-	4,379,738	-	-	4,379,738
Accrued Profit	191,567	-	-	-	-	191,567

Meezan Paaidaar Munafa Plan - V

Balances with banks	67,712	-	-	-	-	67,712
Investments	10,000,000	-	-	-	-	10,000,000
Accrued Profit	142,113	-	-	-	-	142,113

Meezan Paaidaar Munafa Plan - VI

Balances with banks	26,027	-	-	-	-	26,027
Investments	-	-	945,000	-	-	945,000
Accrued Profit	22,513	-	-	-	-	22,513

Meezan Paaidaar Munafa Plan - VII

Balances with banks	49,000	-	-	-	-	49,000
Investments	-	-	-	-	-	-
Receivables Against Conversion Of Units	517,500	-	-	-	-	517,500
Accrued Profit	2,467	-	-	-	-	2,467

Meezan Paaidaar Munafa Plan - VIII

Balances with banks	179,941	-	-	-	-	179,941
Investments	-	3,840,000	-	-	-	3,840,000
Accrued Profit	56,242	-	-	-	-	56,242
Total	11,341,293	3,840,000	5,819,595	-	-	21,000,888

	2023					
	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
Financial Liabilities	(Rupees in '000)					
Meezan Paaidaar Munafa Plan - I						
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-	-
Meezan Paaidaar Munafa Plan - II						
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-	-
Meezan Paaidaar Munafa Plan - III						
Payable to Al Meezan Investment Management Limited - Management Company	1,375	-	-	-	-	1,375
Payable to Central Depository Company of Pakistan Limited - Trustee	93	-	-	-	-	93
Accrued expenses and other liabilities	-	61	-	-	-	61
Meezan Paaidaar Munafa Plan - IV						
Payable to Al Meezan Investment Management Limited - Management Company	16,814	-	-	-	-	16,814
Payable to Central Depository Company of Pakistan Limited - Trustee	560	-	-	-	-	560
Accrued expenses and other liabilities	-	44	-	-	-	44
Meezan Paaidaar Munafa Plan - V						
Payable to Al Meezan Investment Management Limited - Management Company	11,245	-	-	-	-	11,245
Payable to Central Depository Company of Pakistan Limited - Trustee	567	-	-	-	-	567
Accrued expenses and other liabilities	-	155	-	-	-	155
Meezan Paaidaar Munafa Plan - VI						
Payable to Al Meezan Investment Management Limited - Management Company	1,568	-	-	-	-	1,568
Payable to Central Depository Company of Pakistan Limited - Trustee	65	-	-	-	-	65
Accrued expenses and other liabilities	-	22	-	-	-	22
Meezan Paaidaar Munafa Plan - VII						
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-
Profit Payable To Pre-Ipo Investors	2,467	-	-	-	-	2,467
Accrued expenses and other liabilities	-	-	-	-	-	-
Meezan Paaidaar Munafa Plan - VIII						
Payable to Al Meezan Investment Management Limited - Management Company	4,872	-	-	-	-	4,872
Payable to Central Depository Company of Pakistan Limited - Trustee	172	-	-	-	-	172
Accrued expenses and other liabilities	-	59	-	-	-	59
	39,798	341	-	-	-	40,139
Net financial assets / (liabilities)	11,301,495	3,839,659	5,819,595	-	-	20,960,749

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, credit exposure arising as a result of investment in debt securities, profit receivable on debt securities and receivable against conversion of units.

Credit risk arising on the debt instruments other than government securities is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.



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

June 30, 2023		
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	
----- (Rupees in '000) -----		
Meezan Paaidar Munafa Plan - I		
Balances with banks	-	-
Investments	-	-
Accrued Profit	-	-
Meezan Paaidar Munafa Plan - II		
Balances with banks	-	-
Investments	-	-
Accrued Profit	-	-
Preliminary expense	-	-
Meezan Paaidar Munafa Plan - III		
Balances with banks	21,092	21,092
Investments	494,857	494,857
Accrued Profit	32,431	32,431
Meezan Paaidar Munafa Plan - IV		
Balances with banks	32,688	32,688
Investments	4,379,738	4,379,738
Accrued Profit	191,567	191,567
Meezan Paaidar Munafa Plan - V		
Balances with banks	67,712	67,712
Investments	10,000,000	10,000,000
Accrued Profit	142,113	142,113
Meezan Paaidar Munafa Plan - VI		
Balances with banks	26,027	26,027
Investments	945,000	945,000
Accrued Profit	22,513	22,513
Meezan Paaidar Munafa Plan - VII		
Balances with banks	49,000	49,000
Investments	-	-
Receivables Against Conversion Of Units	517,500	517,500
Accrued Profit	2,467	2,467
Meezan Paaidar Munafa Plan - VIII		
Balances with banks	179,941	179,941
Investments	3,840,000	3,840,000
Accrued Profit	56,242	56,242

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in government securities and related profit receivable, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk ----- June 30, 2023 -----							
	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII
AA+	-	-	-	-	-	-	-	-
AAA	-	-	100.00	100.00	100.00	100.00	100.00	100.00
	-	-	100	100	100	100	100	100

Ratings of investments have been disclosed in related notes to these financial statements. Since, the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

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, 2023 are unsecured and are not impaired.

20 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023, the Fund held the following financial instruments measured at fair values.

	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
Financial assets - at fair value through profit or loss				
MFTF-MPMP I				
Term deposit receipts*	-	-	-	-
MFTF-MPMP II				
Term deposit receipts*	-	-	-	-
MFTF-MPMP III				
GOP ijarah sukuks	-	494,857	-	494,857
MFTF-MPMP IV				
GOP ijarah sukuks	-	4,379,738	-	4,379,738
MFTF-MPMP V				
Certificate of musharaka*	-	10,000,000	-	10,000,000
MFTF-MPMP VI				
GOP ijarah sukuks	-	945,000	-	945,000
MFTF-MPMP VIII				
Term deposit receipts*	-	3,840,000	-	3,840,000

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

21 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 UNIT HOLDING PATTERN OF THE FUND

Category	June 30, 2023		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investment (%)
MPMP-I			
Individuals	-	-	-
Associated Companies / Directors	-	-	-
Retirement funds	-	-	-
Private Limited Companies	-	-	-
Insurance	-	-	-
Others	-	-	-
Total	-	-	-
MPMP-II			
Individuals	-	-	-
Associated Companies / Directors	-	-	-
Retirement funds	-	-	-
Private Limited Companies	-	-	-
Insurance	-	-	-
Others	-	-	-
Total	-	-	-
MPMP-III			
Individuals	45	364,034	67.04
Associated Companies / Directors	-	-	-
Retirement funds	6	167,442	30.84
Private Limited Companies	-	-	-
Insurance	-	-	-
Others	1	11,491	2.12
Total	52	542,967	100.00
MPMP-IV			
Individuals	448	3,428,345	75.12
Associated Companies / Directors	-	-	-
Retirement funds	13	600,836	13.17
Private Limited Companies	-	-	0.00
Insurance	2	157,194	3.44
Others	8	377,449	8.27
Total	471	4,563,824	100.00
MPMP-V			
Individuals	-	-	-
Associated Companies / Directors	-	-	-
Retirement funds	-	-	-
Private Limited Companies	1	10,170,987	100.00
Insurance	-	-	-
Others	-	-	-
Total	1	10,170,987	100
MPMP-VI			
Individuals	222	948,624	95.94
Associated Companies / Directors	-	-	-
Retirement funds	4	38,714	3.91
Private Limited Companies	-	-	-
Insurance	-	-	-
Others	1	1,527	0.15
Total	227	988,865	100.00
MPMP-VII			
Individuals	81	314,500	314,581
Associated Companies / Directors	2	252,000	252,002
Retirement funds	-	-	-
Private Limited Companies	-	-	-
Insurance	-	-	-
Others	-	-	-
Total	83	566,500	566,583

Category	June 30, 2023		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investment (%)
MPMP-VIII			
Individuals	237	1,921,907	47.29
Associated Companies / Directors	-	-	-
Retirement funds	3	91,605	2.25
Private Limited Companies	-	-	-
Insurance	1	57,632	1.42
Others	8	1,992,864	49.04
Total	241	4,064,008	100.00

23 Cash and cash equivalent

	June 30, 2023							
	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII
Cash at bank	-	-	21,092	32,688	67,712	26,027	49,000	179,941
Term deposit receipts	-	-	-	-	-	-	-	3,840,000
Certificate of musharaka	-	-	-	-	10,000,000	-	-	-
	-	-	21,092	32,688	10,067,712	26,027	49,000	4,019,941

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

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

- Meezan Cash Fund;
- Meezan Islamic Income Fund; and
- Meezan Rozana Amdani Fund

24 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	Position on the Board	Meeting held on			
		16-Aug-22	13-Oct-22	13-Feb-23	12-Apr-23
Mr. Ariful Islam	Chairman	✓	✓	✓	✓
Mr. Muhammad Abdullah Ahmed	Non-Executive	✓	✓	✓	✓
Mr. Moin M. Fudda*	Non-Executive	✓	✓	✓	✓
Mr. Furquan Kidwai	Independent Director	✓	✓	✓	✓
Mr. Mubashar Maqbool	Non-Executive	✓	✓	✓	✓
Mr. Tariq Mairaj	Non-Executive	✓	✓	✓	✓
Mr. Naeem	Non-Executive	✓	✓	✓	✓
Mr. Feroz Rizvi	Independent Director	✓	✓	✓	✓
Ms. Danish Zuberi	Independent Director	✓	x	✓	✓
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	✓	✓	✓	✓

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

25 GENERAL

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

26 DATE OF AUTHORISATION FOR ISSUE

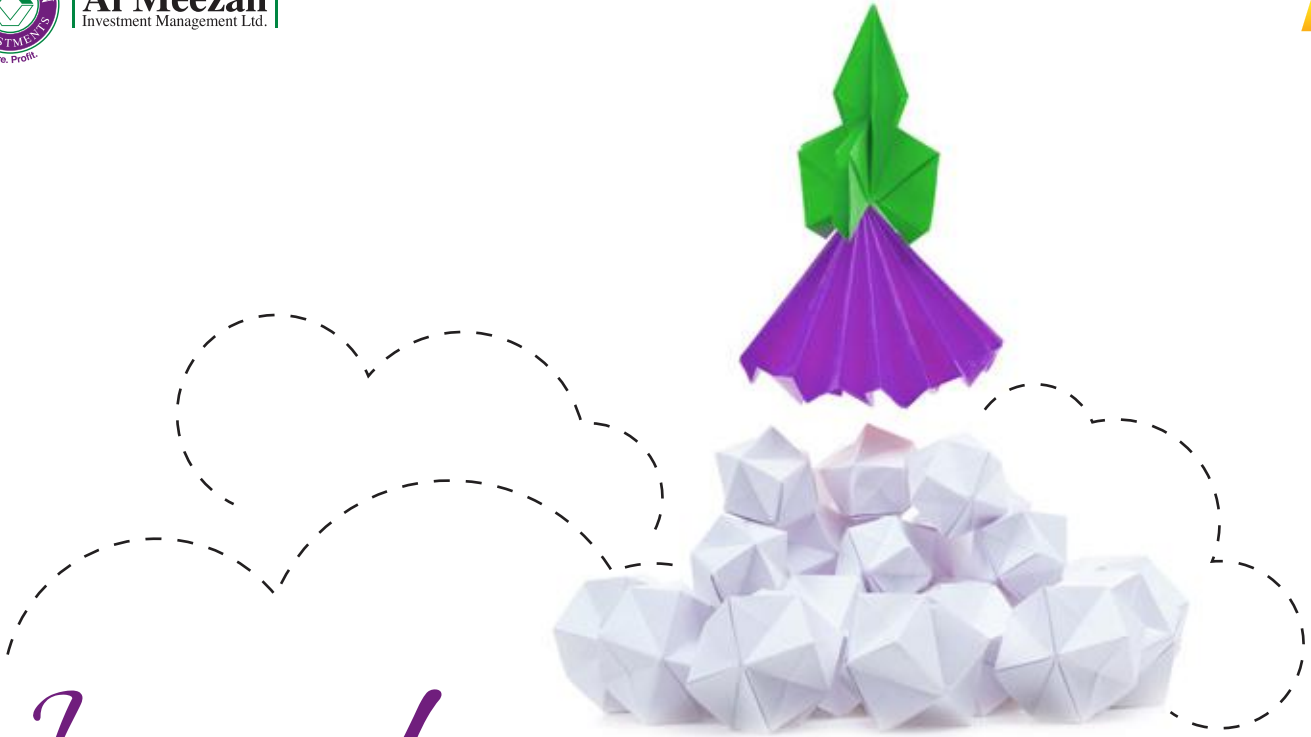
These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



Innovative **Financial Solutions**

With a commitment to innovation, Al Meezan's evolution towards innovative financial products ensures that it provides clients with cutting-edge investment opportunities and solutions.

Meezan Islamic Fund

Meezan Islamic Fund seeks to optimize total investor returns by investing in Shariah Compliant equities focusing on both capital gains and dividend income.

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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

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 - Islamic Banking
Askari Bank Limited - Islamic Banking	MCB Bank Limited
Bank Al Habib Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Alfalah Limited	Meezan Bank Limited
Bank Islami Pakistan Limited	National Bank of Pakistan - Islamic Banking
Dubai Islamic Bank Pakistan Limited	Samba Bank Limited
Faysal Bank Limited - Islamic Banking	Sindh Bank Limited
	UBL Ameen - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Islamic Fund (MIF)

Type of Fund

Open end equity fund

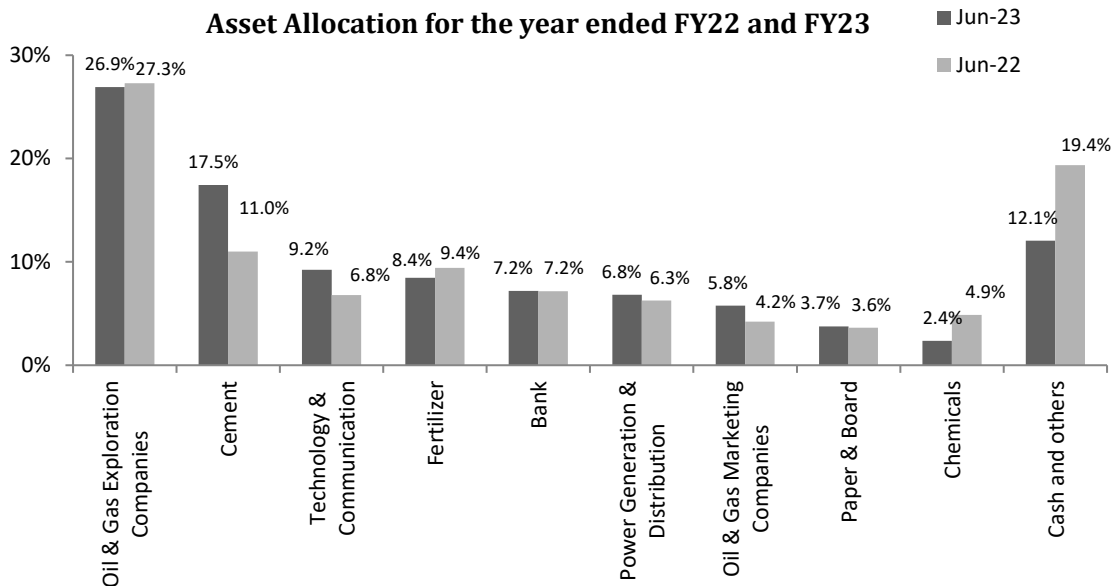
Objective

The objective of MIF is to provide optimum returns to the investors from investment in Shariah Compliant stocks for the given level of risk, while abiding by all applicable rules and regulations. Total return refers to the returns from capital gains (realized and unrealized), dividend income and other income from Shariah Compliant investments

Strategy, Investment Policy and Asset Allocation

The performance of MIF is linked directly to the performance of 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 exposures near troughs.

During the year, the fund increased its equity exposure to a maximum of 99.30%. However, it maintained an average exposure close to 98.27% in equities during the year, while closing the period at around 97.10%. Exposure to the Cement sector was sharply increased in the wake of rising cement prices and reduction in international coal prices. Technology sector exposure was also increased to benefit from PKR devaluation during FY23.

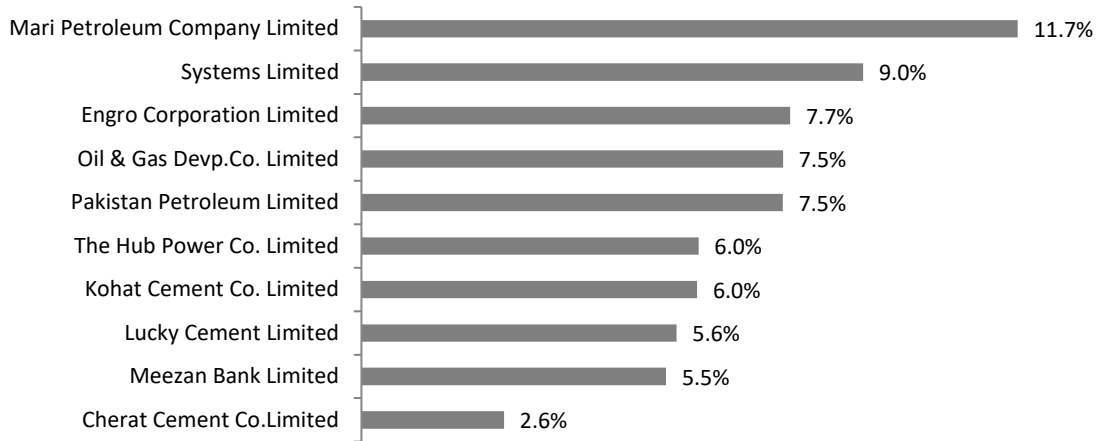




Pure. Profit.



Top Holdings



Performance Review

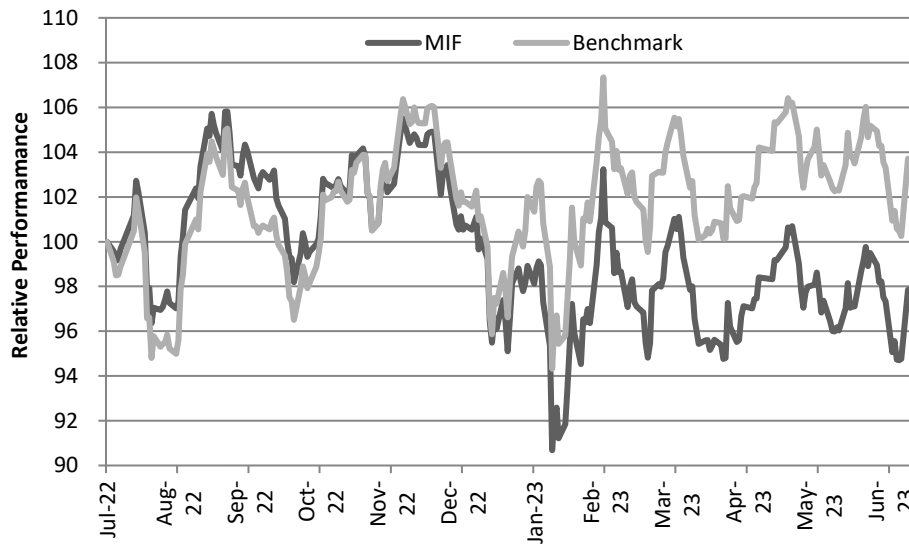
During FY23, Meezan Islamic Fund (MIF) provided a negative return of 2.54% to its investors and KSE Meezan Index (KMI 30) - Benchmark increased by 2.88% to close at 70,748 pts.

	<u>MIF</u>	<u>KMI-30 (Benchmark)</u>
Net Asset Value (NAV) as on June 30, 2022 –Rs.	56.23	68,766
Net Asset Value (NAV) as on June 30, 2023 –Rs.	54.80	70,748
Change (Points)	-1.43	1,982
Return During the Period	-2.54%	2.88%

MIF posted a total income of Rs. 357 million in the fiscal year 2023 as compared to a total loss of Rs. 2,650 million last year. Total income comprised of realized and unrealized losses on investments of Rs. 919 million and Rs. 598 million respectively. Dividend income contributed Rs. 17,88 million to income, while profit on saving accounts with banks amounted to Rs. 87 million. After accounting for expenses of Rs. 828 million, the Fund posted a net loss of Rs. 471 million. The net assets of the Fund as at June 30, 2023 were Rs. 17,155 million as compared to Rs. 23,822 million at the end of last year depicting a decrease of 28%. The net asset value per unit as at June 30, 2023 was Rs. 54.8025 as compared to Rs. 56.2315 per unit as on June 30, 2022



Pure. Profit.



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, 2023 an amount of Rs. 63 million was accrued as charity payable.

Distributions

There is NIL distribution by the Fund during the fiscal year ended June 30, 2023.

SWWF Disclosure

Not applicable

Breakdown of unit holdings by size:

(As on June 30, 2023)

Range (Units)	No. of Investors
1 - 9,999	19,149
10,000 - 49,999	1,473
50,000 - 99,999	257
100,000 - 499,999	196
500,000 and above	44
Total	21,119

Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	31	31	0	0
Percentage	100%	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
MEEZAN ISLAMIC FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	17,154,806.00	23,821,524.00	34,274,023.00
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	54.8025	56.2315	63.3761
Offer price per unit as at June 30, (Rs.) (ex-distribution)	56.0410	57.5024	64.8084
Highest offer price per unit (Rs.)	60.8174	68.1579	66.9236
Lowest offer price per unit (Rs.)	52.1186	56.1787	48.9781
Highest redemption price per unit (Rs.)	59.4734	65.4446	65.4446
Lowest redemption price per unit (Rs.)	50.9668	54.9372	47.8957
Distribution (%)	N/A	N/A	N/A
Interim	N/A	N/A	N/A
Final	N/A	N/A	N/A
Date of distribution	N/A	N/A	N/A
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 (%)	(2.54)	(11.27)	35.50

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	-2.54%	-7.01%	5.43%

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

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor – Meezan Islamic Fund (MIF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Twentieth year of operations of Meezan Islamic Fund (the “MIF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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 Shariah Advisor, we have prescribed six criteria for Shariah compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Investment in Shariah non-compliant activities to total assets (iv) Shariah 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 Shariah compliance with the Shariah 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.

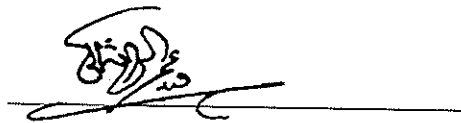
We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account which amounts to PKR 62.8 million and is available for disbursement.

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



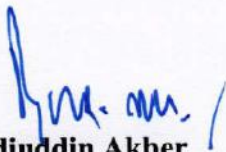
TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ISLAMIC FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Islamic 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Islamic Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Islamic Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of equity instruments) held by the Fund represent 98% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

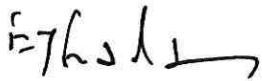
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076b6kT9qH72



**MEEZAN ISLAMIC FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE, 2023**

	2023	2022
	----- (Rupees in '000) -----	
Assets		
Balances with banks	5 580,890	1,208,150
Investments	6 16,779,045	23,278,367
Receivable against sale of investments	237,355	33,457
Receivable against conversion of units	134,071	57,085
Dividend receivable	22,360	7,762
Advance, deposits and other receivable	7 12,379	14,009
Total assets	17,766,100	24,598,830
Liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	8 54,643	31,021
Payable to Central Depository Company of Pakistan Limited - Trustee	9 1,701	2,326
Payable to the Securities and Exchange Commission of Pakistan	10 4,169	6,039
Payable against redemption and conversion of units	218,046	416,758
Payable against purchase of investments	-	186
Payable to Meezan Bank Limited	120	214
Accrued expenses and other liabilities	11 332,615	320,762
Total liabilities	611,294	777,306
Net assets	17,154,806	23,821,524
Unit holders' fund (as per statement attached)	17,154,806	23,821,524
Contingencies and commitments	12	
Number of units in issue	313,029,444	423,632,865
	----- (Rupees) -----	
Net asset value per unit	54.8025	56.2315

The annexed notes 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ISLAMIC FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	2023 ----- (Rupees in '000) -----	2022
Income		
Dividend income	1,787,647	1,956,865
Profit on bank balances	86,800	116,751
Other income	-	6,683
Net realised loss on sale of investments	(919,020)	(1,004,161)
	955,427	1,076,138
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2 (598,401)	(3,725,929)
Total income / (loss)	357,026	(2,649,791)
Expenses		
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1 416,914	603,864
Sindh Sales Tax on remuneration of the Management Company	8.2 54,199	78,502
Allocated expenses	8.3 22,930	33,212
Selling and marketing expenses	8.4 208,457	301,932
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 21,846	31,193
Sindh Sales Tax on remuneration of the Trustee	9.2 2,840	4,055
Annual fee to the Securities and Exchange Commission of Pakistan	10 4,169	6,039
Auditors' remuneration	13 836	791
Fees and subscription	2,608	3,712
Legal and professional charges	170	698
Brokerage expense	27,926	30,364
Bank and settlement charges	2,323	2,952
Charity expense	11.1 62,820	46,892
Printing expense	37	-
Reversal of provision for Sindh Workers Welfare Fund (SWWF)	-	(525,426)
Total expenses	828,075	618,780
Net loss for the year before taxation	(471,049)	(3,268,571)
Taxation	-	-
Net loss for the year after taxation	(471,049)	(3,268,571)
Allocation of net income for the year		
Net income for the year after taxation	-	-
Income already paid on units redeemed	-	-
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	-	-

The annexed notes 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ISLAMIC FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	----- (Rupees in '000) -----	
Net loss for the year after taxation	(471,049)	(3,268,571)
Other comprehensive income	-	-
Total comprehensive loss income for the year	<u>(471,049)</u>	<u>(3,268,571)</u>

The annexed notes 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN ISLAMIC FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	(Accumulated loss) / Undistributed income	Total	Capital value	(Accumulated loss) / Undistributed income	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Net assets at the beginning of the year	23,419,662	401,862	23,821,524	30,603,590	3,670,433	34,274,023
Issue of 238,015,023 units (2022: 401,062,742 units)						
- Capital value (at net asset value per unit at the beginning of the year)	13,383,942	-	13,383,942	25,417,792	-	25,417,792
- Element of loss	(63,405)	-	(63,405)	(500,606)	-	(500,606)
Total proceeds on issuance of units	13,320,537	-	13,320,537	24,917,186	-	24,917,186
Redemption of 348,618,444 units (2022: 518,233,857 units)						
- Capital value (at net asset value per unit at the beginning of the year)	19,603,338	-	19,603,338	32,843,641	-	32,843,641
- Element of loss	(87,132)	-	(87,132)	(742,527)	-	(742,527)
Total payments on redemption of units	19,516,206	-	19,516,206	32,101,114	-	32,101,114
Total comprehensive loss for the year	-	(471,049)	(471,049)	-	(3,268,571)	(3,268,571)
Distribution during the year	-	-	-	-	-	-
Net loss for the year less distribution	-	(471,049)	(471,049)	-	(3,268,571)	(3,268,571)
Net assets at the end of the year	17,223,993	(69,187)	17,154,806	23,419,662	401,862	23,821,524
Undistributed income / (accumulated loss) brought forward						
- Realised income/ (loss)		4,127,791			(2,652,037)	
- Unrealised (loss) / income		(3,725,929)			6,322,470	
		401,862			3,670,433	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the year after taxation		(471,049)			(3,268,571)	
(Accumulated loss) / undistributed income carried forward		(69,187)			401,862	
(Accumulated loss) / undistributed income carried forward						
- Realised income		529,214			4,127,791	
- Unrealised loss		(598,401)			(3,725,929)	
		(69,187)			401,862	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			56.2315			63.3761
Net asset value per unit at the end of the year			54.8025			56.2315

The annexed notes 1 to 26 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ISLAMIC FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(471,049)	(3,268,571)
Adjustment for:			
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	<u>598,401</u> 127,352	<u>3,725,929</u> 457,358
Decrease / (increase) in assets			
Investments - net		5,900,921	5,882,044
Receivable against sale of investments		(203,898)	1,112
Dividend receivable		(14,598)	76,921
Advance, deposits and other receivable		1,630	175,708
		<u>5,684,055</u>	<u>6,135,785</u>
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		23,622	(61,466)
Payable to Central Depository Company of Pakistan Limited - Trustee		(625)	(988)
Payable to the Securities and Exchange Commission of Pakistan		(1,870)	(162)
Payable to Meezan Bank Limited		(94)	(821)
Payable against purchase of investments		(186)	(70,317)
Accrued expenses and other liabilities		11,853	(548,056)
		<u>32,700</u>	<u>(681,810)</u>
Net cash generated from operating activities		<u>5,844,107</u>	<u>5,911,333</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		13,243,551	25,005,386
Payment against redemption and conversion of units		(19,714,918)	(31,769,960)
Dividend paid		-	-
Net cash used in financing activities		<u>(6,471,367)</u>	<u>(6,764,574)</u>
Net decrease in cash and cash equivalents during the year		<u>(627,260)</u>	<u>(853,241)</u>
Cash and cash equivalents at the beginning of the year		1,208,150	2,061,391
Cash and cash equivalents at the end of the year	5	<u>580,890</u>	<u>1,208,150</u>

The annexed notes 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN ISLAMIC FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Islamic Fund (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 21, 2008 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) notified through S.R.O. 1203 (I) / 2008. The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. 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, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as a Equity Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: AM1 dated June 23, 2022). 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 accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a - Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 -and IFRS 7	January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRS January 01, 2004
IFRS 17	Insurance Contracts January 01, 2023

'The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Company's financial statements in the period of initial application.

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. 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.

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

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 balances with banks is recognised on an accrual basis.

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 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.13 Earnings / (loss) per unit

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

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

4.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5	BALANCES WITH BANKS	Note	2023	2022
			----- (Rupees in '000) -----	
	Balances with banks in:			
	Savings accounts	5.1	543,334	1,201,534
	Current accounts		37,556	6,616
			<u>580,890</u>	<u>1,208,150</u>

5.1 This includes balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10% (2022: 6.01%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 5.25% to 20.25% (2022: 3.00% to 16.40%) per annum.

6	INVESTMENTS	Note	2023	2022
			----- (Rupees in '000) -----	
	Investment at 'fair value through profit or loss'			
	Shares of listed companies - 'ordinary shares'	6.1	<u>16,779,045</u>	<u>23,278,367</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / Right issue	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023.	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	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) -----		
									----- (%) -----		
Automobile assembler											
Ghandhara Industries Limited	123,000	-	-	123,000	-	-	-	-	-	-	-
Ghandhara Nissan Limited	223,800	-	-	223,800	-	-	-	-	-	-	-
Millat Tractors Limited	789,228	51,713	209,408	878,080	172,269	75,919	67,238	(8,681)	0.39	0.40	0.15
									0.39	0.40	
Automobile parts and accessories											
Agriauto Industries Limited (note 6.1.1)	140,700	-	13,925	154,625	-	-	-	-	-	-	-
Panther Tyres Limited	513,508	-	-	485,500	28,008	907	565	(343)	0.00	-	0.02
									0.00	-	

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / Right issue / Subdivision of shares	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2022	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	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) -----								----- (Rupees in '000) -----			----- (%) -----		
Chemicals													
Engro Polymer & Chemicals Limited	6,708,221	-	-	6,708,221	-	-	-	-	-	-	-	-	-
Dynea Pakistan Limited (Note 6.1.1)	303,000	10,500	-	-	313,500	53,932	39,504	(14,428)	0.23	0.24	3.32		
Lucky Core Industries Limited	828,885	21,000	-	240,184	609,701	439,598	368,345	(71,253)	2.15	2.20	0.66		
Sitara Chemicals Industries Limited	45,500	-	-	-	45,500	14,105	10,264	(3,841)	0.06	0.06	0.21		
									2.44	2.50			
Cement													
Attock Cement Pakistan Limited	523,300	-	-	145,000	378,300	25,157	31,350	6,193	0.18	0.19	0.28		
Bestway Cement Limited	-	284,500	-	-	284,500	36,158	41,253	5,094	0.24	0.25	0.05		
Cherat Cement Company Limited	3,545,000	866,868	-	641,739	3,770,129	369,046	453,471	84,425	2.64	2.70	1.94		
D.G. Khan Cement Company Limited	454,440	3,180,000	-	1,584,440	2,050,000	91,606	105,165	13,559	0.61	0.63	0.47		
Fauji Cement Company Limited	5,322,500	2,725,000	738,312	5,816,000	2,969,812	39,058	34,925	(4,133)	0.20	0.21	0.12		
Kohat Cement Company Limited	5,732,850	656,626	-	235,000	6,154,476	819,270	1,067,617	248,347	6.22	6.36	3.06		
Lucky Cement Limited	2,350,144	965,413	-	1,395,497	1,920,060	898,625	1,002,444	103,819	5.84	5.97	0.59		
Pioneer Cement Limited	650,000	1,200,000	-	718,588	1,131,412	74,921	98,014	23,093	0.57	0.58	0.50		
Maple Leaf Cement Factory Limited	13,568,850	10,990,000	-	15,135,428	9,423,422	252,106	266,966	14,860	1.56	1.59	0.88		
									18.08	18.48			
Paper and Board													
Cherat Packaging Limited	161,847	-	25,085	-	186,932	18,276	18,205	(70)	0.11	0.11	0.44		
Century Paper & Board Mills Limited	4,454,840	304,000	4,464,543	89,000	9,134,383	283,482	257,955	(25,527)	1.50	1.54	4.50		
Roshan Packages Limited	3,332,500	-	-	1,984,000	1,348,500	20,039	11,988	(8,051)	0.07	0.07	0.95		
Packages Limited	1,379,715	24,800	-	433,600	970,915	385,773	377,628	(8,146)	2.20	2.25	1.09		
									3.88	3.97			
Technology and communication													
Avanceon Limited	1,380,820	-	192,123	524,860	1,048,083	71,005	46,158	(24,848)	0.27	0.28	0.32		
Airlink communication Limited	1,632,712	-	-	1,632,712	-	-	-	-	-	-	-		
Octopus Digital Limited	65,207	-	-	65,207	-	-	-	-	-	-	-		
Systems Limited	4,513,040	221,113	-	778,011	3,956,142	1,327,829	1,595,631	267,801	9.30	9.51	1.42		
									9.57	9.79			
Refinery													
Attock Refinery Limited	215,000	100,000	-	315,000	-	-	-	-	-	-	-		
Energycico PK Limited (Formerly Byco petroleum Limited)	44,462,500	-	-	27,382,553	17,079,947	91,207	48,507	(42,700)	0.28	0.29	0.32		
National Refinery Limited	237,000	-	-	237,000	-	-	-	-	-	-	-		
									0.28	0.29			
Commercial Banks													
Meezan Bank Limited (a related party of the Fund)	13,762,144	1,587,735	1,428,074	5,560,523	11,217,430	1,153,092	968,849	(184,243)	5.65	5.77	0.63		
BankIslami Pakistan Limited	17,401,000	4,870,000	-	4,825,000	17,446,000	213,678	309,841	96,163	1.81	1.85	1.57		
									7.45	7.62			
Oil and Gas Marketing Companies													
Attock Petroleum Limited	798,334	35,000	198,333	53,443	978,224	253,556	293,712	40,156	1.71	1.75	0.79		
Hascol Petroleum Limited (note 6.1.3)	39,192	-	-	-	39,192	165	218	52	0.00	-	0.00		
Shell Pakistan Limited	-	175,000	-	50,000	125,000	12,348	14,456	2,108	0.08	0.09	0.06		
Pakistan State Oil Company Limited (note 6.1.3)	3,327,669	785,711	-	1,070,147	3,043,233	524,309	337,829	(186,479)	1.97	2.01	0.65		
Sui Northern Gas Pipelines Limited	6,009,512	4,050,000	-	1,370,697	8,688,815	321,450	342,079	20,629	1.99	2.04	1.37		
Sui Southern Gas Company Limited	-	4,161,500	-	-	4,161,500	45,405	35,747	(9,658)	0.21	0.21	0.47		
									5.97	6.10			

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / Right issue / Subdivision of shares	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023.	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	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											
Oil and Gas Development Company Limited	19,446,871	1,808,315	-	4,065,872	17,189,314	1,357,407	1,340,766	(16,640)	7.82	7.99	0.40
Pakistan Oilfields Limited	1,447,011	-	-	1,414,750	32,261	13,092	12,962	(130)	0.08	0.08	0.01
Pakistan Petroleum Limited	19,390,644	8,795,674	-	5,530,340	22,655,978	1,544,546	1,339,875	(204,671)	7.81	7.99	0.83
Mari Petroleum Company Limited (note 6.1.3)	1,888,097	32,000	-	542,086	1,378,011	2,392,583	2,087,191	(305,392)	12.17	12.44	1.03
									27.87	28.50	
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	60,050	-	-	60,050	-	-	-	-	-	-	-
Haleon Pakistan Limited	279,156	-	-	3,600	275,556	65,673	38,616	(27,057)	0.23	0.23	0.24
IBL Healthcare Limited	306,840	-	30,684	-	337,524	15,953	10,986	(4,966)	0.06	0.07	0.47
Highnoon Laboratories Limited (note 6.1.3)	144,934	-	38,407	-	183,341	76,796	61,634	(15,162)	0.36	0.37	0.44
The Searle Company Limited (note 6.1.3)	1,612,069	198,965	374,008	2,008,883	176,159	15,265	6,750	(8,515)	0.04	0.04	0.05
									0.69	0.71	
Power Generation and Distribution											
The Hub Power Company Limited	17,993,008	9,803,874	-	12,385,517	15,411,365	1,068,665	1,072,323	3,658	6.25	6.39	1.19
K - Electric Limited (6.1.1)	103,014,000	11,984,823	-	34,347,799	80,651,024	241,067	138,720	(102,347)	0.81	0.83	0.29
									7.06	7.22	
Fertilizer											
Fauji Fertilizer Bin Qasim Limited	2,518,000	-	-	2,518,000	-	-	-	-	-	-	-
Engro Corporation Limited (note 6.1.2)	4,933,090	2,943,029	-	2,628,669	5,247,450	1,433,664	1,363,760	(69,904)	7.95	8.13	0.91
Engro Fertilizers Limited	11,301,107	100,000	-	9,736,287	1,664,820	147,443	137,398	(10,045)	0.80	0.82	0.12
									8.75	8.95	
Engineering											
International Industries Limited	685,572	-	-	685,572	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	6,444,318	-	-	3,508,404	2,935,914	169,226	142,216	(27,010)	0.83	0.85	0.87
KSB Pumps Company Limited	37,900	-	-	37,900	-	-	-	-	-	-	-
									0.83	0.85	
Food and Personal Care Products											
Al-Shaheer Corporation Limited (note 6.1.3)	62,711	-	-	3,744	58,967	533	426	(107)	0.00	0.00	0.02
At-Tahur Limited	2,236,854	-	223,685	-	2,460,539	42,657	40,500	(2,156)	0.24	0.24	1.13
National Foods Limited (note 6.1.1)	317,687	1,315,000	-	1,301,887	330,800	29,511	32,551	3,040	0.19	0.19	0.14
The Organic Meat Company Limited	-	2,793,000	121,875	119,500	2,795,375	63,786	58,088	(5,698)	0.34	0.35	2.07
Unity Foods Limited	265,683	150,000	-	415,683	-	-	-	-	-	-	-
									0.77	0.78	
Glass and Ceramics											
Shabbir Tiles and Ceramics Limited (Note 6.1.1)	3,295,000	-	-	1,043,500	2,251,500	32,939	18,732	(14,207)	0.11	0.11	0.94
Tariq Glass Industries Limited	248,393	1,676,504	460,436	923,263	1,462,070	136,428	99,567	(36,861)	0.58	0.59	0.85
Ghani Glass Limited	1,253,200	-	239,361	-	1,492,561	51,168	38,060	(13,108)	0.22	0.23	0.18
									0.91	0.93	
Textile Composite											
Feroze1888 Mills Limited	1,474,086	-	-	1,471,086	3,000	187	225	38	0.00	-	0.00
Interloop Limited	13,443,118	575,000	3,073,233	9,947,629	7,143,722	280,037	251,888	(28,150)	1.47	1.50	0.76
Kohinoor Textile Mills Limited (note 6.1.3)	2,756,514	-	-	260,000	2,496,514	124,826	127,098	2,272	0.74	0.76	0.83
Nishat Mills Limited	2,488,299	-	-	2,346,475	141,824	10,482	8,051	(2,431)	0.05	0.05	0.04
									2.26	2.31	
Leather & Tanneries											
Service Global Footwear Limited	816,325	-	-	207,000	609,325	24,483	16,988	(7,495)	0.10	0.10	0.30

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / Right issue / Subdivision of shares	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023.	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	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) -----				----- (%) -----			
Miscellaneous												
Pakistan Aluminum Beverage Cans Limited	349,000	550,000	-	800,000	99,000	3,648	4,477	828	0.03	0.03	0.03	
Synthetic Products Enterprises Limited (note 6.1.1)	2,247,534	-	-	1,518,500	729,034	10,272	7,582	(2,690)	0.04	0.05	0.36	
									0.07	0.08		
Property & Real Estate												
TPL Properties Limited	-	5,650,000	425,000	-	6,075,000	113,088	75,695	(37,394)	0.44	0.45	1.08	
Total as at June 30, 2023					284,963,333	17,377,446	16,779,045	(598,401)				
Total as at June 30, 2022					367,753,029	27,004,296	23,278,367	(3,725,929)				

6.1.1 All shares have a nominal value of Rs.10 each except for the shares of Agriauto Industries Limited, Dynea Pakistan Limited, Shabbir Tiles and Ceramics Limited, Nimir Resins Limited, Synthetic Products Enterprises Limited (nominal value changed from Rs.10 to Rs.5 during the period) and National Foods Limited which have a nominal value of Rs.5 each and K-Electric Limited which have a nominal value of Rs.3.5 each.

6.1.2 Investments include 1,060,000 shares of Engro Corporation Limited, having market value of Rs.275.48 million as at June 30, 2023 (2022: Rs.272.52 million) 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 have 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 has issued notices to the relevant parties and has 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 year were not withheld by the investee companies.

As at June 30, 2023, the market value of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.32.965 million (2022: Rs.48.964 million).

	Note	2023	2022
		----- (Rupees in '000) -----	
6.2	Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		
	Market value of investments	6.1 16,779,045	23,278,367
	Carrying value of investments	6.1 (17,377,446)	(27,004,296)
		(598,401)	(3,725,929)
7	ADVANCE, DEPOSITS AND OTHER RECEIVABLE		
	Security deposit with Central Depository Company of Pakistan Limited	100	100
	Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
	Profit accrued on balances with banks	8,779	11,409
	Advance against IBFT redemptions	1,000	-
		12,379	14,009
8	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Remuneration of the Management Company	8.1 7,472	7,906
	Sindh Sales Tax on remuneration of the Management Company	8.2 970	1,027
	Allocated expenses payable	8.3 1,565	144
	Selling and marketing expenses payable	8.4 44,573	21,249
	Sales load payable	56	615
	Sindh Sales Tax on sales load payable	7	80
		54,643	31,021

8.1 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% (2022: 2%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs.54.199 million (2022: Rs.78.502 million) was charged on account of sales tax on remuneration to the Management Company levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.54.256 million (2022: Rs.77.961 million) has been paid to the Management Company which acts as a collecting agent.

8.3 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 rate 0.11% (2022: 0.11%) during the year ended June 30, 2023, subject to total expense charged being lower than actual expense

8.4 In accordance with Circular 11 dated July 05, 2019 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 1% (2022: 1%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

	Note	2023	2022
----- (Rupees in '000) -----			
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Remuneration payable	1,505	2,058
	Sindh Sales Tax payable on remuneration of the Trustee	196	268
		<u>1,701</u>	<u>2,326</u>

9.1 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	Rs.0.7 million or 0.2% per annum of net assets, whichever is higher
- Over Rs.1,000 million	Rs.2 million plus 0.1% per annum of net assets exceeding Rs.1,000 million

9.2 During the year, an amount of Rs.2.840 million (2022: Rs.4.055 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.2.912 million (2022: Rs.4.168 million) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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% (2022: 0.02%) of the average annual net assets of the Fund.

	Note	2023	2022
----- (Rupees in '000) -----			
11	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration payable	545	515
	Shariah advisor fee payable	2,014	1,840
	Charity payable	62,533	48,320
	Brokerage payable	2,134	1,716
	Capital gain tax payable	886	3,768
	Zakat payable	29	129
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	32,607	32,607
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	231,867	231,867
		<u>332,615</u>	<u>320,762</u>

11.1 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, 2023, Non-Shariah Compliant income amounting to Rs.62.820 million (2022: Rs.46.892 million) was charged as an expense in the books of the Fund, and Rs.51.32 million was disbursed to following charitable welfare organisations respectively:

S. No.	Charitable Organisations	Amount (Rupees in '000)
1	Akhuwat Foundation	1,100
2	Alamgir Welfare Trust International	8,730
3	Baitussalam Welfare Trust	7,730
4	Child Life Foundation	7,730
5	Edhi Foundation	7,730
6	Health and Nutrition Development Society (HANDS)	478
7	Ihsan Trust	2,000
8	Indus Hospital	7,730
9	Saylani Welfare Trust	7,730
10	The Patients behbud Society for the Aga Khan University Hospital	362
		<u>51,320</u>

- 11.2** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs.264.474 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2023 would have been higher by Re.0.84 (2022: Re.0.62) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

13 AUDITORS' REMUNERATION	2023	2022
	(Rupees in '000)	
Annual audit fee	589	561
Fee for half yearly review of condensed interim financial statements	216	190
Out of pocket expenses	31	40
	<u>836</u>	<u>791</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 3.97% (2022: 3.79%) which includes 0.31% (2022: 0.31%) representing government levies on the Fund such as Sales Taxes, 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'.

15 TAXATION

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

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

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

	2023	2022
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration of the Management Company	7,472	7,906
Sindh Sales Tax on remuneration of the Management Company	970	1,027
Allocated expenses payable	1,565	144
Selling and marketing expenses payable	44,573	21,249
Sales load payable	56	615
Sindh Sales Tax on sales load payable	7	80
Investment of 1,381,285 units (2022: 437,592 units)	75,698	24,606
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,505	2,058
Sindh Sales Tax payable on remuneration of the Trustee	196	268
Security deposit	100	100

Balances

2023 **2022**
----- (Rupees in '000) -----

Meezan Bank Limited

Bank balance	<u>129,198</u>	<u>132,143</u>
Profit receivable	<u>310</u>	<u>303</u>
Sales load payable	<u>106</u>	<u>190</u>
Sindh Sales Tax on sales load payable	<u>14</u>	<u>24</u>
Shariah advisor fee payable	<u>2,014</u>	<u>1,840</u>
Investment in 11,217,430 shares (2022: 13,762,144 shares)	<u>968,849</u>	<u>1,554,847</u>
Investment of 12,475,049 units (2022: 12,475,049 units)	<u>683,664</u>	<u>701,491</u>

Al Meezan Investment Management Limited - Employees' Gratuity Fund

Investment of 189,837 units (2022: 189,837 units)	<u>10,404</u>	<u>10,675</u>
---	---------------	---------------

Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan

Investment of 873,360 units (2022: 3,876,672 units)	<u>47,874</u>	<u>217,991</u>
---	---------------	----------------

Meezan Financial Planning Fund of Funds - Moderate Allocation Plan

Investment of 562,357 units (2022: 853,646 units)	<u>30,826</u>	<u>48,002</u>
---	---------------	---------------

Meezan Financial Planning Fund of Funds - Conservative Allocation Plan

Investment of 268,928 units (2022: 631,840 units)	<u>14,742</u>	<u>35,529</u>
---	---------------	---------------

Meezan Strategic Allocation Fund - MSAP - I

Investment of 109,823 units (2022: 840,906 units)	<u>6,019</u>	<u>47,285</u>
---	--------------	---------------

Meezan Strategic Allocation Fund - MSAP - II

Investment of 143,230 units (2022: 2,283,025 units)	<u>7,581</u>	<u>128,378</u>
---	--------------	----------------

Meezan Strategic Allocation Fund - MSAP - III

Investment of 197,440 units (2022: 324,453 units)	<u>10,823</u>	<u>18,244</u>
---	---------------	---------------

Meezan Strategic Allocation Fund - MSAP - V

Investment of 46,929 units (2022: 14,424 units)	<u>2,572</u>	<u>811</u>
---	--------------	------------

Directors and executives of the Management Company

Investment of 1,399,745 units (2022: 3,751,087 units)	<u>76,710</u>	<u>210,929</u>
---	---------------	----------------

Unit holders holding 10% or more units of the Fund

Investment of 63,951,330 units (2022: nil units)	<u>3,504,693</u>	<u>-</u>
--	------------------	----------

Transactions during the year

2023 **2022**
----- (Rupees in '000) -----

Al Meezan Investment Management Limited
- Management Company

Remuneration of the Management Company	<u>416,914</u>	<u>603,864</u>
Sindh Sales Tax on remuneration of the Management Company	<u>54,199</u>	<u>78,502</u>
Allocated expenses	<u>22,930</u>	<u>33,212</u>
Selling and marketing expenses	<u>208,457</u>	<u>301,932</u>
Issuance of 7,001,254 units (2022: 5,511,594 units)	<u>383,685</u>	<u>346,499</u>
Redemption of 5,457,826 units (2022: 7,079,068 units)	<u>302,786</u>	<u>434,797</u>

Transactions during the year
Central Depository Company of Pakistan Limited - Trustee

Remuneration of Central Depository Company of Pakistan Limited - Trustee	21,846	31,193
Sindh Sales Tax on remuneration of the Trustee	2,840	4,055
CDS charges	633	791

Meezan Bank Limited

Profit on balances maintained with the Bank	3,761	2,457
Bonus issue of 1,428,074 shares (2022: 2,113,106 shares)	-	-
Purchase of 1,587,735 shares (2022: 794,667 shares)	172,482	109,183
Sale of 5,560,523 shares (2022: 3,276,445 shares)	557,555	452,212
Shariah advisor fee	2,580	3,684
Dividend income	139,126	90,738

Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan

Units issued: 141,095 units (2022: 506,155 units)	7,674	30,639
Units redeemed: 3,144,406 units (2022: 751,688 units)	173,125	46,275

Meezan Financial Planning Fund of Funds - Moderate Allocation Plan

Units issued: 118,091 units (2022: 444,918 units)	6,481	27,756
Units redeemed: 409,380 units (2022: 778,713 units)	22,920	47,575

Meezan Financial Planning Fund of Funds - Conservative Allocation Plan

Units issued: 44,768 units (2022: 305,731 units)	2,443	18,543
Units redeemed: 407,678 units (2022: 572,170 units)	23,075	34,025

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: nil units (2022: 47,581 units)	-	3,000
Units redeemed: nil units (2022: 47,581 units)	-	2,844

Meezan Strategic Allocation Fund - MSAP - I

Units issued: nil units (2022: 523,279 units)	-	33,048
Units redeemed: 731,083 units (2022: 2,412,967 units)	40,020	147,350

Meezan Strategic Allocation Fund - MSAP - II

Units issued: 87,437 units (2022: 2,703,370 units)	4,972	174,546
Units redeemed: 2,227,231 units (2022: 1,999,920 units)	121,500	118,330

Meezan Strategic Allocation Fund - MSAP - III

Units issued: 122,059 units (2022: 227,046 units)	6,941	14,300
Units redeemed: 249,072 units (2022: 2,444,065 units)	14,000	151,850

Meezan Strategic Allocation Fund - MSAP - IV

Units issued: 15,663 units (2022: 395,055 units)	891	23,000
Units redeemed: 15,663 units (2022: 417,564 units)	866	24,202

Meezan Strategic Allocation Fund - MSAP - V

Units issued: 32,505 units (2022: 23,827 units)	1,848	1,500
Units redeemed: nil units (2022: 35,689 units)	-	2,170

Directors and executives of the Management Company

Units issued: 14,308,686 units (2022: 4,564,282 units)	815,339	290,745
Units redeemed: 15,380,968 units (2022: 13,783,258 units)	856,535	781,561

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2023		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees in '000) -----		
Financial assets			
Balances with banks	580,890	-	580,890
Investments	-	16,779,045	16,779,045
Receivable against sale of investments	237,355	-	237,355
Receivable against conversion of units	134,071	-	134,071
Dividend receivable	22,360	-	22,360
Deposits and other receivable	11,379	-	11,379
	<u>986,055</u>	<u>16,779,045</u>	<u>17,765,100</u>
Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	54,643	-	54,643
Payable to Central Depository Company of Pakistan Limited - Trustee	1,701	-	1,701
Payable against redemption and conversion of units	218,046	-	218,046
Payable against purchase of investments	-	-	-
Payable to Meezan Bank Limited	120	-	120
Accrued expenses and other liabilities	4,693	-	4,693
	<u>279,203</u>	<u>-</u>	<u>279,203</u>
	----- (Rupees in '000) -----		
	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees in '000) -----		
Financial assets			
Balances with banks	1,208,150	-	1,208,150
Investments	-	23,278,367	23,278,367
Receivable against sale of investments	33,457	-	33,457
Receivable against conversion of units	57,085	-	57,085
Dividend receivable	7,762	-	7,762
Advance, deposits and other receivable	14,009	-	14,009
	<u>1,320,463</u>	<u>23,278,367</u>	<u>24,598,830</u>
Financial liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	31,021	-	31,021
Payable to Central Depository Company of Pakistan Limited - Trustee	2,326	-	2,326
Payable against redemption and conversion of units	416,758	-	416,758
Payable against purchase of investments	186	-	186
Payable to Meezan Bank Limited	214	-	214
Accrued expenses and other liabilities	4,071	-	4,071
	<u>454,576</u>	<u>-</u>	<u>454,576</u>

18 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.

18.1 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, 2023, 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.5.433 million (2022: Rs.12.015 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, 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, 2023 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, 2023 can be determined as follows:

As at June 30, 2023						
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
------(Rupees in '000)-----						
Financial assets						
Balances with banks	5.25% to 20.25%	543,334	-	-	37,556	580,890
Investments		-	-	-	16,779,045	16,779,045
Receivable against sale of investments		-	-	-	237,355	237,355
Receivable against conversion of units		-	-	-	134,071	134,071
Dividend receivable		-	-	-	22,360	22,360
Deposits and other receivable		-	-	-	11,379	11,379
		543,334	-	-	17,221,766	17,765,100
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	54,643	54,643
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,701	1,701
Payable to Meezan Bank Limited		-	-	-	120	120
Payable against redemption and conversion of units		-	-	-	218,046	218,046
Payable against purchase of investments		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	4,693	4,693
		-	-	-	279,203	279,203
On-balance sheet gap (a)		543,334	-	-	16,942,563	17,485,897
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a + b)		543,334	-	-		

Cumulative profit rate sensitivity gap
543,334 543,334 543,334

As at June 30, 2022					
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000)					
Financial assets					
Balances with banks	3.00% - 16.40%	1,201,534	-	6,616	1,208,150
Investments		-	-	23,278,367	23,278,367
Receivable against sale of investments		-	-	33,457	33,457
Receivable against conversion of units		-	-	57,085	57,085
Dividend receivable		-	-	7,762	7,762
Deposits and other receivable		-	-	14,009	14,009
		1,201,534	-	23,397,296	24,598,830
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	31,021	31,021
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	2,326	2,326
Payable to Meezan Bank Limited		-	-	214	214
Payable against redemption and conversion of units		-	-	416,758	416,758
Payable against purchase of investments		-	-	186	186
Accrued expenses and other liabilities		-	-	4,071	4,071
		-	-	454,576	454,576
On-balance sheet gap (a)		1,201,534	-	22,942,720	24,144,254
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a + b)		1,201,534	-	-	-
Cumulative profit rate sensitivity gap		1,201,534	1,201,534	1,201,534	

(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 15% of net assets and issued capital of the investee company and sector exposure limit to 35% of net assets or index weight, which ever is higher, subject to maximum of 40%.

In case of 1% increase / decrease in KMI 30 index on June 30, 2023, with all other variables held constant, the total comprehensive (loss) / income of the Fund for the year would increase / decrease by Rs. 167.790 million (2022: Rs. 232.784 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, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

18.2 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 settlement of equity securities and 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, 2023.

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, 2023						
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	580,890	-	-	-	-	580,890
Investments	-	-	-	-	16,779,045	16,779,045
Receivable against sale of investments	237,355	-	-	-	-	237,355
Receivable against conversion of units	134,071	-	-	-	-	134,071
Dividend receivable	22,360	-	-	-	-	22,360
Deposits and other receivable	9,779	-	-	-	2,600	12,379
	984,455	-	-	-	16,781,645	17,766,100
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	54,643	-	-	-	-	54,643
Payable to Central Depository Company of Pakistan Limited - Trustee	1,701	-	-	-	-	1,701
Payable to Meezan Bank Limited	120	-	-	-	-	120
Payable against redemption and conversion of units	218,046	-	-	-	-	218,046
Payable against purchase of investments	-	-	-	-	-	-
Accrued expenses and other liabilities	-	4,693	-	-	-	4,693
	274,510	4,693	-	-	-	279,203
Net financial assets / (liabilities)	709,945	(4,693)	-	-	16,781,645	17,486,897

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	1,208,150	-	-	-	-	1,208,150
Investments	-	-	-	-	23,278,367	23,278,367
Receivable against sale of investments	33,457	-	-	-	-	33,457
Receivable against conversion of units	57,085	-	-	-	-	57,085
Dividend receivable	7,762	-	-	-	-	7,762
Deposits and other receivable	11,409	-	-	-	2,600	14,009
	1,317,863	-	-	-	23,280,967	24,598,830

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	31,021	-	-	-	-	31,021
Payable to Central Depository Company of Pakistan Limited - Trustee	2,326	-	-	-	-	2,326
Payable to Meezan Bank Limited	214	-	-	-	-	214
Payable against redemption and conversion of units	416,758	-	-	-	-	416,758
Payable against purchase of investments	186	-	-	-	-	186
Accrued expenses and other liabilities	-	4,071	-	-	-	4,071
	450,505	4,071	-	-	-	454,576

Net financial assets / (liabilities)

	867,358	(4,071)	-	-	-	23,280,967	24,144,254
--	----------------	----------------	---	---	---	-------------------	-------------------

18.3 Credit risk

- 18.3.1** 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 and receivable against conversion of units.

	2023		2022	
	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	580,890	580,890	1,208,150	1,208,150
Investments	16,779,045	-	23,278,367	-
Receivable against sale of investments	237,355	237,355	33,457	33,457
Receivable against conversion of units	134,071	134,071	57,085	57,085
Dividend receivable	22,360	22,360	7,762	7,762
Advance, deposits and other receivable	12,379	12,379	14,009	14,009
	17,766,100	987,055	24,598,830	1,320,463

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 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.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

18.3.2 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:

Rating	% of financial assets exposed to credit risk	
	2023	2022
AAA	56.23	79.42
AA+	40.79	8.91
AA	0.03	0.10
A+	2.95	11.57
	<u>100.00</u>	<u>100.00</u>

18.3.3 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, 2023 and June 30, 2022 are unsecured and are not impaired.

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

ASSETS	2023		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	16,779,045	-	-
	2022		
	(Rupees in '000)		
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	23,278,367	-	-

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	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	20,923	6,938,331	40.44	24,038	11,232,123	47.14
Associated Companies /						
Directors	14	257,315	1.50	16	698,102	2.93
Insurance Companies	4	828,828	4.83	4	829,673	3.48
Banks and DFIs	3	820,966	4.79	3	842,373	3.54
Retirement Funds	67	5,507,343	32.10	100	6,271,029	26.33
Public Limited Companies	2	219,557	1.28	3	254,468	1.07
Others	106	2,582,467	15.05	122	3,693,756	15.51
	21,119	17,154,806	100.00	24,286	23,821,524	100.00

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Top Line Securities (Private) Limited	7.32%	Arif Habib Limited	8.35%
Sherman Securities (Private) Limited	7.27%	AKD Securities Limited	8.05%
JS Global Capital Limited	6.73%	Akik Capital (Private) Limited	7.54%
Akik Capital (Private) Limited	6.20%	JS Global Capital Limited	6.86%
Arif Habib Limited	5.90%	Top Line Securities (Private) Limited	5.79%
Ismail Iqbal Securities (Private) Limited	5.87%	Foundation Securities (Private) Limited	5.02%
Foundation Securities (Private) Limited	5.83%	BMA Capital Management Limited	4.78%
BMA Capital Management Limited	5.52%	EFG Hermes Pakistan Limited	4.52%
AKD Securities Limited	5.49%	Optimus Capital Management (Private) Limited	4.37%
Alfalsh CLSA Securities (Private) Limited	5.43%	Insight Securities (Private) Limited	4.25%

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

The Fund manager of the Fund is Mr. Muhammad Asad. The Fund Manager is not managing any other fund.

24 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 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive Officer	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Director	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Director	Yes	Yes	Yes	Yes
Mr. Naeem	Director	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Director	Yes	No	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

26 GENERAL

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

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

 Chief Executive Officer

 Chief Financial Officer

 Director

Adapting to Change



Embracing change is core to Al Meezan's pursuit of excellence. With agility, it evolves alongside industry shifts, technology advancements, and customer needs to stay ahead of the curve.

Al Meezan Mutual Fund

Al Meezan Mutual Fund aims to optimize the total investment returns in the form of capital gains and dividend income, through prudent investment management.

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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Al Meezan Mutual Fund (AMMF)

Type of Fund

Open end equity fund

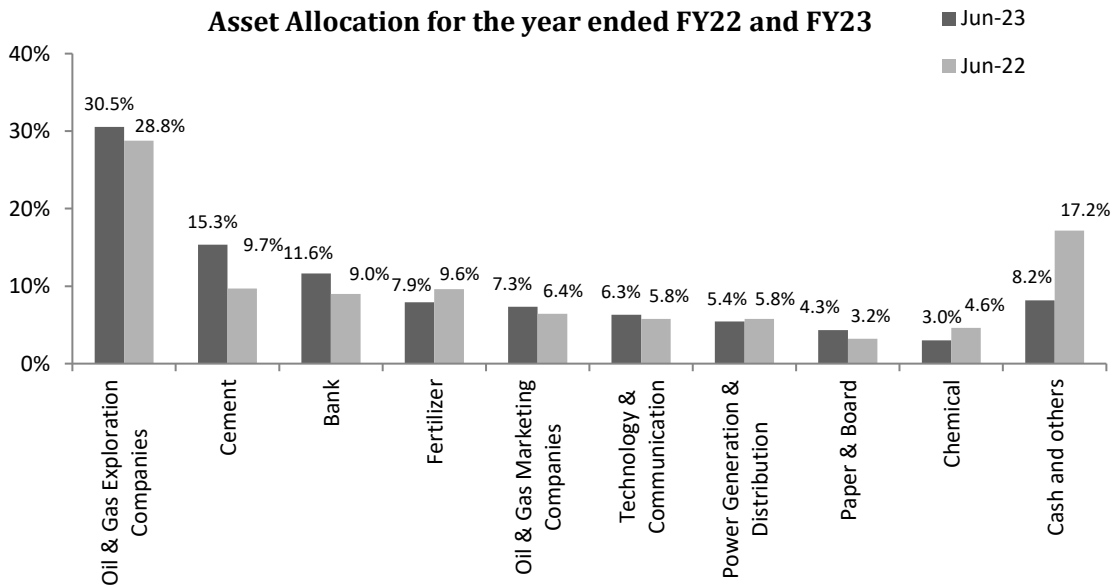
Objective

The objective of AMMF is to provide maximum total return to the shareholders by investing in “Shariah compliant” equity avenues 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 AMMF is directly linked to the performance 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.

AMMF started the year with a 97.90% exposure to equities, touched a maximum of 99.73% and minimum of around 90.73% during the fiscal year, on average remaining around 98.39% invested and while closing the year at 97.55% invested percentage. Exposure to Oil and Gas sector was increased in wake of weak PKR and possible resolution circular debt that may potentially increase payouts of the investee companies. Simultaneously, exposure to cement sector was raised to benefit from possible rebound in stock prices due to weak commodities and resumption of IMF program.

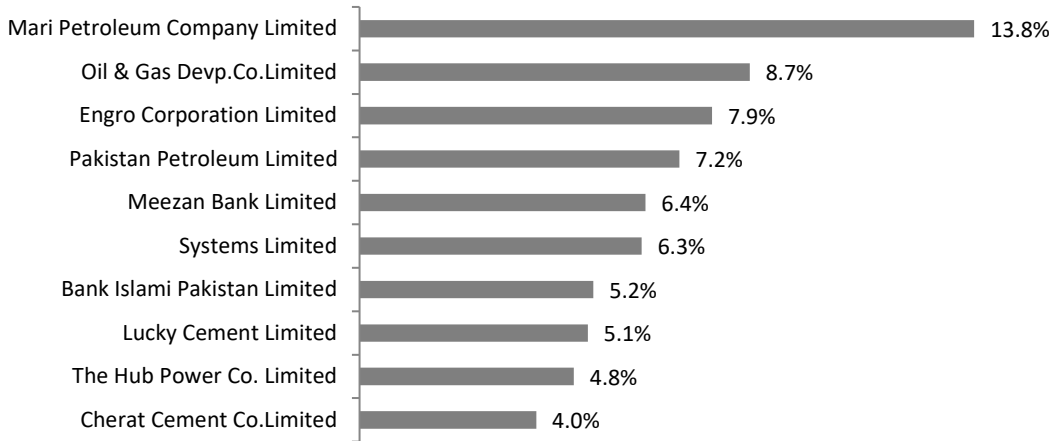




Pure. Profit.



Top Holdings



Performance Review

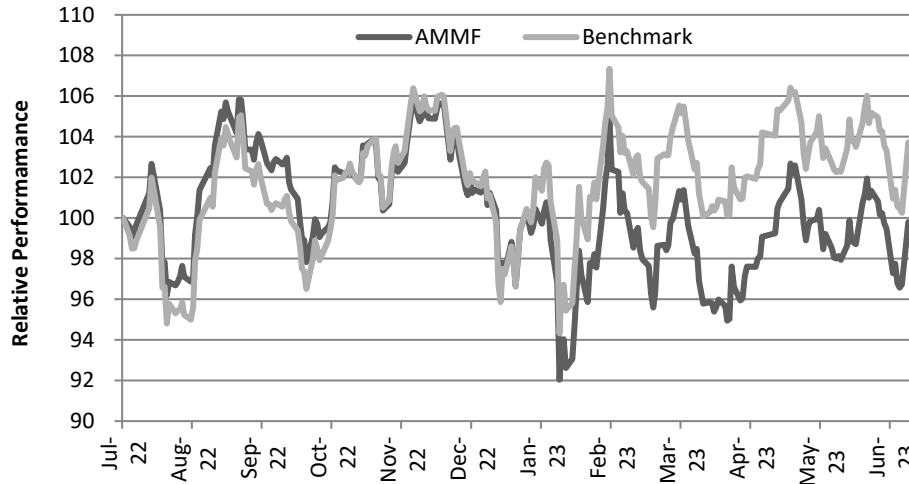
During FY23, Al Meezan Mutual Fund (AMMF) provided a negative return of 0.28% to its investors and the KSE Meezan Index (KMI 30) - Benchmark increased by 2.88% to close at 70,748 pts.

	<u>AMMF (NAV)</u>	<u>KMI-30 (Benchmark)</u>
Net Asset Value (NAV) as on June 30, 2022- Rs.	15.72	68,766
Net Asset Value (NAV) as on June 30, 2023- Rs.	15.68	70,748
Change (Points)	-0.04	1,982
Return During the Period	-0.28%	2.88%

AMMF posted a total income of Rs. 124 million in the fiscal year 2023 as compared to a total loss of Rs. 463 million last year. Total income comprised of realized loss and unrealized loss on investments of Rs. 139 million and Rs. 102 million respectively. Dividend income contributed Rs. 352 million to income, while profit on saving accounts with banks amounted to Rs. 12 million. After accounting for expenses of Rs. 157 million, the Fund posted a net loss of Rs. 33 million. The net assets of the Fund as at June 30, 2023 were Rs. 3,153 million as compared to Rs. 4,451 million last year depicting decrease of 29%. The net asset value per unit as at June 30, 2023 was Rs. 15.6760 as compared to Rs. 15.7208 per unit as on June 30, 2022.



Pure. Profit.



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, 2023 an amount of Rs. 12.52 million was accrued as charity payable.

Distributions

There is NIL distribution by the Fund during the fiscal year ended June 30, 2023

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size:

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	3,923
10,000 - 49,999	419
50,000 - 99,999	95
100,000 - 499,999	86
500,000 and above	26
Total	4,549

Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	32	32	0	0
Percentage	100%	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
AL MEEZAN MUTUAL FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	3,153,194.00	4,450,543.00	4,917,841.00
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	15.6760	15.7208	17.6466
Offer price per unit as at June 30, (Rs.) (ex-distribution)		16.0761	18.0454
Highest offer price per unit (Rs.)	17.0147	18.9709	18.6562
Lowest offer price per unit (Rs.)	14.7959	15.6983	13.9437
Highest redemption price per unit (Rs.)	16.6387	18.5517	18.2439
Lowest redemption price per unit (Rs.)	14.4690	15.3514	13.6356
Distribution (%)			
Interim			
Final			
Date of distribution			
Interim			
Final			
Income distribution (Rupees in '000)			
Growth distribution (Rupees in '000)			
Total return (%)	-0.28%	-11%	33%

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	0.00%	-0.06%	0.07%

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

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor – Al Meezan Mutual Fund (AMMF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Twenty Eighth year of operations of Al Meezan Mutual Fund (the “AMMF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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 Shariah Advisor, we have prescribed six criteria for Shariah compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Investment in Shariah non-compliant activities to total assets (iv) Shariah 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 Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account which amounts to PKR 12.5 million and is available for disbursement.

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

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

AL MEEZAN MUTUAL FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Al Meezan Mutual 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Al Meezan Mutual Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Al Meezan Mutual Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of equity instruments) held by the Fund represent 99% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

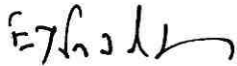
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076o29euRjV1



AL MEEZAN MUTUAL FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	Note	2023	2022
		----- (Rupees in '000) -----	
ASSETS			
Balances with banks	5	121,100	124,935
Investments	6	3,111,672	4,357,083
Receivable against sale of investments		2,208	24,807
Receivable against conversion of units		23,440	14,127
Dividend receivable		1,668	1,276
Advance, deposits and other receivable	7	3,642	4,747
TOTAL ASSETS		3,263,730	4,526,975
LIABILITIES			
Payable to Al Meezan Investment Management Limited - Management Company	8	9,804	5,622
Payable to Central Depository Company of Pakistan Limited - Trustee	9	384	510
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	768	967
Payable to Meezan Bank Limited		17	10
Payable against purchase of investments		-	1,788
Payable against conversion and redemption of units		40,064	12,318
Dividend payable		4,917	4,917
Accrued expenses and other liabilities	11	54,582	50,300
TOTAL LIABILITIES		110,536	76,432
NET ASSETS		3,153,194	4,450,543
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,153,194	4,450,543
Contingencies and commitments	12		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		201,147,634	283,099,100
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		15.6760	15.7208

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



AL MEEZAN MUTUAL FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- (Rupees in '000) -----	
INCOME			
Dividend income		352,404	302,059
Profit on saving account with banks		12,218	18,450
Other income		-	3,630
Realised loss on sale of investments - net		(138,642)	(215,328)
		225,980	108,811
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	(102,140)	(571,557)
TOTAL INCOME		123,840	(462,746)
EXPENSES			
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	76,793	96,736
Sindh Sales Tax on remuneration of the Management Company	8.2	9,983	12,576
Allocated expenses	8.3	4,224	5,320
Selling and marketing expenses	8.4	38,396	48,368
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	4,840	5,837
Sindh Sales Tax on remuneration of the Trustee	9.2	629	759
Annual fee to the Securities and Exchange Commission of Pakistan	10	768	967
Auditors' remuneration	13	580	798
Fees and subscription		527	556
Legal and professional charges		-	184
Brokerage expense		6,830	7,991
Printing expenses		6	-
Bank and settlement charges		855	933
Charity expense	11.1	12,523	7,327
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(77,691)
TOTAL EXPENSES		156,954	110,661
Net loss for the year before taxation		(33,114)	(573,407)
Taxation	15	-	-
Net loss for the year after taxation		(33,114)	(573,407)
Allocation of net income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
		-	-
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		-	-

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



AL MEEZAN MUTUAL FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees in '000) -----	
Net loss for the year after taxation	(33,114)	(573,407)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(33,114)</u>	<u>(573,407)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



AL MEEZAN MUTUAL FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	4,250,146	200,397	4,450,543	4,144,037	773,804	4,917,841
Issuance of 93,283,029 units (2022: 222,100,181 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,466,484	-	1,466,484	3,919,313	-	3,919,313
- Element of income / (loss)	2,019	-	2,019	(68,147)	-	(68,147)
Total proceeds on issuance of units	1,468,503	-	1,468,503	3,851,166	-	3,851,166
Redemption of 175,234,495 units (2022: 217,686,450 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,754,826	-	2,754,826	3,841,426	-	3,841,426
- Element of loss	(22,088)	-	(22,088)	(96,369)	-	(96,369)
Total payments on redemption of units	2,732,738	-	2,732,738	3,745,057	-	3,745,057
Total comprehensive (loss) / income for the year	-	(33,114)	(33,114)	-	(573,407)	(573,407)
Distribution during the year	-	-	-	-	-	-
Loss for the year less distribution	-	(33,114)	(33,114)	-	(573,407)	(573,407)
Net assets at the end of the year	2,985,911	167,283	3,153,194	4,250,146	200,397	4,450,543
Undistributed income brought forward						
- Realised income / (loss)		771,954			(27,472)	
- Unrealised (loss) / income		(571,557)			801,276	
		200,397			773,804	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the year after taxation		(33,114)			(573,407)	
Undistributed income carried forward		167,283			200,397	
Undistributed income carried forward						
- Realised income		269,423			771,954	
- Unrealised loss		(102,140)			(571,557)	
		167,283			200,397	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year		15.7208			17.6466	
Net assets value per unit at the end of the year		15.6760			15.7208	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



AL MEEZAN MUTUAL FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

Note	2023	2022
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year before taxation	(33,114)	(573,407)
Adjustments for:		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	<u>102,140</u>	<u>571,557</u>
	69,026	(1,850)
Decrease / (increase) in assets		
Investments - net	<u>1,143,271</u>	<u>(278,219)</u>
Dividend receivable	(392)	20,634
Receivable against sale of investments	22,599	(12,125)
Advance, deposits and other receivable	<u>1,105</u>	<u>66,472</u>
	1,166,583	(203,238)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	<u>4,182</u>	<u>(7,563)</u>
Payable to Central Depository Company of Pakistan Limited - Trustee	(126)	(47)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(199)	30
Payable to Meezan Bank Limited	7	(91)
Payable against purchase of investments	<u>(1,788)</u>	<u>1,788</u>
Accrued expenses and other liabilities	<u>4,282</u>	<u>(85,230)</u>
	6,358	(91,113)
Net cash generated from / (used in) operating activities	<u>1,241,967</u>	<u>(296,201)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	<u>1,459,190</u>	<u>3,873,414</u>
Payment against issuance and conversion of units	<u>(2,704,992)</u>	<u>(3,748,779)</u>
Dividend paid	-	-
Net cash (used in) / generated from financing activities	<u>(1,245,802)</u>	<u>124,635</u>
Net decrease in cash and cash equivalents during the year	<u>(3,835)</u>	<u>(171,566)</u>
Cash and cash equivalents at the beginning of the year	<u>124,935</u>	<u>296,501</u>
Cash and cash equivalents at the end of the year	<u>121,100</u>	<u>124,935</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**AL MEEZAN MUTUAL FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 17, 2011 in accordance with the provisions of 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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The objective of the Fund is to provide the maximum total return to the unit holders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by the regulations and any other prevailing rules and regulations. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns, if available, at any given point of time. At least seventy percent of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining net assets shall be invested in cash and near cash instruments. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.3 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund 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 categorised as an Equity Scheme.

1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). 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 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 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, (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 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

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

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Amendments		Effective date (annual periods beginning on or after)
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 -and IFRS 7	January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

**IASB Effective date
(annual periods
beginning on or after)**

Standards

IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Company's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

3.5 Accounting convention

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

3.6 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.2 Cash and cash equivalents

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

4.3 Financial assets

4.3.1 Initial recognition and measurement

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

4.3.2 Classification and subsequent measurement

a) 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.

b) Impairment

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

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

4.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

4.3.4 Derecognition

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

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Provisions

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

4.7 Net asset value per unit

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

4.8 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 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 receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

4.9 Distributions to unit holders

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

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

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

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

4.11 Revenue recognition

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

4.12 Expenses

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

4.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.14 Earnings / (loss) per unit

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

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

4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2023	2022
		----- Rupees in '000 -----	
5	BALANCES WITH BANKS		
	Balances with banks in:		
	Current accounts	13,391	10,190
	Savings accounts	5.1 <u>107,709</u>	<u>114,745</u>
		<u><u>121,100</u></u>	<u><u>124,935</u></u>

5.1 These include a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10% (2022: 6.01%) per annum. Other profit and loss sharing accounts of the Fund have expected profit rates of profit ranging from 6.74% to 20.25% per annum (2022: 3% to 16.25% per annum).

	Note	2023	2022
		----- Rupees in '000 -----	
6	INVESTMENTS		
	Listed equity securities - at 'fair value through profit or loss'	6.1 <u><u>3,111,672</u></u>	<u><u>4,357,083</u></u>

6.1 Investments in equity securities - listed

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market Value as at June 30, 2023	Unrealised (diminution) / appreciation as at June 30, 2023	Percentage in relation to			
									Net assets of the Fund	Market value of total investments	Paid-up capital of investee company (with face value of	
								(Number of shares)	(Rupees in '000)	-%		
Automobile Assembler												
Gandhara Industries Limited	29,700	-	-	29,700	-	-	-	-	-	-	-	
Millat Tractors Limited	130,694	-	23,938	154,632	-	-	-	-	-	-	-	
Cement												
Attock Cement Pakistan Limited **	400	-	-	400	-	-	-	-	-	-	-	
Cherat Cement Company Limited	855,000	772,500	-	553,260	1,074,240	112,783	129,210	16,427	4.10	4.15	0.55	
Kohat Cement Company Limited	739,320	62,199	-	85,500	716,019	94,781	124,208	29,427	3.94	3.99	0.36	
Lucky Cement Limited	411,130	433,044	-	524,500	319,674	148,197	166,899	18,702	5.29	5.36	0.10	
Pioneer Cement Limited	-	450,000	-	-	450,000	31,702	38,984	7,282	1.24	1.25	0.20	
Maple Leaf Cement Factory Limited	2,702,082	1,175,000	-	2,407,193	1,469,889	40,244	41,642	1,398	1.32	1.34	0.14	
									15.89	16.09	1.35	
Chemicals												
Dynea Pakistan Limited (note 6.1.1)	119,500	-	-	119,500	-	-	-	-	-	-	-	
Engro Polymer and Chemicals Limited	823,041	-	-	823,041	-	-	-	-	-	-	-	
Lucky Core Industries Limited	129,829	29,702	-	25,000	134,531	94,352	81,276	(13,076)	2.58	2.61	0.15	
Sitara Chemical Industries Limited	93,100	-	-	17,200	75,900	23,529	17,122	(6,407)	0.54	0.55	0.35	
									3.12	3.16	0.50	
Commercial Banks												
BankIslami Pakistan Limited	8,154,000	4,150,114	-	2,675,500	9,628,614	120,152	171,004	50,852	5.42	5.50	0.87	
Meezan Bank Limited	2,732,907	262,232	263,290	837,145	2,421,284	247,426	209,126	(38,300)	6.63	6.72	0.14	
									12.05	12.22	1.01	
Engineering												
International Industries Limited	-	51,332	-	51,332	-	-	-	-	-	-	-	
International Steels Limited	-	100,000	-	100,000	-	-	-	-	-	-	-	
Mughal Iron & Steel Industries Limited	1,116,300	397,491	-	1,513,791	-	-	-	-	-	-	-	
Fertilizer												
Engro Corporation Limited (note 6.1.2)	971,629	370,000	-	350,000	991,629	266,153	257,714	(8,439)	8.17	8.28	0.17	
Engro Fertilizers Limited	2,088,300	-	-	2,088,300	-	-	-	-	-	-	-	
									8.17	8.28	0.17	
Food and Personal Care Products												
At-Tahir Limited	1,534,840	100,000	163,484	110,000	1,688,324	29,166	27,790	(1,376)	0.88	0.89	0.77	
The Organic Meat Company Limited	-	1,250,000	-	75,000	1,175,000	25,297	24,417	(880)	0.77	0.78	0.87	
Al-Shaheer Corporation Limited **	12,997	-	-	1,458	11,539	104	83	(21)	0.00	0.00	-	
National Foods Limited (note 6.1.1)	7,687	317,000	-	122,687	202,000	17,170	19,877	2,707	0.63	0.64	0.17	
									2.28	2.31	1.81	
Glass and Ceramics												
Ghani Glass Limited	498,125	-	406	496,000	2,531	87	65	(22)	0.00	0.00	0.00	
Miscellaneous												
Pakistan Aluminium Beverage Cans Limited	141,500	264,000	-	405,500	-	-	-	-	-	-	-	

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market Value as at June 30, 2023	Unrealised (diminution) / appreciation as at June 30, 2023	Percentage in relation to		
									Net assets of the Fund	Market value of total 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	331,178	19,800	-	54,243	296,735	513,762	449,447	(64,315)	14.25	14.44	0.22
Oil and Gas Development Company Ltd	3,996,888	536,500	-	875,820	3,657,568	289,694	285,290	(4,404)	9.05	9.17	0.09
Pakistan Oilfields Limited	428,409	33,000	-	393,000	68,409	27,686	27,485	(201)	0.87	0.88	0.02
Pakistan Petroleum Limited	3,528,271	1,852,500	-	1,425,000	3,955,771	274,983	233,944	(41,039)	7.42	7.52	0.15
									31.59	32.01	0.48
Oil and Gas Marketing Companies											
Attock Petroleum Limited	66,238	-	16,559	1,708	81,089	20,844	24,347	3,503	0.77	0.78	0.07
Hascol Petroleum Limited (note 6.1.3)**	7,946	-	-	-	7,946	34	44	10	0.00	0.00	-
Pakistan State Oil Company Limited (note 6.1.3)	1,093,913	106,500	-	195,000	1,005,413	168,186	111,611	(56,575)	3.54	3.59	0.21
Sui Northern Gas Pipelines Limited	2,367,000	550,000	-	300,000	2,617,000	91,711	103,031	11,320	3.27	3.31	0.41
									7.58	7.68	0.69
Paper and Board											
Century Paper & Board Mills Limited (note 6.1.3)	802,650	515,000	1,229,527	18,500	2,528,677	81,174	71,410	(9,764)	2.26	2.29	0.63
Packages Limited	238,678	10,500	-	68,800	180,378	71,634	70,156	(1,478)	2.22	2.25	0.20
									4.48	4.54	0.83
Property											
TPL Properties Limited	-	250,000	25,000	275,000	-	-	-	-	-	-	-
Pharmaceuticals											
Haleon Pakistan Limited	130,500	-	-	130,500	-	-	-	-	-	-	-
Highnoon Laboratories Limited (note 6.1.3)	2,118	-	205	1,339	984	413	331	(82)	0.01	0.01	-
The Searle Company Limited (note 6.1.3)	173,146	11,000	43,286	205,223	22,209	1,675	851	(824)	0.03	0.03	0.01
									0.04	0.04	0.01
Power Generation and Distribution											
K-Electric Limited (note 6.1.1)	17,973,000	6,000,000	-	12,135,235	11,837,765	36,176	20,361	(15,815)	0.65	0.65	0.04
The Hub Power Company Limited	3,026,409	1,925,000	-	2,700,000	2,251,409	157,038	156,653	(385)	4.97	5.03	0.17
									5.62	5.70	0.21
Refinery											
Attock Refinery Limited	270,000	150,000	-	420,000	-	-	-	-	-	-	-
Energycico Pk Limited (formerly Byco Petroleum Pakistan Limited)	9,370,000	1,000,000	-	10,370,000	-	-	-	-	-	-	-
National Refinery Limited	112,000	-	-	112,000	-	-	-	-	-	-	-
Technology and Communication											
Air Link Communication Limited	329,025	250,000	-	579,025	-	-	-	-	-	-	-
Avanceon Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
Systems Limited (note 6.1.3)	752,550	135,000	-	376,000	511,550	183,478	206,323	22,845	6.54	6.63	0.18
									6.54	6.63	0.18
Textile Composite											
Interloop Limited	2,251,189	-	386,504	1,756,513	881,180	34,456	31,070	(3,386)	0.99	1.00	0.06
Kohinoor Textile Mills Limited	306,500	-	-	112,000	194,500	9,725	9,902	177	0.31	0.32	0.06
Nishat Mills Limited	355,300	-	-	355,300	-	-	-	-	-	-	-
Feroze1888 Mills Limited	211,682	-	-	211,682	-	-	-	-	-	-	-
									1.30	1.32	0.12
Total as at June 30, 2023						3,213,812	3,111,672	(102,140)	98.66	99.98	
Total as at June 30, 2022						4,928,640	4,357,083	(571,557)	97.90	100.00	

*Right shares exercised during the year.

** Nil figures due to rounding off difference

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of Dynea Pakistan Limited, National Foods Limited which have a nominal value of Rs 5 and K-Electric Limited which have a nominal value of Rs 3.5 each.
- 6.1.2** 202,000 shares (June 30, 2022: 202,000 shares) of Engro Corporation Limited, having market value of Rs 52.50 million (June 30, 2022: Rs 51.93 million), have been pledged as collateral in favour of National Clearing Company Pakistan Limited against exposure margins and mark to market losses.
- 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 book closure 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 judgment 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 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 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 year were not withheld by the investee companies.

As at June 30, 2023, the market value of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.5.202 million (2022: Rs 7.434 million).

	Note	2023	2022
----- Rupees in '000 -----			
6.2 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'			
Market value of investments	6.1	3,111,672	4,357,083
Carrying value of investments	6.1	(3,213,812)	(4,928,640)
		<u>(102,140)</u>	<u>(571,557)</u>
7 ADVANCE, DEPOSITS AND OTHER RECEIVABLE			
Security deposit with Central Depository Company of Pakistan Limited		238	238
Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Profit accrued on balances with banks		904	2,009
		<u>3,642</u>	<u>4,747</u>

8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2023	2022
		----- Rupees in '000 -----	
Remuneration payable	8.1	1,372	1,463
Sindh Sales Tax payable on remuneration of the Management Company	8.2	178	190
Allocated expenses payable	8.3	284	29
Sales load payable		51	86
Sindh Sales Tax payable on sales load		7	11
Selling and marketing expenses payable	8.4	7,912	3,843
		<u>9,804</u>	<u>5,622</u>

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2022: 2%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs. 9.9833 million (2022: Rs. 12.576 million) was charged on account of sales tax at a rate of 13% on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 9.995 million (2022: Rs. 12.461 million) was paid to the Management Company which acts as a collecting agent.

8.3 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, charged 0.11% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the year ended June 30, 2023 (2022: 0.11%), subject to total expense charged being lower than actual expense incurred.

8.4 In accordance with Circular 11 dated July 5, 2019 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 1% (2022: 1%) per annum of the average annual net assets of the Fund during the period ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		----- Rupees in '000 -----	
Remuneration payable	9.1	340	452
Sindh Sales Tax payable on remuneration of the Trustee	9.2	44	58
		<u>384</u>	<u>510</u>

9.1 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	Rs 0.7 million or 0.2% per annum of net assets, whichever is higher.
- exceeding Rs.1,000 million	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1,000 million.

9.2 During the year, an amount of Rs. 0.629 million (2022: Rs. 0.759 million) was charged on account of sales tax at a rate of 13% on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.643 million (2022: Rs. 0.765 million) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a collective investment scheme classified as an "Equity scheme" is required to pay annual fee to the SECP.

Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% (2022: 0.02%) of average annual net assets of the Fund during the current year.

11	Note	2023	2022
----- Rupees in '000 -----			
ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		327	577
Brokerage payable		190	710
Shariah advisor fee payable		155	196
Charity payable	11.1	12,521	7,251
Capital gain tax payable		107	302
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of Management Company	11.2	37,524	37,524
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	11.2	3,732	3,732
Zakat payable		26	8
		54,582	50,300

11.1 According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund. Accordingly, during the year ended June 30, 2023, Shariah non-compliant income amounting to Rs. 12.523 million (2022 : Rs. 7.327 million) was charged as charity expense and Rs. 7.252 million was disbursed to following charitable / welfare organisations respectively:

S. No.	Charitable Organisations	2023 Rupees in '000	Charitable Organisations	2022 Rupees in '000
1	Health&Nutrition Development Society (HANDS)	7,252	The Patients behbud Society for AKUH	2,000
			Medical Aid Foundation	2,000
			Cancer Care Hospital & Research Centre	1,000
			The Patients Behbud Society for AKUH	1,000
			IBA Centre for Excellence in Islamic Finance	1,000
			Behbud Association- Karachi	500
			Sargodhian Spirit Trust	400
			Jamal Noor Hospital	400
			Al Mustafa Trust	300
			Al-Mustafa Welfare Society	300
			Aiwan-e-Tijarat-o-Sanat hospital trust	200
	Total	7,252	Total	9,100

11.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration made was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 41.256 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2023 would have been higher by Re 0.21 (2022: Re 0.15) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

13 AUDITORS' REMUNERATION	2023	2022
	----- Rupees in '000 -----	
Annual audit fee	401	636
Half yearly review fee	144	127
Out of pocket expenses	35	35
	<u>580</u>	<u>798</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 4.09% (2022: 3.89%) which includes 0.32% representing government levies on the Fund such as provision for 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.

15 TAXATION

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

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

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

16.1 Related Parties / Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Collective Investment Schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10% or more of the Fund's net assets.

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

16.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.

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



	2023	2022
	----- Rupees in '000 -----	
Balances		
Al Meezan Investment Management Limited (Management Company)		
Remuneration payable to the Management Company	1,372	1,463
Sindh Sales Tax payable on remuneration of the Management Company	178	190
Sales load payable	51	86
Sindh Sales Tax payable on sales load	7	11
Allocated expenses payable	284	29
Selling and marketing expenses payable	7,912	3,843
Investment of 17,962,346 units (2022: 17,879,458 units)	<u>281,578</u>	<u>281,079</u>
Central Depository Company of Pakistan Limited - CDC (Trustee)		
Security deposit	238	238
Remuneration payable to the Trustee	340	452
Sindh Sales Tax on remuneration of the Trustee	44	58
Meezan Bank Limited		
Profit receivable on saving account	207	136
Balance with bank	61,328	51,710
Sales load payable	15	9
Sindh Sales Tax on sales load	2	1
Investment in 22,984,581 units (2022: 22,984,581 units)	360,306	361,336
Investment in 2,421,284 shares (2022: 2,732,907 shares)	209,126	308,764
Shariah Advisor fee payable	155	196
MSAF - Meezan Strategic Allocation Plan - I		
Investment of 661,800 units (2022: 7,821,802 units)	<u>10,374</u>	<u>122,965</u>
MSAF - Meezan Strategic Allocation Plan - II		
Investment of 1,599,999 units (2022: 3,453,209 units)	<u>25,082</u>	<u>54,287</u>
MSAF - Meezan Strategic Allocation Plan - IV		
Investment of 492,296 units (2022: 518,354 units)	<u>7,717</u>	<u>8,149</u>
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 340,968 units (2022: 1,280,478 units)	<u>5,345</u>	<u>20,130</u>
MSAF - Meezan Strategic Allocation Plan - III		
Investment of 913,189 units (2022: 2,682,179 units)	<u>14,315</u>	<u>42,166</u>
MSAF - Meezan Strategic Allocation Plan - V		
Investment of 539,774 units (2022: 1,273,912 units)	<u>8,461</u>	<u>20,027</u>
Directors and executives of the Management Company		
Investment of 393,230 units (2022: 8,216,642 units)	<u>6,164</u>	<u>129,176</u>
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 units (2022: 16,895,690 units)	<u>264,857</u>	<u>265,614</u>
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 438,459 units (2022: 438,459)	<u>6,873</u>	<u>6,893</u>
Unitholders holding 10% or more units of the fund		
Investment as at June 30, 2022: 79,631,145 units (2022: 79,631,145)	<u>1,248,298</u>	<u>1,251,865</u>

Transactions during the year
For the year ended June 30,
2023 2022
----- Rupees in '000 -----
Al Meezan Investment Management Limited (Management Company)

Remuneration to the Management Company	76,793	96,736
Sindh Sales Tax on remuneration of the Management Company	9,983	12,576
Allocated expenses	4,224	5,320
Selling and marketing expenses	38,396	48,368
Issuance of 2,065,206 units (2022: 2,406,039 units)	29,881	42,152
Redemption of 1,982,318 units (2022: 9,034,698 units)	30,000	150,000

Central Depository Company of Pakistan Limited - CDC (Trustee)

Remuneration of the Trustee	4,840	5,837
Sindh Sales Tax on remuneration of the Trustee	629	759
CDS charges	170	224

Meezan Bank Limited

Profit on saving account	1,883	891
Purchase of 262,232 shares (2022: 697,359 shares)	25,573	92,343
Sale of 837,145 shares (2022: 400,000 shares)	85,146	57,348
Bonus shares: 263,290 shares (2022: 291,593)	-	-
Dividend income	25,151	14,764
Shariah Advisor fee	499	529

MSAF - Meezan Strategic Allocation Plan - I

Issuance of Nil units (2022: 1,247,373 units)	-	20,000
Redemption of 7,160,002 units (2022: 2,956,484 units)	110,530	48,500

MSAF - Meezan Strategic Allocation Plan - II

Issuance of 1,256,795 units (2022: 611,135 units)	20,000	11,000
Redemption of 3,110,005 units (2022: 9,144,900 units)	48,870	165,000

MSAF - Meezan Strategic Allocation Plan - IV

Issuance of Nil units (2022: Nil units)	-	-
Redemption of 26,058 units (2022: 2,255,798 units)	400	39,680

Meezan Financial Planning Fund of Funds - MAAP - I

Issuance of Nil units (2022: Nil units)	-	-
Redemption of 939,510 units (2022: 2,477,784 units)	14,620	41,990

MSAF - Meezan Strategic Allocation Plan - III

Issuance of Nil units (2022: 611,135 units)	-	11,000
Redemption of 1,768,991 units (2022: 630,417 units)	27,660	11,000

MSAF - Meezan Strategic Allocation Plan - V

Issuance of Nil units (2022: 1,143,543 units)	-	20,000
Redemption of 734,137 units (2022: Nil units)	11,520	-

Al Meezan Investment Management Limited - Employees Gratuity Fund

Units issued: Nil (2022: Nil)	-	-
-------------------------------	---	---

Directors and executives of the Management Company

Issuance of 1,034,608 units (2022: 2,491,136 units)	16,405	42,615
Redemption of 9,126,419 units (2022: 1,304,336 units)	146,585	22,192

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

17 FINANCIAL INSTRUMENTS BY CATEGORY

2023		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		
Financial assets		
Balances with banks	121,100	121,100
Investments	-	3,111,672
Receivable against sale of investments	2,208	2,208
Receivable against conversion of units	23,440	23,440
Dividend receivable	1,668	1,668
Advance, deposits and other receivable	3,642	3,642
	<u>152,058</u>	<u>3,263,730</u>
Financial liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	9,804	9,804
Payable to the Central Depository Company of Pakistan Limited - Trustee	384	384
Payable to Meezan Bank Limited	17	17
Payable against conversion and redemption of units	40,064	40,064
Payable against purchase of investments	-	-
Dividend payable	4,917	4,917
Accrued expenses and other liabilities	672	672
	<u>55,858</u>	<u>55,858</u>

2022		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		
Financial assets		
Balances with banks	124,935	124,935
Investments	-	4,357,083
Receivable against sale of investments	24,807	24,807
Receivable against conversion of units	14,127	14,127
Dividend receivable	1,276	1,276
Advance, deposits and other receivable	4,747	4,747
	<u>169,892</u>	<u>4,526,975</u>
Financial liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	5,622	5,622
Payable to the Central Depository Company of Pakistan Limited - Trustee	510	510
Payable to Meezan Bank Limited	10	10
Payable against conversion and redemption of units	12,318	12,318
Payable against purchase of investments	1,788	1,788
Dividend payable	4,917	4,917
Accrued expenses and other liabilities	1,483	1,483
	<u>26,648</u>	<u>26,648</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance. Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk and interest rate risk), credit risk and liquidity risk. Further, overall exposure of the Fund complies with the NBFC Regulations, and the directives issued by SECP. Risks managed and measured by the Fund are explained below:

18.1 Market risk

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

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

Market risk comprises of three types of risks: profit 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, 2023, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 1.077 million (2022: Rs. 1.147 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 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, 2023 can be determined as follows:

Effective yield / profit rate (%)	2023				Total	
	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk		
	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	6.74% - 20.25%	107,709	-	-	13,391	121,100
Investments		-	-	-	3,111,672	3,111,672
Receivable against sale of investments		-	-	-	2,208	2,208
Receivable against conversion of units		-	-	-	23,440	23,440
Dividend receivable		-	-	-	1,668	1,668
Advance, deposits and other receivable		-	-	-	3,642	3,642
		107,709	-	-	3,156,021	3,263,730
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	9,804	9,804
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	384	384
Payable to Meezan Bank Limited		-	-	-	17	17
Payable against conversion and redemption of units		-	-	-	40,064	40,064
Payable against purchase of investments		-	-	-	-	-
Dividend payable		-	-	-	4,917	4,917
Accrued expenses and other liabilities		-	-	-	672	672
		-	-	-	55,858	55,858
On-balance sheet gap (a)		107,709	-	-	3,100,163	3,207,872
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		107,709	-	-		
Cumulative profit rate sensitivity gap		107,709	107,709	107,709		

----- 2022 -----						
Effective yield / 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	3% - 16.25%	114,745	-	-	10,190	124,935
Investments		-	-	-	4,357,083	4,357,083
Receivable against sale of investments		-	-	-	24,807	24,807
Receivable against conversion of units		-	-	-	14,127	14,127
Dividend receivable		-	-	-	1,276	1,276
Advance, deposits and other receivable		-	-	-	4,747	4,747
		114,745	-	-	4,412,230	4,526,975
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	5,622	5,622
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	510	510
Payable to Meezan Bank Limited		-	-	-	10	10
Payable against conversion and redemption of units		-	-	-	12,318	12,318
Payable against purchase of investments		-	-	-	1,788	1,788
Dividend payable		-	-	-	4,917	4,917
Accrued expenses and other liabilities		-	-	-	1,483	1,483
		-	-	-	26,648	26,648
On-balance sheet gap (a)		114,745	-	-	4,385,582	4,500,327
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		114,745	-	-		
Cumulative profit rate sensitivity gap		114,745	114,745	114,745		

(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 and 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 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 1% increase / decrease in KMI 30 index on June 30, 2023, with all other variables held constant, total income of the Fund would increase / decrease by Rs 31.1167 million (2022: Rs 43.571 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, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

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

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum limit of such borrowing is 15% of the net assets upto 90 days and would be secured by the assets of the Fund.

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

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

2023						
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	121,100	-	-	-	-	121,100
Investments	-	-	-	-	3,111,672	3,111,672
Receivable against sale of investments	2,208	-	-	-	-	2,208
Receivable against conversion of units	23,440	-	-	-	-	23,440
Dividend receivable	1,668	-	-	-	-	1,668
Advance, deposits and other receivable	3,642	-	-	-	2,738	6,380
	152,058	-	-	-	3,114,410	3,266,468
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	9,804	-	-	-	-	9,804
Payable to Central Depository Company of Pakistan Limited - Trustee	384	-	-	-	-	384
Payable to Meezan Bank Limited	17	-	-	-	-	17
Payable against conversion and redemption of units	40,064	-	-	-	-	40,064
Payable against purchase of investments	-	-	-	-	-	-
Dividend payable	4,917	-	-	-	-	4,917
Accrued expenses and other liabilities	12,711	482	-	-	-	13,193
	67,897	482	-	-	-	68,379
Net financial assets / (liabilities)	84,161	(482)	-	-	3,114,410	3,198,089

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	124,935	-	-	-	-	124,935
Investments	-	-	-	-	4,357,083	4,357,083
Receivable against sale of investments	24,807	-	-	-	-	24,807
Receivable against conversion of units	14,127	-	-	-	-	14,127
Dividend receivable	1,276	-	-	-	-	1,276
Advance, deposits and other receivable	2,009	-	-	-	2,738	4,747
	167,154	-	-	-	4,359,821	4,526,975
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	5,622	-	-	-	-	5,622
Payable to Central Depository Company of Pakistan Limited - Trustee	510	-	-	-	-	510
Payable to Meezan Bank Limited	10	-	-	-	-	10
Payable against conversion and redemption of units	12,318	-	-	-	-	12,318
Payable against purchase of investments	1,788	-	-	-	-	1,788
Dividend payable	4,917	-	-	-	-	4,917
Accrued expenses and other liabilities	7,961	773	-	-	-	8,734
	33,126	773	-	-	-	33,899
Net financial assets / (liabilities)	134,028	(773)	-	-	4,359,821	4,493,076

18.3 Credit risk

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

	2023		2022	
	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) -----				
Bank balances	121,100	121,100	124,935	124,935
Investments	3,111,672	-	4,357,083	-
Receivable against conversion of units	23,440	23,440	14,127	14,127
Dividend receivable	1,668	1,668	1,276	1,276
Receivable against sale of investments	2,208	2,208	24,807	24,807
Advance, deposits and other receivable	3,642	3,642	4,747	4,747
	3,263,730	152,058	4,526,975	169,892

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in equity securities of Rs. 3,111.6720 million (2022: Rs. 4,357.0830 million) is not exposed to credit risk.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent control established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

18.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2023	2022
AAA	52.93%	42.32%
AA+	42.20%	40.66%
AA	0.05%	0.03%
A+	4.82%	16.99%
A	-	-
	100%	100%

18.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

	2023		
	Level 1	Level 2	Level 3
Financial assets	(Rupees in '000)		
At fair value through profit or loss	3,111,672	-	-
	3,111,672	-	-
	2022		
Financial assets	(Rupees in '000)		
At fair value through profit or loss	4,357,083	-	-
	4,357,083	-	-

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	4,496	648,775	20.58	4,761	66,528,192	23.50
Associated Companies / Directors	12	986,041	31.27	13	82,888,896	29.28
Insurance Companies	1	143,333	4.55	2	34,075,837	12.04
Banks and DFIs	1	8,996	0.29	1	573,891	0.20
Retirement Funds	14	1,324,139	41.99	20	96,116,893	33.95
Public Limited Companies	-	-	-	-	-	-
Others	25	41,910	1.33	29	2,915,392	1.03
	4,549	3,153,194	100%	4,826	283,099,101	100%

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Next Capital Limited	9%	Taurus Securities Limited	8%
EFG Hermes Pakistan	8%	Invest & Finance Securities Limited	8%
Taurus Securities Limited	7%	Aba Ali Habib Securities Pvt Ltd.	7%
BMA Capital Management Limited	6%	BMA Capital Management Limited	7%
AKD Securities Limited	6%	Optimus Capital Management (Private) Limited	6%
Aba Ali Habib Securities Pvt Ltd.	5%	Foundation Securities (Private) Limited	6%
JS Global Capital Limited	5%	Top Line Securities (Pvt) Ltd.	5%
Intermarket Securities Limited	5%	AKD Securities Limited	4%
Dalal Securities (Pvt) Ltd.	4%	Intermarket Securities Limited	4%
Arif Habib Limited	4%	JS Global Capital Limited	4%

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

23.2 The Fund manager of the Fund is Mr. Ahmed Hassan. Other funds being managed by the Fund Manager are as follows:

- Meezan Energy Fund; and
- Meezan Tahaffuz Pension Fund.

24 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 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

* Mr. Moin M. Fudda Resigned on June 09, 2023

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 7, 2023.

26 GENERAL

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

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

Chief Executive Officer

Chief Financial Officer

Director

Technology

Enhanced Experiences



AI Meezan's incorporation of evolving technology platforms guarantees clients an excellent and user-friendly experience while managing their investments wherever they are, whenever they want.

KSE Meezan Index Fund

KSE Meezan Index Fund is a Shariah Compliant Index Fund that aims to provide investors an opportunity to closely track the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the Index in proportion to their weightages.

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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited
National Bank of Pakistan - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER KSE Meezan Index Fund (KMIF)

Type of Fund

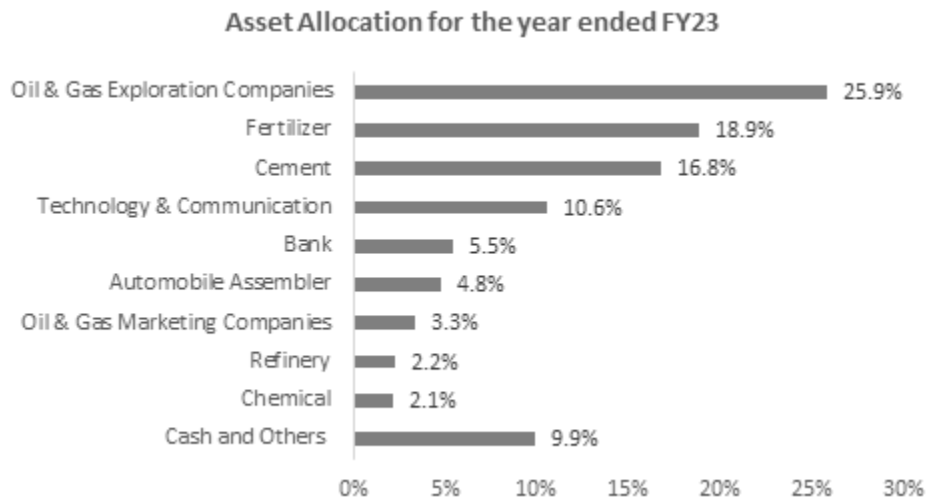
Open end index tracker fund

Objective

The objective of KMIF is to provide investors an opportunity to track the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the Index in proportion to their weightages.

Strategy, Investment Policy and Asset Allocation

The performance of KMIF is linked directly to the performance of KSE-Meezan Index 30 (KMI 30). The Fund Manager, Al Meezan Investment Management Limited, manages the fund with an aim to closely track the returns of the index. The Fund Manager strives to completely match the weightages of the constituent stocks of the index. Top three sectors of index are, Oil and Gas (26%), Fertilizer (19%) and Cement (17%). Details below:



Performance Review

During FY23, KSE Meezan Index Fund (KMIF) provided a positive return of 0.69% to its investors while KSE Meezan Index (KMI 30) - Benchmark increased 2.88% to close at 70,748 pts.

	KMIF	KMI-30 (Benchmark)
Net Asset Value (NAV) as on June 30, 2022	65.08	68,766
Net Asset Value (NAV) as on June 30, 2023	64.93	70,748
Change (Points)	-0.15	1,982
Return During the Period	0.69%	2.88%

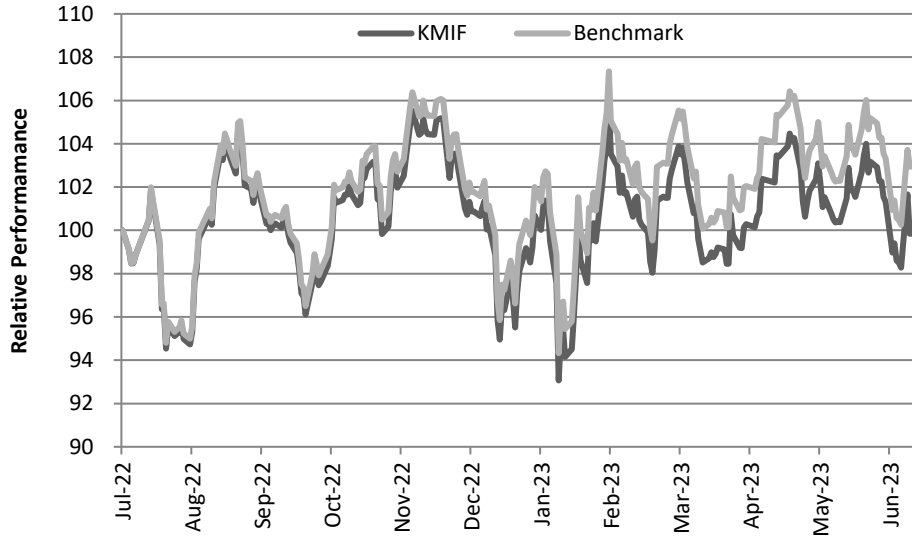
KMIF posted a total income of Rs.25.45 million in the fiscal year 2023 as compared to a total Loss of Rs.308 million last year. Total loss comprised of realized and unrealized loss on investments of Rs. 43.12 million



Pure. Profit.



and Rs. 178 million respectively. Dividend income contributed Rs. 298.69 million to income, while profit on saving accounts with banks amounted to Rs. 1.12 million. After accounting for expenses of Rs. 54.14 million, the Fund posted a net income of Rs. 25.45 million. The net assets of the Fund as at June 30, 2023 were Rs. 2585 million as compared to Rs. 2,610 million at the end of last year depicting a decrease of 0.97%. The net asset value per unit as at June 30, 2023 was Rs.64.9320 as compared to Rs. 65.0795 per unit as on June 30, 2022.



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, 2023 an amount of Rs. 6 million was accrued as charity payable.

Distributions

There is 0.60 distribution by the Fund during the fiscal year ended June 30, 2023.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size:

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	1598
10,000 - 49,999	56
50,000 - 99,999	6
100,000 - 499,999	9
500,000 and above	6
Total	1675



Pure. Profit.



Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	16	16	0	0
Percentage	100%	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
KSE MEEZAN INDEX FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	2,584,714	2,610,096	2,696,504
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	64.9320	65.0795	72.8711
Offer price per unit as at June 30, (Rs.) (ex-distribution)	64.9352	66.7130	74.7001
Highest offer price per unit (Rs.)	70.5350	77.0186	77.9982
Lowest offer price per unit (Rs.)	62.0448	64.8802	56.1718
Highest redemption price per unit (Rs.)	68.8080	75.1328	76.0884
Lowest redemption price per unit (Rs.)	60.5257	63.2916	54.7965
Distribution (%)			
Interim	1.20%	N/A	N/A
Final	-	N/A	N/A
Date of distribution			
Interim	27-Jun-23	N/A	N/A
Final	-	N/A	N/A
Income distribution (Rupees in '000)	23,706	-	-
Growth distribution (Rupees in '000)	-	-	-
Total return (%)	0.69	(10.69)	36.43

Average annual return as at June 30, 2023 (%)

One Year	Two Years	Three Years
0.69%	-5.17%	7.05%

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

Dr. Muhammad Imran Usmani

Address:

Jamia Darul Uloom Karachi

Korangi Industrial Area Karachi

Pakistan

Postal Code 75180

Tel: +92 21 3 5047770

Fax: +92 21 5040234

Email: miu786@gmail.com

Report of the Shariah Advisor – KSE Meezan Index Fund (KMIF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Eleventh year of operations of KSE Meezan Index Fund (the “KMIF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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 Shariah Advisor, we have prescribed six criteria for Shariah compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Investment in Shariah non-compliant activities to total assets (iv) Shariah 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 Shariah compliance with the Shariah 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.

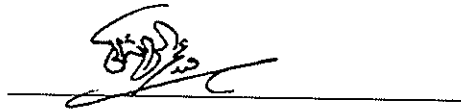
We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account which amounts to PKR 11.7 million and is available for disbursement.

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah 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

KSE MEEZAN INDEX FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 KSE Meezan Index 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of KSE Meezan Index Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **KSE Meezan Index Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of equity instruments) held by the Fund represent 99% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

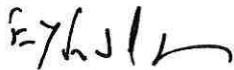
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR2023100768Y1wLVgZT



KSE MEEZAN INDEX FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	Note	2023	2022
-----Rupees in '000'-----			
Assets			
Balances with banks	5	12,575	16,481
Investments	6	2,582,852	2,609,402
Receivable against sale of investments		-	3,048
Receivable against conversion of units		9,168	368
Dividend receivable		1,997	260
Deposits and other receivables	7	2,628	2,695
Total assets		2,609,220	2,632,254
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	8	775	569
Payable to Central Depository Company of Pakistan Limited - Trustee	9	322	337
Payable to the Securities and Exchange Commission of Pakistan	10	532	559
Payable to Meezan Bank Limited		-	6
Payable against conversion and redemption of units		2	1,138
Payable against purchase of investments		22	-
Accrued expenses and other liabilities	11	21,521	19,549
Dividend Payable		1,332	-
Total liabilities		24,506	22,158
Net assets		2,584,714	2,610,096
Unit holders' fund (as per statement attached)		2,584,714	2,610,096
Contingencies and commitments	12		
Number of units in issue		39,806,440	40,106,278
		(Rupees)	
Net asset value per unit		64.9320	65.0795

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AI-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

KSE MEEZAN INDEX FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		-----Rupees in '000'-----	
Income			
Dividend income		298,699	207,435
Profit on saving accounts with banks		1,124	527
Net realised loss on sale of investments		(43,121)	(80,929)
Other income		1,355	4,980
		258,057	132,013
Net unrealised diminution appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	(178,454)	(414,818)
Total Income / (loss)		79,603	(282,805)
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company	8.1	26,602	27,930
Sindh Sales Tax on remuneration of the Management Company	8.2	3,458	3,631
Allocated expenses	8.3	2,926	3,072
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	3,658	3,793
Sindh Sales Tax on remuneration of the Trustee	9.2	475	493
Annual fees to Securities and Exchange Commission of Pakistan	10	532	559
Brokerage expense		3,159	2,527
Auditors' remuneration	13	420	355
Fee and subscription		529	564
Printing Expense		3	184
Charity expense	11.2	11,696	6,006
Bank and settlement charges		691	562
Reversal of provision for Sindh Workers' Welfare Fund		-	(23,931)
Total expenses		54,149	25,745
Net income / (loss) for the year before taxation		25,454	(308,550)
Taxation	15	-	-
Net income / (loss) for the year after taxation		25,454	(308,550)
Allocation of net income for the year			
Net income for the year after taxation		25,454	-
Income already paid on units redeemed		-	-
		25,454	-
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		25,454	-
		25,454	-

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AI-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



KSE MEEZAN INDEX FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	-----Rupees in '000'-----	
Net income / (loss) for the year after taxation	25,454	(308,550)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>25,454</u>	<u>(308,550)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

KSE MEEZAN INDEX FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income / (accumulated losses)	Total	Capital value	(Accumulated losses / undistributed income)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	2,781,964	(171,868)	2,610,096	2,559,822	136,682	2,696,504
Issuance of 8,650,022 units (2022: 21,217,552 units)						
- Capital value (at net asset value per unit at the beginning of the year)	562,939	-	562,939	1,546,146	-	1,546,146
- Element of loss	(1,714)	-	(1,714)	(97,251)	-	(97,251)
Total proceeds on issuance of units	561,225	-	561,225	1,448,895	-	1,448,895
Redemption of 8,949,860 units (2022: 18,115,018 units)						
- Capital value (at net asset value per unit at the beginning of the year)	582,452	-	582,452	1,320,061	-	1,320,061
- Element of loss / (income)	5,903	-	5,903	(93,308)	-	(93,308)
Total payments on redemption of units	588,355	-	588,355	1,226,753	-	1,226,753
Total comprehensive income / (loss) for the year	-	25,454	25,454	-	(308,550)	(308,550)
Distribution during the year	-	(23,706)	(23,706)	-	-	-
Net income / (loss) for the year less distribution	-	1,748	1,748	-	(308,550)	(308,550)
Net assets at the end of the year	2,754,834	(170,120)	2,584,714	2,781,964	(171,868)	2,610,096
Undistributed income / (Accumulated loss) brought forward						
- Realised Income / (loss)		242,950			(267,341)	
- Unrealised income / (loss)		(414,818)			404,023	
		(171,868)			136,682	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		25,454			-	
		25,454			-	
Net loss for the year after taxation		-			(308,550)	
Distribution during the year		(23,706)			-	
Accumulated losses carried forward		(170,120)			(171,868)	
Accumulated losses carried forward						
- Realised income		8,334			242,950	
- Unrealised loss		(178,454)			(414,818)	
		(170,120)			(171,868)	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year		<u>65.0795</u>				<u>72.8711</u>
Net asset value per unit at the end of the year		<u>64.9320</u>				<u>65.0795</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director



KSE MEEZAN INDEX FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 -----Rupees in '000'-----	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year after taxation		25,454	(308,550)
Adjustments for:			
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	<u>178,454</u>	414,818
		203,908	106,268
Increase in assets			
Investments - net		(151,904)	(326,354)
Receivable against sale of investments		3,048	21,186
Dividend receivable		(1,737)	3,895
Deposits and other receivables		67	(11)
		(150,526)	(301,284)
Increase / (Decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		206	(336)
Payable to Central Depository Company of Pakistan Limited - Trustee		(15)	(12)
Payable to the Securities and Exchange Commission of Pakistan		(27)	70
Payable to Meezan Bank Limited		(6)	(247)
Payable against purchase of investments		22	(12,393)
Accrued expenses and other liabilities		1,972	(20,405)
		2,152	(33,323)
Net cash generated from / (used in) operating activities		55,534	(228,339)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		552,425	1,449,709
Payment against redemption and conversion of units		(589,490)	(1,227,538)
Dividend paid		(22,375)	-
Net cash (used in) / generated from financing activities		(59,440)	222,171
Net decrease in cash and cash equivalents during the year		(3,906)	(6,168)
Cash and cash equivalents at the beginning of the year		16,481	22,649
Cash and cash equivalents at the end of the year	5	12,575	16,481

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

KSE MEEZAN INDEX FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 KSE Meezan Index Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on March 13, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Trust Deed was previously registered under The "Trust Act 1882" and now has been registered under "The Sindh Trust Act 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund is a Shariah Compliant Index Fund that aims to provide investors an opportunity to track closely the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the index in proportion to their weightages. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end fund listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and be redeemed by surrendering them to the Fund. The Fund is categorized as a Shariah Compliant Index Fund.
- 1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of A+(f) by VIS Credit Rating Company Limited dated January 03, 2023 (2021: A+(f) dated December 27, 2021).
- 1.5 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the 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 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Company has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
Amendments		IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

3.3 Critical accounting estimates and judgments

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

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 4.3 and 6).

3.4 Accounting convention

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

3.5 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.2 Cash and cash equivalents

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

4.3 Financial assets

4.3.1 Initial recognition and measurement

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

4.3.2 Classification and subsequent measurement

4.3.2.1 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 Fair Value through Other Comprehensive Income (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.

4.3.3 Impairment

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

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

4.3.4 Regular way contracts

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

4.3.5 Derecognition

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

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Provisions

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

4.7 Net asset value per unit

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

4.8 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 that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

4.9 Distributions to unit holders

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

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

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

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

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement, 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 date of book closure of the investee company / institution declaring the dividend.
- Profit on saving accounts with bank is recognised on an accrual basis.

4.12 Expenses

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

4.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the condensed interim financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.14 Earnings / (loss) per unit

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

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

4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5	BALANCES WITH BANKS	Note	2023	2022
			-----Rupees in '000'-----	
	Balances with banks in:			
	Savings accounts	5.1	4,362	11,044
	Current accounts		<u>8,213</u>	<u>5,437</u>
			<u><u>12,575</u></u>	<u><u>16,481</u></u>

- 5.1 These include balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate 10% of (2022: 6.01%) per annum. Other balances in savings accounts have an expected profit ranging from 7% to 7.14% (2022: 4.10% to 4.29%) per annum.

6 INVESTMENTS
Note
2023 **2022**
-----Rupees in '000'-----
At fair value through profit or loss

Investment in equity securities - listed

6.1

2,582,852 **2,609,402**
6.1 Investments in equity securities - listed

Name of the investee company	As at July 1, 2022	Purchases during the period	Rights / Bonus issue	Sales during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
----- Number of shares -----						(Rupees in '000)		----- % -----			

Sectors / companies
Automobile Assembler

Ghandhara Ind	39,300	-	-	39,300	-	-	-	-	-	-	-
Millat Tractors Limited	157,268	35,703	158,422	31,508	319,885	138,398	124,854	(13,543)	4.83	0.17	4.83
									4.83	0.17	4.83

Bank

Meezan Bank Limited (an associate of the Fund)	1,319,812	424,541	130,781	217,671	1,657,463	171,297	143,155	(28,142)	5.54	0.09	5.54
									5.54	0.09	5.54

Cable And Electrical Goods

Pak Elektron Limited	804,101	1,687,060	-	899,068	1,592,093	19,291	14,408	(4,882)	0.56	0.19	0.56
									0.56	0.19	0.56

Cement

Cherat Cement Company Limited	379,904	114,446	-	63,284	431,066	41,730	51,849	10,118	2.01	0.22	2.01
D.G. Khan Cement Company Limited	709,402	213,497	-	109,032	813,867	48,924	41,751	(7,173)	1.62	0.19	1.62
Fauji Cement Company Limited	2,467,875	3,409,000	-	2,692,375	3,184,500	36,772	37,450	677	1.45	0.13	1.45
Pioneer Cement	370,432	112,615	-	62,467	420,580	25,627	36,435	10,808	1.41	0.19	1.41
Lucky Cement Limited	367,420	112,670	-	60,693	419,397	192,678	218,963	26,285	8.47	0.13	8.47
Maple Leaf Cement Factory Limited	1,606,164	460,908	-	275,501	1,791,571	48,192	50,755	2,563	1.96	0.17	1.96
									16.92	1.03	16.92

Chemical

Engro Polymer & Chemicals Limited	1,032,116	302,172	-	157,511	1,176,777	85,953	49,719	(36,234)	1.92	0.13	1.92
ICI Pakistan Limited	-	-	-	-	-	-	-	-	-	-	-
Ghani Global Holdings Limited	-	632,612	56,684	98,170	591,126	8,753	5,834	(2,918)	-	-	-
									1.92	0.13	-

Engineering

International Industries Limited	236,536	33,858	-	270,394	-	-	-	-	-	-	-
International Steels Limited	495,154	-	-	495,154	-	-	-	-	-	-	-
									-	-	-

Fertilizer

Engro Corporation Limited	1,028,196	312,520	-	166,405	1,174,311	301,368	305,192	3,824	11.81	0.20	11.81
Engro Fertilizers Limited	1,950,056	585,890	-	310,966	2,224,980	193,184	183,628	(9,556)	7.10	0.17	7.10
									18.91	0.37	18.91

Food And Personal Care

Treet Corporation Limited	-	434,194	-	95,128	339,066	8,677	5,367	(3,310)	0.21	0.19	0.21
Unity Foods Limited	1,607,437	477,087	-	309,350	1,775,174	34,312	27,746	(6,566)	1.07	0.15	1.07
									1.28	0.34	1.28

Investment Banks / Investment
Companies / Securities Companies

Dawood Hercules Corporation Limited	-	1,344,000	-	96,500	1,247,500	118,359	124,750	6,391	4.83	0.26	4.83
-------------------------------------	---	-----------	---	--------	-----------	----------------	----------------	-------	------	------	------

Oil And Gas Exploration Companies

Mari Petroleum Company Limited	86,602	24,698	-	12,562	98,738	168,535	149,553	(18,982)	5.79	0.07	5.79
Oil & Gas Development Company Limited	2,092,962	628,603	-	333,046	2,388,519	187,291	186,304	(986)	7.21	0.06	7.21
Pakistan Oilfields Limited	421,153	128,268	-	68,261	481,160	194,217	193,316	(901)	7.48	0.17	7.48
Pakistan Petroleum Limited	2,161,329	646,357	-	334,864	2,472,822	163,949	146,243	(17,706)	5.66	0.09	5.66
									26.14	0.39	26.14

Oil And Gas Marketing Companies

Hascol Petroleum Limited	471	-	-	-	471	2	3	1	-	-	-
Pakistan State Oil Company Limited	685,048	221,554	-	125,410	781,192	128,986	86,720	(42,266)	3.36	0.17	3.36
Sui Northern Gas Pipelines Limited	-	1,040,285	-	1,040,285	-	-	-	-	-	-	-
									3.36	0.17	3.36

Pharmaceuticals

The Searle Company Limited	456,824	167,896	118,234	93,905	649,049	53,529	24,872	(28,658)	0.96	0.17	0.96
----------------------------	---------	---------	---------	--------	---------	---------------	---------------	----------	------	------	------

Power Generation & Distribution

The Hub Power Company Limited	3,154,004	472,989	-	3,626,993	-	-	-	-	-	-	-
-------------------------------	-----------	---------	---	-----------	---	---	---	---	---	---	---

Property

TPL Properties Limited	-	900,166	-	62,245	837,921	14,289	10,440	(3,848)	0.40	0.15	0.40
------------------------	---	---------	---	--------	---------	---------------	---------------	---------	------	------	------

Refinery

Attock Refinery Ltd	138,055	39,401	-	19,701	157,755	26,994	27,075	82	1.05	0.15	1.05
Cnergyico PK Limited	5,168,936	1,549,476	-	816,984	5,901,428	30,103	16,760	(13,343)	0.65	0.11	0.65
National Refinery Limited	84,737	24,798	-	12,303	97,232	23,219	14,585	(8,634)	0.56	0.12	0.56
									2.26	0.38	2.26

Technology & Communication

Avanceon Limited	432,391	93,267	53,994	165,245	414,407	27,461	18,250	(9,211)	0.71	0.11	0.71
Systems Limited	537,272	169,681	-	88,426	618,527	220,270	249,470	29,200	9.65	0.21	9.65
Telecard Limited	-	1,270,828	76,912	152,656	1,195,084	11,460	7,888	(3,572)	0.31	0.35	0.31
									10.67	0.32	10.36

Textile Composite

Nishat Mills Limited	511,877	105,934	-	97,877	519,934	37,487	29,517	(7,970)	1.14	0.15	1.14
Azgard Nine Limited	1,189,500	-	-	1,189,500	-	-	-	-	-	-	-
									1.14	0.15	1.14

Total as at June 30, 2023

31,692,334			14,690,740	35,773,595	2,761,306	2,582,852	(178,454)
-------------------	--	--	-------------------	-------------------	------------------	------------------	------------------

Total as at June 30, 2022

					3,024,220	2,609,402	(414,818)
--	--	--	--	--	------------------	------------------	------------------

- 6.1.1** All shares have a face value of Rs 10 each.
- 6.1.2** Investments include 682,000 shares (2021: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs. 40.334 million as at June 30, 2023 (2022: Rs. 46.042 million), 80,000 shares (2022: 80,000 shares) of Oil & Gas Development Company Limited having market value of Rs. 6.240 million as at June 30, 2023 (2022: Rs. 6.294 million) and 100,000 shares (2022: 100,000 shares) of Systems Limited having market value of Rs. 40.333 million as at June 30, 2023 (2022: 32.986 million), 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 have 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 has issued notices to the relevant parties and has 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.

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 year were not withheld by the investee companies.

As at June 30, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.814 million (2022: Rs. 1.166 million).

	Note	2023	2022
		-----Rupees in '000'-----	
6.2	Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		
Market value of investments	6.1	2,582,852	2,609,402
Less: Carrying value of investments	6.1	2,761,306	3,024,220
		<u>(178,454)</u>	<u>(414,818)</u>
7	DEPOSITS AND OTHER RECEIVABLES		
Profit receivable on bank balances		25	92
Security deposit with Central Depository Company of Pakistan Limited		103	103
Security deposit with the National Clearing Company of Pakistan Limited		2,500	2,500
		<u>2,628</u>	<u>2,695</u>

	Note	2023 -----Rupees in '000'-----	2022
8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee payable	8.1	483	427
Sindh Sales Tax on management fee payable	8.2	63	56
Allocated expenses payable	8.3	226	16
Sales load payable		2	62
Sindh Sales Tax payable on sales load		1	8
		775	569

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2022: 1%) per annum of the average net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs. 3.458 million (2022: Rs 3.631 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 3.451 million (2022: Rs. 3.595 million) has been paid to the Management Company which acts as a collecting agent.

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

The management company based on its own discretion has charges allocated expense at the rate of 0.11% (2022: 0.11%) per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund subject to the total expense charged being lower than actual expense incurred.

	Note	2023 -----Rupees in '000'-----	2022
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee payable	9.1	285	298
Sindh Sales Tax payable on trustee fee	9.2	37	39
		322	337

9.1 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	Rs 0.7 million or 0.2% per annum of net assets, whichever is higher.
from Rs 1,000 million and above	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1,000 million.

9.2 During the year, an amount of Rs 0.475 million (2022: Rs. 0.493 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. 0.477 million (2022: Rs. 0.514 million) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2022: 0.02%) per annum of average annual net assets of the Fund.

	Note	2023	2022
-----Rupees in '000'-----			
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		242	230
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	11.1	5,741	5,741
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	11.1	494	497
Brokerage payable		6	365
Shariah advisor fee payable		220	259
Charity payable	11.2	11,697	5,949
Withholding tax payable		3,091	6,501
Zakat payable		30	7
		21,521	19,549

11.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 6.238 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.16 (2022: Re 0.16) per unit.

11.2 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, 2023, non-shariah compliant income amounting to Rs 11.696 million (2022: Rs. 6.006 million) was charged as an expense in the books of the Fund, and Rs. 5.948 million was disbursed to following charitable welfare organisations respectively:

S. No.	Charitable Organisations	Amount Rupees in '000
1	Akhuwat Foundation	5,949

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022
-----Rupees in '000'-----		
13 AUDITORS' REMUNERATION		
Annual audit fee	286	230
Half yearly review of condensed interim financial statements	122	120
Out of pocket expenses	12	5
	420	355

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 2.03% (2022: 1.78%) which includes 0.18% (2022: 0.18%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Index Scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unitholders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

16.1 Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Collective Investment Schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

16.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

16.5 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

	2023	2022
	-----Rupees in '000'-----	
Al Meezan Investment Management Limited (Management Company)		
Management fee payable	483	427
Sindh Sales Tax on management fee payable	63	56
Allocated expenses payable	226	16
Sales load payable	2	62
Sindh Sales Tax payable on sales load	1	8
Outstanding units 18,273,945 (2022: 16,134,283 units)	1,186,564	1,050,011
Central Depository Company of Pakistan Limited (CDC) - Trustee		
Trustee fee payable	285	298
Sindh Sales Tax payable on trustee fee	37	39
Security Deposit	103	103

Balances

2023 **2022**
-----Rupees in '000'-----

Meezan Bank Limited

Bank balance	10,070	9,994
Profit receivable on saving accounts	23	13
Sales load payable	-	5
Sindh Sales Tax on sales load payable	-	1
Shariah advisor fee payable	220	259
Outstanding 2,113,224 units (2022: 2,113,224 units)	137,216	137,528
Investment in 1,657,463 shares (2022: 1,319,812 shares)	143,155	149,112

Directors, their close family members and key management personnel of the management company

Outstanding 530,947 units (2022: 532,186 units)	34,475	34,634
---	--------	--------

Unitholders holding 10% or more units of the Fund

Investment as at June 30, 2023: 14,043,485 units (2022: 13,929,284 units)	911,872	906,511
---	---------	---------

Al Meezan Investment Management Limited - Gratuity Fund

Investment as at June 30, 2023 134,782: units (2022: 133,559 units)	8,752	8,692
---	-------	-------

Meezan Strategic Allocation Fund MSAP-II

Investment as at June 30, 2023 :337,157 units (2022: 382,268 units)	21,892	24,878
---	--------	--------

Meezan Strategic Allocation Fund MSAP-III

Investment as at June 30, 2023: Nil units (2022: 106,250 units)	-	6,915
---	---	-------

Meezan Strategic Allocation Fund MSAP-IV

Investment as at June 30, 2023: Nil units (2022: 13,634 units)	-	887
--	---	-----

Meezan Strategic Allocation Fund MSAP-V

Investment as at June 30, 2023: Nil units (2022: 28,295 units)	-	1,841
--	---	-------

For the year ended June 30,

2023 **2022**
-----Rupees in '000'-----

Al Meezan Investment Management Limited (Management Company)

Remuneration of Al Meezan Investment Management Limited - Management Company	26,602	27,930
Sindh Sales Tax on remuneration of the Management Company	3,458	3,631
Allocated expenses	2,926	3,072
Issue of 3,247,074 units (2022: 9,046,609 units)	210,880	587,622
Redemption of 1,107,412 units (2021: 13,631,149 units)	72,000	437,000

Central Depository Company of Pakistan Limited (CDC) - Trustee

Remuneration of Central Depository Company of Pakistan Limited - Trustee	3,658	3,793
Sindh Sales Tax on remuneration of the Trustee	475	493
CDS charges	107	130

Meezan Bank Limited

Profit on saving accounts with banks	445	215
Dividend income	15,051	7,693
Shariah advisor fee	500	536
Purchase of 424,541 shares (2022: 323,685 shares)	45,394	42,229
Bonus of 130,781 shares (2022: 164,017 shares)	-	-
Sale of 217,671 shares (2022: 163,703 shares)	23,112	22,058

Transactions during the year	For the year ended June 30,	
	2023	2022
	-----Rupees in '000'-----	
Directors, their close family members and key management personnel of the Management Company		
Issue of 4,256 units (2022: 15,094 units)	326	1,071
Redemption of 5,495 units (2022: 619,573 units)	358	40,402
Unitholders holding 10% or more units of the fund		
Issue of 114,200 units (2022: Nil units)	8,358	-
Meezan Strategic Allocation Fund MSAP-I		
Redemption of units (2022: 70,737 units)	-	5,048
Meezan Strategic Allocation Fund MSAP-II		
Issue of 337,157 units (2022: 518,594 units)	21,700	35,000
Redemption of 382,268 units (2022: 296,091 units)	24,972	21,546
Meezan Strategic Allocation Fund MSAP-III		
Issue of units: Nil (2022: 95,507 units)	-	7,000
Redemption of 106,250 units (2022: 148,294 units)	6,941	11,000
Meezan Strategic Allocation Fund MSAP-IV		
Redemption of units: 2023 13635 (2022 nil units)	891	-
Meezan Strategic Allocation Fund MSAP-V		
Redemption of 28,295 units (2022: Nil units)	1,848	-

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

17 **FINANCIAL INSTRUMENTS BY CATEGORY**

2023		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000'-----		

Financial assets

Balances with banks	12,575	-	12,575
Investments	-	2,582,852	2,582,852
Receivable against sale of investments	-	-	-
Receivable against conversion of units	9,168	-	9,168
Dividend receivable	1,997	-	1,997
Deposits and other receivables	2,628	-	2,628
	26,368	2,582,852	2,609,220

2023		
At fair value through profit or loss	At amortised cost	Total
-----Rupees in '000'-----		

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	775	775	1,550
Payable to Central Depository Company of Pakistan Limited - Trustee	322	322	644
Payable to the Securities and Exchange Commission of Pakistan	532	-	532
Payable against conversion and redemption of units	2	2	4
Payable against purchase of investments	22	-	22
Dividend Payable	1,332	-	1,332
Accrued expenses and other liabilities	21,521	468	21,989
	24,506	1,567	24,187

Financial assets

Balances with banks	16,481	-	16,481
Investments	-	2,609,402	2,609,402
Receivable against sale of investments	3,048	-	3,048
Receivable against conversion of units	368	-	368
Dividend receivable	260	-	260
Deposits and other receivables	2,695	-	2,695
	<u>22,852</u>	<u>2,609,402</u>	<u>2,632,254</u>

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

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

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	-	569	569
Payable to Central Depository Company of Pakistan Limited - Trustee	-	337	337
Payable to Meezan Bank Limited	-	6	6
Payable against conversion and redemption of units	-	1,138	1,138
Accrued expenses and other liabilities	-	854	854
	-	<u>2,904</u>	<u>2,904</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

18.1 Market risk

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

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

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

(i) Yield / profit rate risk

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, 2023, 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 variable 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 impact would have been immaterial.

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, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / 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, 2023 can be determined as follows:

----- 2023 -----					
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	4,362	-	-	8,213	12,575
Investments	-	-	-	2,582,852	2,582,852
Receivable against sale of investments	-	-	-	-	-
Receivable against conversion of units	-	-	-	9,168	9,168
Dividend receivable	-	-	-	1,997	1,997
Deposits and other receivables	-	-	-	2,628	2,628
	4,362	-	-	2,604,858	2,609,220
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	775	775
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	322	322
Payable to Meezan Bank Limited	-	-	-	-	-
Payable against conversion and redemption of units	-	-	-	2	2
Accrued expenses and other liabilities	-	-	-	468	468
	-	-	-	1,567	1,567
On-balance sheet gap (a)	4,362	-	-	2,603,291	2,607,653
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap (b)	-	-	-	-	-
Total profit rate sensitivity gap (a+b)	4,362	-	-	-	-
Cumulative profit rate sensitivity gap	4,362	4,362	4,362	-	-

----- 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	11,044	-	-	5,437	16,481
Investments	-	-	-	2,609,402	2,609,402
Receivable against sale of investments	-	-	-	3,048	3,048
Receivable against conversion of units	-	-	-	368	368
Dividend receivable	-	-	-	260	260
Deposits and other receivables	-	-	-	2,695	2,695
	11,044	-	-	2,621,210	2,632,254
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	569	569
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	337	337
Payable to Meezan Bank Limited	-	-	-	6	6
Payable against conversion and redemption of units	-	-	-	1,138	1,138
Accrued expenses and other liabilities	-	-	-	854	854
	-	-	-	2,904	2,904
On-balance sheet gap (a)	11,044	-	-	2,618,306	2,629,350
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap (b)	-	-	-	-	-
Total profit rate sensitivity gap (a+b)	11,044	-	-	-	-
Cumulative profit rate sensitivity gap	11,044	11,044	11,044	-	-

(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.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks.

In case of 1% increase / decrease in KMI 30 index on June 30, 2023, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 25.828 million (2022: Rs. 26.094 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, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI-30 Index.

18.2 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 settlement of equity securities and 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 redemptions during the year.

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

2023						
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	12,575	-	-	-	-	12,575
Investments	-	-	-	-	2,582,852	2,582,852
Receivable against conversion of units	9,168	-	-	-	-	9,168
Dividend receivable	1,997	-	-	-	-	1,997
Deposits and other receivables	25	-	-	-	2,603	2,628
	23,765	-	-	-	2,585,455	2,609,220

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	775	-	-	-	-	775
Payable to Central Depository Company of Pakistan Limited - Trustee	322	-	-	-	-	322
Payable to Meezan Bank Limited	-	-	-	-	-	-
Payable against conversion and redemption of units	2	-	-	-	-	2
Accrued expenses and other liabilities	6	462	-	-	-	468
	1,105	462	-	-	-	1,567

Net assets / (liabilities)

	22,660	(462)	-	-	-	2,585,455	2,607,653
--	--------	-------	---	---	---	-----------	-----------

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	16,481	-	-	-	-	16,481
Investments	-	-	-	-	2,609,402	2,609,402
Receivable against sale of investments	3,048	-	-	-	-	3,048
Receivable against conversion of units	368	-	-	-	-	368
Dividend receivable	260	-	-	-	-	260
Deposits and other receivables	92	-	-	-	2,603	2,695
	20,249	-	-	-	2,612,005	2,632,254

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	569	-	-	-	-	569
Payable to Central Depository Company of Pakistan Limited - Trustee	337	-	-	-	-	337
Payable to Meezan Bank Limited	6	-	-	-	-	6
Payable against conversion and redemption of units	1,138	-	-	-	-	1,138
Accrued expenses and other liabilities	365	489	-	-	-	854
	2,415	489	-	-	-	2,904

Net assets / (liabilities)

	17,834	(489)	-	-	-	2,612,005	2,629,350
--	--------	-------	---	---	---	-----------	-----------

18.3 Credit risk

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

	2023		2022	
	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	12,575	12,575	16,481	16,481
Investments	2,582,852	-	2,609,402	-
Receivable against sale of investments	-	-	3,048	3,048
Receivable against conversion of units	9,168	9,168	368	368
Dividend receivable	1,997	1,997	260	260
Deposits and other receivables	2,628	2,628	2,695	2,695
	2,609,220	26,368	2,632,254	22,852

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in equity securities of Rs 2,582.852 million (2022: 2,609.402 million) is not exposed to credit risk.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

18.3.2 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 mark-up accrued thereon and receivable against sale of investments. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
AAA	80.00	61.00
AA+	20.00	39.00
	100.00	100.00

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

----- 2023 -----				
Level 1	Level 2	Level 3		
----- Rupees in '000 -----				
Financial assets				
Investment in equity securities - listed				
2,582,852	-	-		
<u>2,582,852</u>	<u>-</u>	<u>-</u>		
----- 2022 -----				
Level 1	Level 2	Level 3		
----- Rupees in '000 -----				
Financial assets				
Investment in equity securities - listed				
2,609,402	-	-		
<u>2,609,402</u>	<u>-</u>	<u>-</u>		

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Category	----- 2023 -----			----- 2022 -----		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	1,661	200,348	7.75	1,846	256,799	9.84
Associated Companies / Directors	3	1,217,209	47.09	8	1,263,853	48.42
Retirement Funds	1	33,275	1.29	6	350,053	13.41
Others	5	296,363	11.47	5	739,391	28.33
	<u>1,675</u>	<u>2,584,714</u>	<u>100.00</u>	<u>1,865</u>	<u>2,610,096</u>	<u>100.00</u>

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2023 -----		----- 2022 -----	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Alfalsh Securities (Pvt.) Ltd	11.00	Ismail Iqbal Securities (Private) Limited	9.34
Multiline Securities Limited	6.98	Vector Capital (Private) Limited	8.94
Top Line Securities (Pvt) Ltd	6.50	Next Capital Limited	7.71
Insight Securities (Pvt.) Ltd	6.05	Insight Securities (Private) Limited	7.54
Spectrum Securities (Private) Ltd	5.42	Aba Ali Habib Securities (Private) Limited	7.47
Aba Ali Habib Securities Pvt Ltd	5.18	Alfalsh Securities (Private) Limited	6.47
Ismail Iqbal Securities (Pvt) Ltd	5.02	Optimus Capital Management (Private) Limited	5.68
Arif Habib	4.68	BMA Capital Management Limited.	5.09
Fawad Yousuf Securities (Pvt) Ltd	4.40	Alfa Adhi Securities (Private) Limited	5.04
Vector Capital (Pvt) Limited	4.18	Arif Habib Limited	4.71

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

23.1 The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund Manager are as follows:

- Meezan Financial Planning Fund fo Funds
- Meezan Balanced Fund;
- Meezan Asset Allocation Fund;
- Meezan Strategic Allocation Fund;
- Meezan Strategic Allocation Fund-II;
- Meezan Strategic Allocation Fund-III; and
- Meezan Dedicated Equity Fund.

24 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 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 7, 2023.

26 GENERAL

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

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

Chief Executive Officer

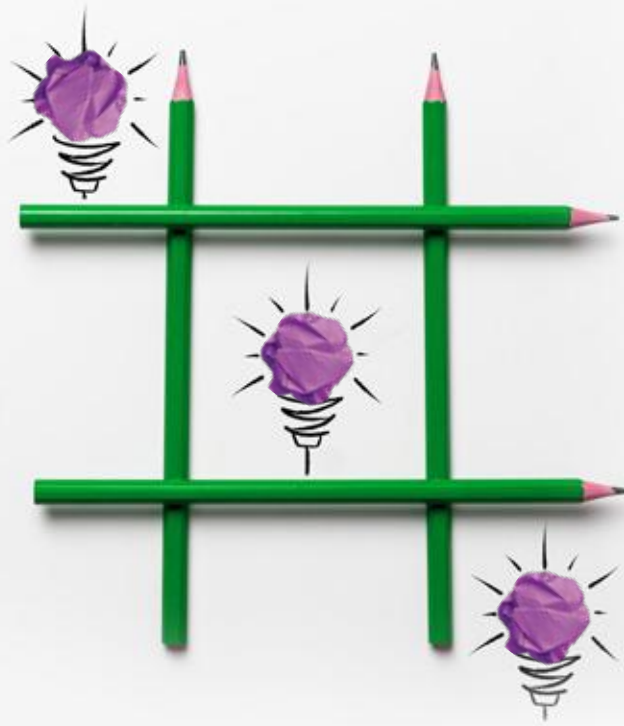
Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

AM1
Rating by VIS & PACRA



Risk Management Evolution

Al Meezan's proactive adaptation of risk management strategies ensure that the customer interest is safeguarded under all market conditions. Al Meezan executes all the vital initiatives to identify, assess and tackle investment risks.

Meezan Dedicated Equity Fund

Meezan Dedicated Equity Fund aims to provide Fund of Funds scheme a dedicated equity platform to seek long term capital appreciation.

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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Dedicated Equity Fund

Type of Fund

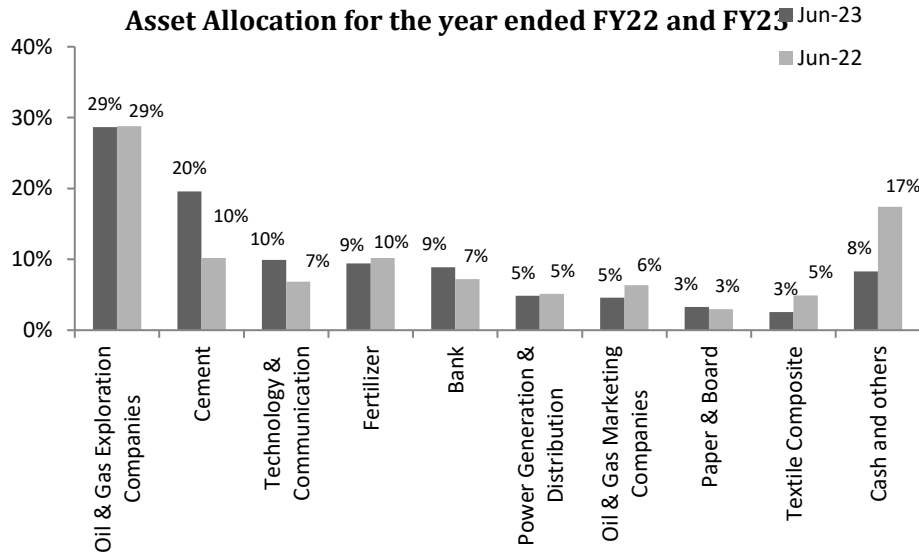
Open end Shariah Compliant Equity Scheme

Objective

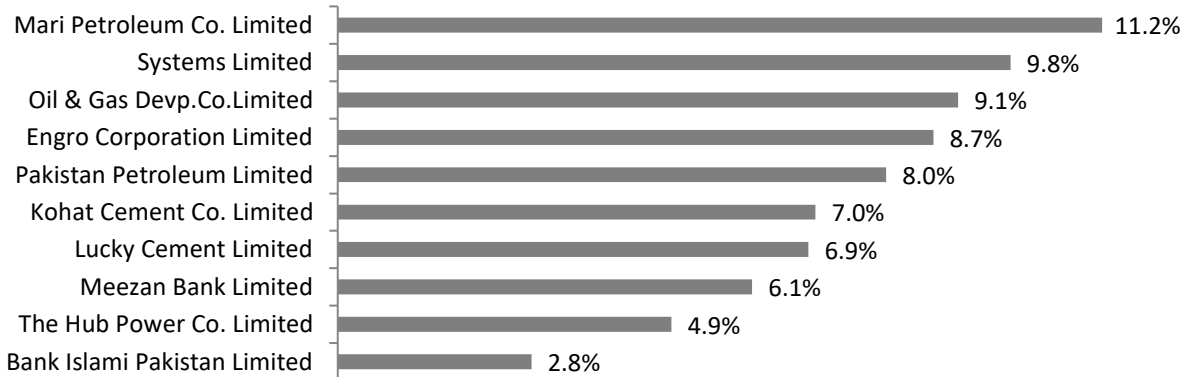
The investment objective of the fund is to provide Fund of Funds schemes a dedicated equity platform to seek long term capital appreciation.

Investment Policy

It primarily invests in Shariah compliant listed equity securities or securities whose listing has been approved by the exchange. In case the fund manager expects the stock market to drop, based on his analysis of macroeconomic factors such as interest rates, economic growth rates, political climate, corporate earnings, stock market valuations, etc., the portfolio may be temporarily allocated to other allowable asset classes, subject to the prescribed limits.



Top Holdings





Pure. Profit.



Performance Review

During fiscal year 2023, Meezan Dedicated Fund (MDEF) provided a negative return of 0.56% to its investors while KSE Meezan Index (KMI 30) – Benchmark appreciated by 2.88% to close at 70,748 pts.

	<u>MDEF</u>	<u>KMI-30 (Benchmark)</u>
Net Asset Value (NAV) as on June 30, 2022 –Rs.	40.22	68,766
Net Asset Value (NAV) as on June 30, 2023 –Rs.	39.99	70,748
Change (Points)	-0.22	1,982
Return During the Period	-0.56%	2.88%

MDEF posted a total income of Rs. 20 million in FY23. Total loss comprised of realised loss and unrealized loss on investments of Rs. 34 million and Rs. 5 million respectively. Dividend income contributed Rs. 57 million to income while profit on saving accounts with banks amounted to Rs. 2 million. After accounting for expenses of Rs. 24 million, the Fund posted a net loss of Rs. 4 million. The net assets of the Fund as at June 30, 2023 were Rs. 406 million as compared to Rs. 753 million at the end of last year depicting a decrease of 46%. The net asset value per unit as at June 30, 2023 was Rs. 39.9919 as compared to Rs. 40.2161 per unit as on June 30, 2022.

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 period ended June 30, 2023 an amount of Rs. 2.061 million was accrued as charity payable.

Distributions

There is NIL distribution by the Fund during the period ended June 30, 2023.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of Investors
1 - 9,999	0
10,000 - 49,999	1
50,000 - 99,999	0
100,000 - 499,999	2
500,000 and above	8
Total	11



Pure. Profit.



Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	31	31	0	0
Percentage	100%	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
MEEZAN DEDICATED EQUITY FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	405,819	752,831	1,015,343
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	39.9919	40.2161	46.9066
Offer price per unit as at June 30, (Rs.) (ex-distribution)	41.3476	41.5794	48.4967
Highest offer price per unit (Rs.)	44.0344	50.6543	50.3109
Lowest offer price per unit (Rs.)	38.3423	40.5014	36.6120
Highest redemption price per unit (Rs.)	42.5906	48.9935	48.6613
Lowest redemption price per unit (Rs.)	37.0852	39.1735	35.4116
Distribution (%)			
Interim	N/A	N/A	N/A
Final			
Date of distribution			
Interim			
Final	N/A	N/A	N/A
Income distribution (Rupees in '000)	N/A	N/A	N/A
Growth distribution (Rupees in '000)	-	-	-
Total return (%)	(0.56)	(14.26)	35.55

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	-0.56%	-7.66%	4.94%

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

Dr. Muhammad Imran Usmani

Address:

Jamia Darul Uloom Karachi

Korangi Industrial Area Karachi

Pakistan

Postal Code 75180

Tel: +92 21 3 5047770

Fax: +92 21 5040234

Email: miu786@gmail.com

Report of the Shariah Advisor – Meezan Dedicated Equity Fund (MDEF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Sixth year of operations of Meezan Dedicated Equity Fund (the “MDEF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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 Shariah Advisor, we have prescribed six criteria for Shariah compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Investment in Shariah non-compliant activities to total assets (iv) Shariah 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 Shariah compliance with the Shariah 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.

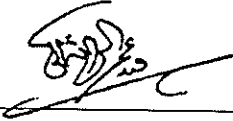
We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account which amounts to PKR 2.1 million and is available for disbursement.

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN DEDICATED EQUITY FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Dedicated Equity 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Dedicated Equity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Dedicated Equity Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of equity instruments) held by the Fund represent 99% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076pTOSkWJUH



**MEEZAN DEDICATED EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023**

	Note	2023	2022
		-----Rupees in '000'-----	
Assets			
Balances with banks	5	5,121	29,399
Investments	6	393,668	722,383
Dividend receivable		291	55
Receivable against sale of investments		7,259	1,991
Advances, deposits and other receivable	7	2,991	3,172
Total assets		409,330	757,000
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	8	731	596
Payable to Central Depository Company of Pakistan Limited - Trustee	9	76	141
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	128	176
Payable against purchase of investments		-	1,377
Accrued expenses and other liabilities	11	2,576	1,879
Total liabilities		3,511	4,169
Net assets		405,819	752,831
Unit holders' fund (as per statement attached)		405,819	752,831
Contingencies and commitments	12		
Number of units in issue		10,147,539	18,719,626
		------(Rupees)-----	
Net asset value per unit		39.9919	40.2161

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN DEDICATED EQUITY FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
		-----Rupees in '000'-----	
Income			
Profit on balances with banks		2,092	1,657
Dividend income		57,421	55,753
Net realised loss on sale of investments		(34,167)	(42,898)
Other income		-	478
		25,346	14,990
Net unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	6.2	(5,116)	(123,396)
Total income / (loss)		20,230	(108,406)
Expenses			
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	12,791	17,649
Sindh Sales Tax on remuneration of the Management Company	8.2	1,663	2,294
Allocated expenses	8.3	704	971
Selling and marketing expenses	8.4	2,558	3,530
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,279	1,764
Sindh Sales Tax on remuneration of the Trustee	9.2	166	229
Annual fees to the Securities and Exchange Commission of Pakistan (SECP)	10	128	176
Brokerage expense		1,613	1,169
Auditors' remuneration	13	337	340
Charity expense	11.1	2,061	1,362
Printing expense		1	-
Fee and subscription		542	576
Legal and professional charges		-	184
Bank and settlement charges		444	371
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)		-	(4,997)
Total expenses		24,287	25,618
Net loss for the year before taxation		(4,057)	(134,024)
Taxation	15	-	-
Net loss for the year after taxation		(4,057)	(134,024)
Allocation of net income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
Accounting income available for distribution		-	-
- Relating to capital gains		-	-
- Excluding capital gains		-	-

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN DEDICATED EQUITY FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	-----Rupees in '000'-----	
Net loss for the year after taxation	(4,057)	(134,024)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(4,057)</u>	<u>(134,024)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	2023			2022		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	1,492,954	(740,123)	752,831	1,621,443	(606,099)	1,015,344
Issue of 1,237,562 units (2022: 6,420,329 units)						
- Capital value (at net asset value per unit at the beginning of the year)	49,770	-	49,770	301,156	-	301,156
- Element of income / (loss)	780	-	780	(24,355)	-	(24,355)
Total proceeds on issuance of units	50,550	-	50,550	276,801	-	276,801
Redemption of 9,809,650 units (2022: 9,346,768 units)						
- Capital value (at net asset value per unit at the beginning of the year)	394,506	-	394,506	438,425	-	438,425
- Element of income	(1,001)	-	(1,001)	(33,135)	-	(33,135)
Total payments on redemption of units	393,505	-	393,505	405,290	-	405,290
Total comprehensive loss for the year	-	(4,057)	(4,057)	-	(134,024)	(134,024)
Distribution during the year	-	-	-	-	-	-
Net loss for the year less distribution	-	(4,057)	(4,057)	-	(134,024)	(134,024)
Net assets at the end of the year	1,149,999	(744,180)	405,819	1,492,954	(740,123)	752,831
Accumulated losses brought forward						
- Realised loss		(616,727)			(757,234)	
- Unrealised (loss) / income		(123,396)			151,135	
		<u>(740,123)</u>			<u>(606,099)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the year after taxation		(4,057)			(134,024)	
Accumulated losses carried forward		<u>(744,180)</u>			<u>(740,123)</u>	
Accumulated losses carried forward						
- Realised loss		(739,064)			(616,727)	
- Unrealised loss		(5,116)			(123,396)	
		<u>(744,180)</u>			<u>(740,123)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year	<u>40.2161</u>			<u>46.9066</u>		
Net assets value per unit at the end of the year	<u>39.9919</u>			<u>40.2161</u>		

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN DEDICATED EQUITY FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
		-----Rupees in '000'-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(4,057)	(134,024)
Adjustments for			
Net unrealised diminution on re-measurement of investments classified assets at 'fair value through profit or loss'	6.2	5,116	123,396
		1,059	(10,628)
Decrease in assets			
Investments - net		323,599	144,407
Dividend receivable		(236)	3,584
Receivable against sale of investments		(5,268)	494
Advances, deposits and other receivable		181	14,687
		318,276	163,172
Decrease in liabilities			
Payable to AI Meezan Investment Management Limited - Management Company		135	(663)
Payable to Central Depository Company of Pakistan Limited - Trustee		(65)	(52)
Payable to the Securities and Exchange Commission of Pakistan (SECP)		(48)	(1)
Payable against purchase of investments		(1,377)	1,369
Accrued expenses and other liabilities		697	(5,574)
		(658)	(4,921)
Net cash generated from operating activities		318,677	147,623
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		50,550	276,801
Payment against redemption and conversion of units		(393,505)	(405,290)
Net cash used in from financing activities		(342,955)	(128,489)
Net (decrease) / increase in cash and cash equivalents during the year		(24,278)	19,134
Cash and cash equivalents at the beginning of the year		29,399	10,265
Cash and cash equivalents at the end of the year	5	5,121	29,399

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director

MEEZAN DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Dedicated Equity Fund (the Fund) was established under a Trust Deed executed between AI Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 09, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations). The Trust Deed was previously registered under The "Trust Act 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah 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.
- 1.3** The Fund is an open-end Shariah Compliant Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

		Effective date (annual periods beginning on or after)
Amendments		
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising - from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its - Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 -and IFRS 7	January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 First time adoption of IFRS	January 01, 2004
IFRS 17 Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Funds' 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 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.13 Earnings / (loss) per unit

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

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

4.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2023	2022
		(Rupees in '000)	
5 BALANCES WITH BANKS			
Balances with banks in:			
Savings accounts	5.1	2,781	27,616
Current accounts		2,340	1,783
		<u>5,121</u>	<u>29,399</u>
5.1	These includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 10.0% (2022: 6.01% per annum). Other profit and loss sharing accounts of the Fund have expected profit rates ranging from 7.14% to 20.25% per annum (2022: 4.0% to 15.5% per annum).		
6 INVESTMENTS			
Investment at 'fair value through profit or loss'			
Listed equity securities	6.1	<u>393,668</u>	<u>722,383</u>

6.1 Investment at fair value through profit or loss - Listed equity securities

Name of the investee company	As at July 1, 2022	Purchases during the year	Bonus / right shares	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
Number of shares						(Rupees in '000)			%		
Automobile Assembler											
Millat Tractors Limited	17,390	-	2,778	20,168	-	-	-	-	-	-	-
Banks											
BankIslami Pakistan Limited	612,000	200,000	-	160,000	652,000	8,047	11,580	3,533	2.85	0.06	2.94
Meezan Bank Limited (a related party)	417,934	35,000	45,293	211,354	286,873	29,548	24,777	(4,771)	6.11	0.02	6.29
									8.96	0.08	9.23
Cement											
Cherat Cement Company Limited	62,889	40,000	-	10,000	92,889	9,493	11,173	1,680	2.75	0.05	2.84
Fauji Cement Company Limited	230,000	-	28,750	150,000	108,750	1,370	1,279	(91)	0.32	-	0.32
Kohat Cement Company Limited	159,670	15,000	-	10,000	164,670	21,832	28,565	6,733	7.04	0.08	7.26
Lucky Cement Limited	77,900	31,000	-	55,000	53,900	25,037	28,141	3,104	6.93	0.02	7.15
Maple Leaf Cement Factory Limited	416,000	150,000	-	330,000	236,000	6,568	6,686	118	1.65	0.02	1.70
Pioneer Cement Limited	-	50,000	-	-	50,000	3,600	4,332	732	1.07	0.02	1.10
									19.76	0.19	20.37
Chemical											
Dynea Pakistan Limited (note 6.1.1)	19,400	7,500	-	26,900	-	-	-	-	-	-	-
Engro Polymer and Chemicals Limited	242,141	-	-	242,141	-	-	-	-	-	-	-
Lucky Core Industries Limited (Formerly ICI Pak Ltd)	15,700	-	-	4,500	11,200	8,115	6,766	(1,349)	1.67	0.01	1.72
									1.67	0.01	1.72
Engineering											
International Industries Limited	-	7,660	-	7,660	-	-	-	-	-	-	-
International Steels Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	190,943	100,000	-	245,000	45,943	2,709	2,225	(484)	0.55	0.01	0.57
									0.55	0.01	0.57
Fertilizer											
Engro Corporation Limited (note 6.1.2)	157,534	85,000	-	105,500	137,034	37,454	35,614	(1,840)	8.78	0.02	9.05
Engro Fertilizers Limited	414,387	-	-	378,605	35,782	3,172	2,953	(219)	0.73	-	0.75
									9.51	0.02	9.80
Food And Personal Care											
At-Tahur Limited	179,200	-	17,920	150,000	47,120	817	776	(41)	0.19	0.02	0.20
National Foods Limited	-	45,000	-	32,000	13,000	1,105	1,279	174	0.32	0.01	0.32
The Organic Meat Company Limited	-	260,000	4,875	79,500	185,375	4,097	3,852	(245)	0.95	0.14	0.98
									1.46	0.17	1.50
Glass And Ceramics											
Shabbir Tiles & Ceramics Limited (note 6.1.1)	522,500	-	-	522,500	-	-	-	-	-	-	-
Leather & Tanneries											
Service Global Footwear Limited	24,113	-	-	-	24,113	969	672	(297)	0.17	0.01	0.17
Miscellaneous											
Pakistan Aluminum Beverage Cans Limited	30,000	-	-	-	30,000	946	1,357	411	0.33	0.01	0.34
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	53,588	2,200	-	25,617	30,171	52,260	45,698	(6,562)	11.26	0.02	11.61
Oil & Gas Development Company Limited (note 6.1.2)	679,295	111,125	-	315,000	475,420	37,679	37,083	(596)	9.14	0.01	9.42
Pakistan Oilfields Limited	58,721	-	-	54,500	4,221	1,713	1,696	(17)	0.42	-	0.43
Pakistan Petroleum Limited	702,452	200,000	-	348,208	554,244	37,961	32,778	(5,183)	8.08	0.02	8.33
									28.90	0.05	29.79

Name of the investee company	As at July 1, 2022	Purchases during the year	Bonus / right shares	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
						(Rupees in '000)		%			
Oil & Gas Marketing Companies											
Attock Petroleum Limited	-	23,000	4,000	15,000	12,000	3,681	3,603	(78)	0.89	0.01	0.92
Pakistan State Oil Company Limited (note 6.1.3)	191,072	10,000	-	129,000	72,072	12,305	8,001	(4,304)	1.97	0.02	2.03
Sui Northern Gas Pipelines Limited	442,150	50,000	-	310,000	182,150	6,299	7,171	872	1.77	0.03	1.82
									4.63	0.06	4.77
Paper & Board											
Century Paper and Board Mills Limited	126,500	-	123,970	-	250,470	7,818	7,073	(745)	1.74	0.06	1.80
Packages Limited	34,750	1,500	-	20,116	16,134	6,402	6,275	(127)	1.55	0.02	1.59
Roshan Packages Limited	56,500	-	-	56,500	-	-	-	-	-	-	-
									3.29	0.08	3.39
Pharmaceuticals											
Haleon Pakistan Limited(Formerly GSKCH Pak Ltd)	9,200	-	-	9,200	-	-	-	-	-	-	-
IBL HealthCare Limited	101,600	1,000	10,210	112,810	-	-	-	-	-	-	-
The Searle Company Limited	76,193	-	19,048	95,241	-	-	-	-	-	-	-
									-	-	-
Power Generation & Distribution											
K-Electric Limited (note 6.1.1)	2,998,500	1,000,000	-	3,998,500	-	-	-	-	-	-	-
The Hub Power Company Limited	436,655	300,000	-	450,000	286,655	19,974	19,945	(29)	4.91	0.02	5.07
					-				4.91	0.02	5.07
Property											
TPL Properties Limited	-	100,000	10,000	-	110,000	2,257	1,371	(886)	0.34	0.02	0.35
Refinery											
Attock Refinery Limited	3,500	-	-	3,500	-	-	-	-	-	-	-
Cnergyco PK Limited (Formerly Byco Petroleum Pakistan Limited)	1,162,000	700,000	-	1,862,000	-	-	-	-	-	-	-
National Refinery Limited	6,000	-	-	6,000	-	-	-	-	-	-	-
									-	-	-
Technology & Communication											
Air Link Communication Limited	23,493	-	-	23,493	-	-	-	-	-	-	-
Avanceon Limited	31,250	-	1,545	32,795	-	-	-	-	-	-	-
Supernet Limited	-	20,000	1,400	-	21,400	292	321	29	0.08	0.02	0.08
Octopus Digital Limited	25,001	-	-	25,001	-	-	-	-	-	-	-
Systems Limited	138,940	22,000	-	61,219	99,721	34,413	40,220	5,807	9.91	0.03	10.22
Worldcall Telecom Limited	650,000	-	-	650,000	-	-	-	-	-	-	-
									9.99	0.05	10.30
Textile Composite											
Feroze1888 Mills Limited	45,898	-	-	45,898	-	-	-	-	-	-	-
Interloop Limited	300,208	50,000	55,116	282,000	123,324	4,901	4,348	(553)	1.07	0.01	1.10
Kohinoor Textile Mills Limited	146,500	-	-	27,500	119,000	5,950	6,058	108	1.49	0.04	1.54
Nishat Mills Limited	116,200	-	-	116,200	-	-	-	-	-	-	-
									2.56	0.05	2.64
Total as at June 30, 2023	12,405,867				4,531,631	398,784	393,668	(5,116)	97.03		100
Total as at June 30, 2022					845,779	722,383		(123,396)	95.94		100

* Nil figures due to rounding off difference

- 6.1.1** All shares have a nominal value of Rs.10 each except for the shares of Dynea Pakistan Limited and Shabbir Tiles and Ceramics Limited which have a nominal value of Rs.5 each and K-Electric Limited which have a nominal value of Rs.3.5 each.
- 6.1.2** Investments include 103,000 shares (2022: 100,000 shares) of Engro Corporation Limited and 120,000 shares (2022: 120,000 shares) of Oil and Gas Development Company Limited having market value of Rs.26.7687 million and Rs.9.3600 million (2022: Rs.25.709 million and Rs. 9.440 million) respectively as at June 30, 2023, 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 judgment 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 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 year were not withheld by the investee companies.

As at June 30, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.181 million (2022: Rs. 0.280 million).

	Note	2023 (Rupees in '000)	2022
6.2 Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'			
Market value of investments	6.1	393,668	722,383
Carrying value of investments	6.1	398,784	845,779
		<u>(5,116)</u>	<u>(123,396)</u>
7 ADVANCES, DEPOSITS AND OTHER RECEIVABLE			
Profit receivable on saving accounts		56	273
Advance tax	7.1	1,296	1,296
Security deposit with Central Depository Company of Pakistan Limited		103	103
Security deposit with the National Clearing Company of Pakistan Limited		1,536	1,500
		<u>2,991</u>	<u>3,172</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 withholder. The tax withheld on dividends and profit on bank deposits amounts to Rs.1.296 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, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	Note	2023	2022
		(Rupees in '000)	
PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT - MANAGEMENT COMPANY			
Remuneration payable	8.1	173	247
Sindh Sales Tax on remuneration payable	8.2	22	32
Allocated expenses payable	8.3	86	54
Selling and marketing expenses payable	8.4	450	263
		<u>731</u>	<u>596</u>

- 8.1 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% (2022: 2%) per annum of the average net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

- 8.2 During the year, an amount of Rs.1.663 million (2022: Rs.2.294 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.1.673 million (2022: Rs.2.278 million) has been paid to the Management Company which acts as a collecting agent.

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

The management company based on its own discretion has charged allocated expenses at the rate of 0.11% (2022: 0.11%) of average annual net assets during the year, subject to the total expense charged being lower than actual expense incurred.

- 8.4 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% (2022: 0.4%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

9	Note	2023	2022
		(Rupees in '000)	
PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee payable	9.1	67	125
Sindh Sales Tax payable on trustee fee	9.2	9	16
		<u>76</u>	<u>141</u>

- 9.1 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.

- 9.2 During the year, an amount of Rs 0.166 million (June 30, 2022: Rs 0.229 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 0.173 million (June 30, 2022: Rs 0.235 million) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, 2008, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan.

Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% (June 30, 2022: 0.02%) of average annual net assets of the Fund during the current year.

	Note	2023	2022
		(Rupees in '000)	
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		225	201
Shariah advisor fee payable		247	272
Charity payable	11.1	2,061	1,351
Brokerage payable		43	9
Withholding tax payable		-	46
		<u>2,576</u>	<u>1,879</u>

- 11.1 According to the instructions of the Shariah Advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes. Accordingly, an amount of Rs.2.061 million (June 30, 2022: Rs.1.351 million) is outstanding in this regard.

During the year ended June 30, 2023, non-Shariah Compliant income amounting to Rs.2.061 million (2022: Rs.1.362 million) was charged as an expense in the books of the Fund, and Rs.1.351 million was disbursed to following charitable welfare organisations respectively:

S. No.	Charitable Organisations	Amount Rupees in '000
1	The Patients' Behbud Society for AKUH	1,351
	Total	<u>1,351</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022	
		(Rupees in '000)	
13 AUDITORS' REMUNERATION			
Annual audit fee	241	276	
Half yearly review fee	79	60	
Out of pocket expense	17	4	
	<u>337</u>	<u>340</u>	

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 3.80% (2022: 3.47%) which includes 0.33% (2022: 0.32%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), 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.



15 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Furthermore, Super tax introduced in Finance Act, 2015 is also not applicable on funds as Section 4B of Income Tax Ordinance, 2001.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons include Al Meezan Investment Management Limited the Management Company, the Central Depository Company of Pakistan (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other collective investment schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons are executed on an arm's length basis and 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 in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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 / related parties during the year and balances with them as at year end are as follows:

	2023	2022
	(Rupees in '000)	
Balances		
Al Meezan Investment Management Company Limited - Management Company		
Remuneration payable to the Management Company	173	247
Sindh Sales Tax payable on remuneration of the Management Company	22	32
Allocated expenses payable	86	54
Selling and marketing expenses payable	450	263
Meezan Bank Limited		
Balances with bank	2,070	2,105
Profit receivable on saving accounts	26	2
Investments in shares: 286,873 shares (2022: 417,934 shares)	24,777	47,218
Shariah Advisor fee payable	247	272
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	67	125
Sindh Sales Tax on remuneration of the Trustee	9	16
Security deposit	103	103
Meezan Financial Planning Fund of Funds MAAP I		
Investment of 878,913 units (2022: 1,223,499 units)	35,149	49,204
Meezan Strategic Allocation Fund MSAP - I		
Investment of 2,153,430 units (2022: 3,203,303 units)	86,120	128,824
Meezan Strategic Allocation Fund MSAP - II		
Investment of 784,517 units (2022: 918,504 units)	31,374	36,939



Balances	2023	2022
	(Rupees in '000)	
Meezan Strategic Allocation Fund MSAP - III Investment of 1,160,894 units (2022: 2,439,439 units)	<u>46,426</u>	<u>98,105</u>
Meezan Strategic Allocation Fund MSAP - IV Investment of 828,360 units (2022: 1,864,866 units)	<u>33,128</u>	<u>74,998</u>
Meezan Strategic Allocation Fund MSAP - V Investment of 163,741 units (2022: 368,711 units)	<u>6,548</u>	<u>14,828</u>
Meezan Strategic Allocation Fund MCPP-III Investment of 788,936 units (2022: 585,643 units)	<u>31,551</u>	<u>23,552</u>
Meezan Strategic Allocation Fund -II MCPP-IV Investment of 1,532,959 units (2022: 5,553,294 units)	<u>61,306</u>	<u>223,332</u>
Meezan Strategic Allocation Fund -II MCPP-V Investment of 271,418 units (2022: 173,290 units)	<u>10,855</u>	<u>6,969</u>
Meezan Strategic Allocation Fund-II MCPP-VII Investment of 21,094 units (2022: 64,125 units)	<u>844</u>	<u>2,579</u>
Meezan Strategic Allocation Fund-III MCPP - IX Investment of 1,563,275 units (2022: 2,324,953 units)	<u>62,518</u>	<u>93,501</u>
	2023	2022
	(Rupees in '000)	
Transactions during the year		
Al Meezan Investment Management Limited - Management Company		
Remuneration to the Management Company	<u>12,791</u>	<u>17,649</u>
Sindh Sales Tax on remuneration of the Management Company	<u>1,663</u>	<u>2,294</u>
Allocated expenses	<u>704</u>	<u>971</u>
Selling and marketing expense	<u>2,558</u>	<u>3,530</u>
Meezan Bank Limited		
Profit on savings account	<u>138</u>	<u>151</u>
Shares purchased during the year: 35,000 shares (2022: 455,788 shares)	<u>4,099</u>	<u>52,102</u>
Shares sold during the year: 211,354 shares (2022: 539,934 shares)	<u>19,876</u>	<u>64,423</u>
Bonus shares : 45,293 shares (2022: 61,575 shares)	<u>-</u>	<u>-</u>
Dividend income	<u>4,224</u>	<u>2,678</u>
Shariah Advisor fee	<u>514</u>	<u>548</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	<u>1,279</u>	<u>1,764</u>
Sindh Sales Tax on remuneration of the Trustee	<u>166</u>	<u>229</u>
CDS charges	<u>35</u>	<u>43</u>
Meezan Financial Planning Fund of Funds - MAAP - I		
Units redeemed: 344,585 units (2022: 29,915 units)	<u>14,150</u>	<u>1,330</u>
Meezan Strategic Allocation Fund MSAP - I		
Units issued: nil units (2022: 781,338 units)	<u>-</u>	<u>32,650</u>
Units redeemed: 1,049,872 units (2022: 974,986 units)	<u>41,300</u>	<u>41,650</u>
Meezan Strategic Allocation Fund MSAP - II		
Units issued: nil units (2022: 678,855 units)	<u>-</u>	<u>28,000</u>
Units redeemed: 133,987 units (2022: 156,516 units)	<u>5,230</u>	<u>7,100</u>



Transactions during the year	2023 (Rupees in '000)	2022
Meezan Strategic Allocation Fund MSAP - III Units redeemed: 1,278,544 units (2022: 856,113 units)	<u>50,970</u>	<u>38,500</u>
Meezan Strategic Allocation Fund MSAP - IV Units issued: nil units (2022: 489,045 units) Units redeemed: 1,036,505 units (2022: 995,821 units)	<u>-</u> <u>41,645</u>	<u>19,902</u> <u>43,410</u>
Meezan Strategic Allocation Fund MSAP - V Units redeemed: 204,970 units (2022: 529,365 units)	<u>8,330</u>	<u>23,880</u>
Meezan Strategic Allocation Fund MCPP-III Units issued: 584,040 units (2022: 1,023,560 units) Units redeemed: 380,747 units (2022: 1,504,231 units)	<u>24,000</u> <u>15,350</u>	<u>44,000</u> <u>64,350</u>
Meezan Strategic Allocation Fund -II MCPP-IV Units issued: 420,011 units (2022: 86,412 units) Units redeemed: 4,440,345 units (2022: 2,024,543 units)	<u>17,000</u> <u>179,060</u>	<u>4,000</u> <u>89,720</u>
Meezan Strategic Allocation Fund -II MCPP-V Units issued: 219,408 units (2022: 386,947 units) Units redeemed: 121,280 units (2022: 543,088 units)	<u>9,000</u> <u>4,780</u>	<u>16,800</u> <u>23,300</u>
Meezan Strategic Allocation Fund-II MCPP-VII Units issued: nil units (2022: 198,453 units) Units redeemed: 43,031 units (2022: 316,179 units)	<u>-</u> <u>1,810</u>	<u>9,000</u> <u>13,700</u>
Meezan Strategic Allocation Fund-III MCPP - IX Units issued: 14,102 units (2022: 2,775,720 units) Units redeemed: 775,780 units (2022: 1,416,010 units)	<u>550</u> <u>30,880</u>	<u>122,450</u> <u>58,350</u>

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

17 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		
Balances with banks	5,121	5,121
Investments	-	393,668
Dividend receivable	291	291
Receivable against sale of investment	7,259	7,259
Deposits and other receivable	1,695	1,695
14,366	393,668	408,034

Financial liabilities

2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		
Payable to Al Meezan Investment Management Limited - Management Company	731	731
Payable to Central Depository Company of Pakistan Limited - Trustee	76	76
Accrued expenses and other liabilities	2,576	2,576
3,383	-	3,383

Financial assets

----- 2022 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Balances with banks	29,399	29,399
Investments	-	722,383
Dividend receivable	55	55
Receivable against sale of investments	1,991	1,991
Deposits and other receivable	1,876	1,876
33,321	722,383	755,704

Financial liabilities

----- 2022 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Payable to Al Meezan Investment Management Limited - Management Company	596	596
Payable to Central Depository Company of Pakistan Limited - Trustee	141	141
Payable against purchase of investments	1,377	1,377
Accrued expenses and other liabilities	482	482
2,596	-	2,596

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

18.1 Market risk

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

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

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.028 million (2022: Rs. 0.276 million)

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023 the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 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, 2023 can be determined as follows:

2023					
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	7.14% to 20.25%	2,781	-	2,340	5,121
Investments		-	-	393,668	393,668
Dividend receivable		-	-	291	291
Receivable against sale of investments		-	-	7,259	7,259
Deposits and other receivable		-	-	1,695	1,695
		2,781	-	405,253	408,034
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	731	731
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	76	76
Payable against redemption and conversion of units		-	-	-	-
Payable against purchase of investments		-	-	-	-
Accrued expenses and other liabilities		-	-	2,576	2,576
		-	-	3,383	3,383
On-balance sheet gap (a)		2,781	-	401,870	404,651
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		2,781	-	-	-
Cumulative profit rate sensitivity gap		2,781	2,781	2,781	-
----- (Rupees in '000) -----					
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	4.00% - 15.50%	27,616	-	1,783	29,399
Investments		-	-	722,383	722,383
Dividend receivable		-	-	55	55
Receivable against sale of investments		-	-	1,991	1,991
Deposits and other receivable		-	-	1,876	1,876
		27,616	-	728,088	755,704
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	596	596
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	141	141
Payable against redemption and conversion of units		-	-	-	-
Payable against purchase of investments		-	-	1,377	1,377
Accrued expenses and other liabilities		-	-	482	482
		-	-	2,596	2,596
On-balance sheet gap (a)		27,616	-	725,492	753,108
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		27,616	-	-	-
Cumulative profit rate sensitivity gap		27,616	27,616	27,616	-

(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 and 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 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 1% increase / decrease in KMI 30 index on June 30, 2023, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs.3.937 million (2022: Rs.7.224 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 5% 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, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI-30 Index.

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

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

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

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

2023						
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	5,121	-	-	-	-	5,121
Investments	-	-	-	-	393,668	393,668
Dividend receivable	291	-	-	-	-	291
Receivable against sale of investments	7,259	-	-	-	-	7,259
Deposits and other receivable	1,695	-	-	-	-	1,695
	14,366	-	-	-	393,668	408,034
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	731	-	-	-	-	731
Payable to Central Depository Company of Pakistan Limited - Trustee	76	-	-	-	-	76
Payable against redemption and conversion of units	-	-	-	-	-	-
Payable against purchase of investments	-	-	-	-	-	-
Accrued expenses and other liabilities	2,576	-	-	-	-	2,576
	3,383	-	-	-	-	3,383
Net assets / (liabilities)	10,983	-	-	-	393,668	404,651

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	29,399	-	-	-	-	29,399
Investments	-	-	-	-	722,383	722,383
Dividend receivable	55	-	-	-	-	55
Receivable against sale of investments	1,991	-	-	-	-	1,991
Deposits and other receivable	273	-	-	-	1,603	1,876
	31,718	-	-	-	723,986	755,704
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	596	-	-	-	-	596
Payable to Central Depository Company of Pakistan Limited - Trustee	141	-	-	-	-	141
Payable against redemption and conversion of units	-	-	-	-	-	-
Payable against purchase of investments	1,377	-	-	-	-	1,377
Accrued expenses and other liabilities	-	482	-	-	-	482
	2,114	482	-	-	-	2,596
Net assets / (liabilities)	29,604	(482)	-	-	723,986	753,108

18.3 Credit risk

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

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees in '000		Rupees in '000	
Balances with banks	5,121	5,121	29,399	29,399
Investments	393,668	-	722,383	-
Dividend receivable	291	291	55	55
Receivable against sale of investments	7,259	7,259	1,991	1,991
Advances, deposits and other receivable	1,695	1,695	1,876	1,876
	408,034	14,366	755,704	33,321

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 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.

18.3.2 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 mark-up accrued thereon, cheques in hand, dividend receivable and receivable against sale of units and against investments. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
AAA	40.43%	7.16%
AA+	52.27%	25.50%
A+	5.52%	67.04%
AA	1.78%	0.30%
	<u>100.00%</u>	<u>100.00%</u>

18.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

	2023		
	Level 1	Level 2	Level 3
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	393,668	-	-
	<u>393,668</u>	<u>-</u>	<u>-</u>
	----- (Rupees in '000) -----		

	2022		
	Level 1	Level 2	Level 3
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	722,383	-	-
	<u>722,383</u>	<u>-</u>	<u>-</u>
	----- (Rupees in '000) -----		

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Category
Associated undertakings

----- 2023 -----		
Number of unit holders	Investment amount Rupees in '000	Percentage of total %
11	405,819	100.00

Category
Associated undertakings

----- 2022 -----		
Number of unit holders	Investment amount Rupees in '000	Percentage of total %
11	752,831	100.00

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2023 -----		----- 2022 -----	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
BMA Capital Management	11.09%	Standard Capital Securities (Pvt.) Ltd	8.01%
Arif Habib Limited	10.53%	Taurus Securities Limited	7.62%
Ismail Iqbal Securities (Private) Limited	8.86%	Vector Capital Management Limited	6.92%
Alfa Adhi Securities (Pvt) Ltd	8.48%	Spectrum Securities (Private) Limited	6.17%
EFG Hermes Pakistan Limited	7.75%	Intermarket Securities Limited	6.00%
Aba Ali Habib Securities Pvt Ltd	6.07%	Ismail Iqbal Securities (Private) Limited	5.20%
Taurus Securities Limited	5.12%	Optimus Capital Management (Pvt) Ltd	5.04%
Intermarket Securities Limited	3.80%	Arif Habib Limited	4.79%
Insight Securities (Pvt.) Ltd	3.58%	Top Line Securities (Private) Limited	4.71%
Standard Capital Sec (Pvt) Ltd	3.09%	BMA Capital Management	4.03%

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

23.1 The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund Manager are as follows:

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

24 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 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

* Mr. Moin M. Fudda resigned from the Board on June 09, 2023.

25 GENERAL

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

26 DATE OF AUTHORISATION FOR ISSUE

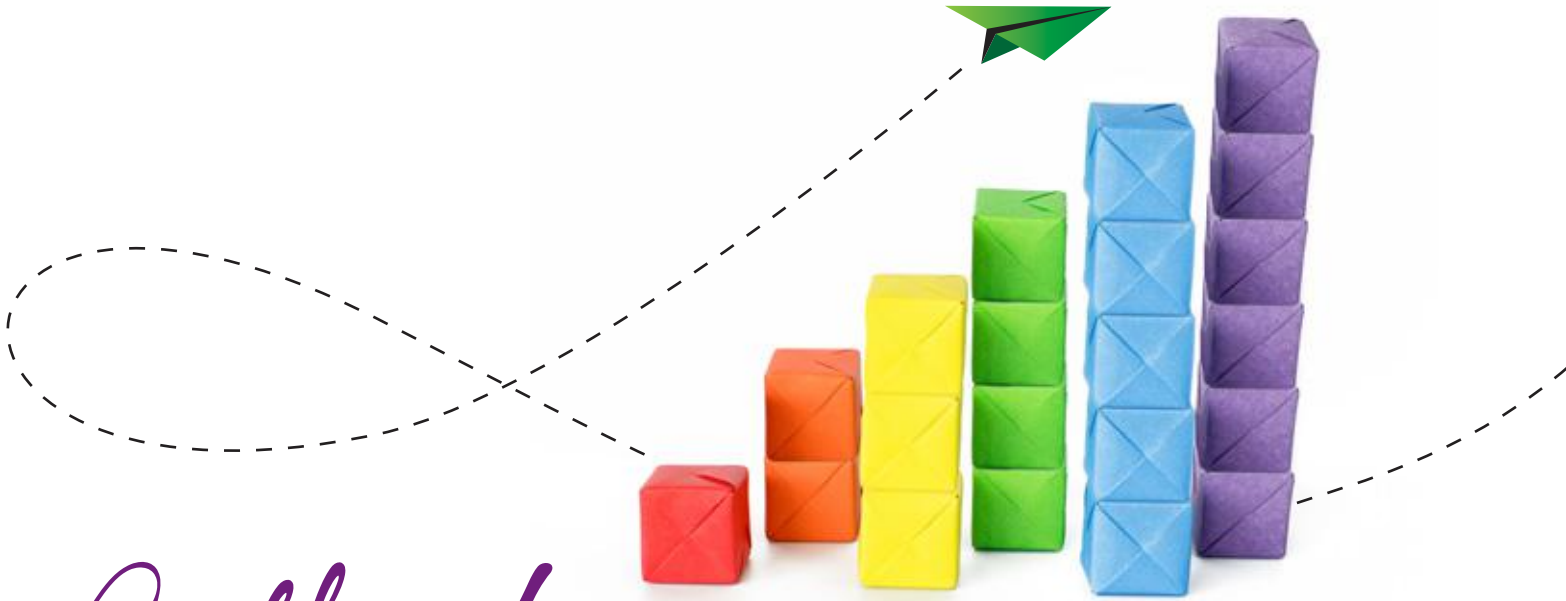
These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

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

Chief Executive

Chief Financial Officer

Director



Cultivating a Culture of Learning & Empowerment

At Al Meezan, a culture of continuous learning is fostered, motivating employees to enhance their skills and stay updated with dynamic industry trends enabling them to provide innovative investment choices to the investors and increase their level of awareness and intrinsic motivation.

Meezan Energy Fund

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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

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



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Energy Fund (MEF)

Type of Fund

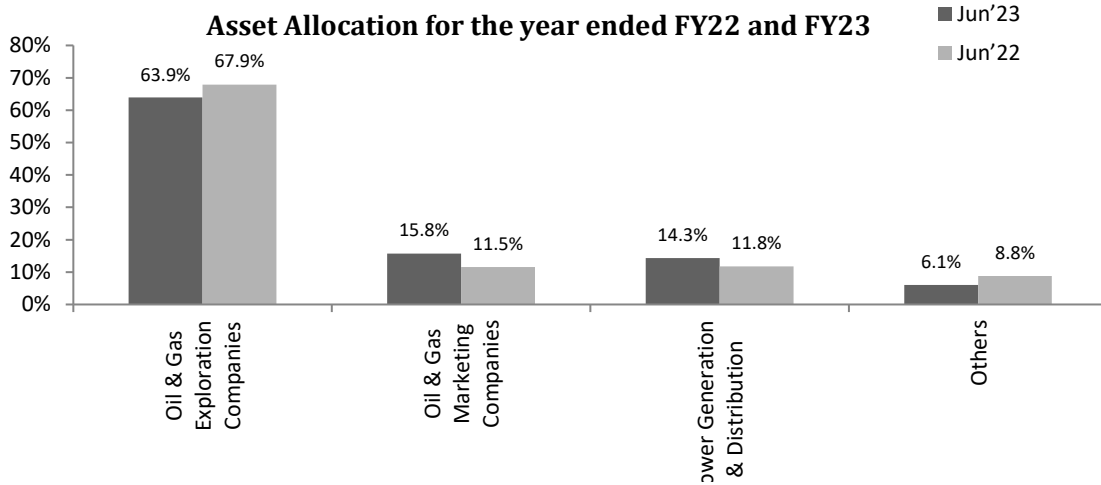
Sector specific open end equity fund. The fund was launched on November 29, 2016.

Objective

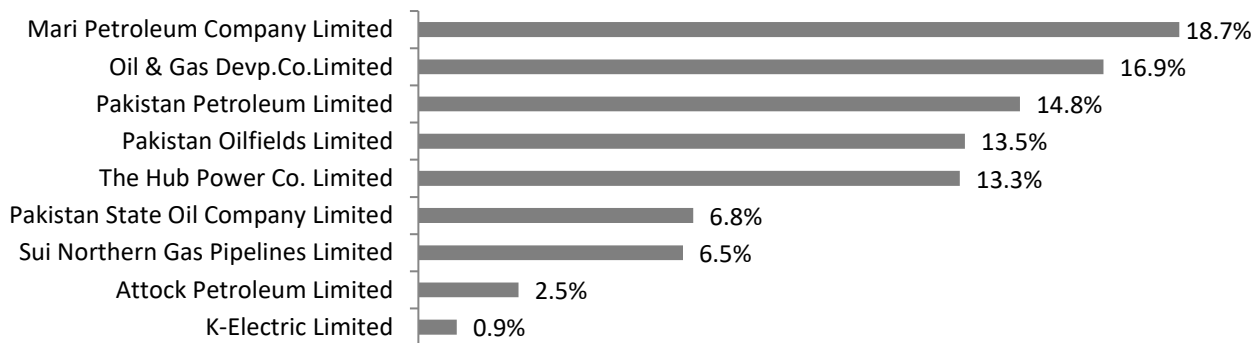
The objective of MEF is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector/segment/industry as defined in the constitutive documents, and provide maximum total return to the shareholders for the given level of risk, while abiding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



Top Holdings





Pure. Profit.



Performance Review

During FY23, Meezan Energy Fund (MEF) provided a negative return of 2.13% to its investors while the KSE Meezan Index (KMI 30) – Benchmark increased by 2.88% to close at 70,748 pts.

	<u>MEF</u>	<u>KMI-30 (Benchmark)</u>
Net Asset Value (NAV) as on June 30, 2022 – Rs.	31.52	68,766
Net Asset Value (NAV) as on June 30, 2023 – Rs.	30.85	70,748
Change (Points)	-0.67	1,982
Return During the Period	2.13%	2.88%

The Fund earned a total income of Rs. 10 million in fiscal year 2023 as compared to total loss of Rs. 27 million last year. Total loss comprised of realized and unrealized losses on investments of Rs. 26 million and Rs. 25 million respectively. Dividend income contributed Rs. 59 million to income, while profit on saving accounts with banks amounted to Rs. 1.4 million. After accounting for expenses of Rs. 22 million, the Fund posted a net loss of Rs. 12 million. The net assets of the Fund as at June 30, 2023 were Rs. 452 million as compared to Rs. 438 million at the end of last year depicting an increase of 3%. The net asset value per unit as at June 30, 2023 was Rs. 30.8497 as compared to Rs. 31.5217 per unit as on June 30, 2022.

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, 2023 an amount of Rs. 2.804 million was accrued as charity payable.

Distributions

There is NIL distribution by the Fund during the fiscal year ended June 30, 2023.

SWWF Disclosure

Not Applicable



Pure. Profit.



Breakdown of unit holdings by size:

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	1,153
10,000 - 49,999	101
50,000 - 99,999	14
100,000 - 499,999	11
500,000 and above	6
Total	1,285

Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	12	12	0	0
Percentage	100%	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
MEEZAN ENERGY FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	451,955	437,914	584,310
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	- 30.8497	31.5217	34.2992
Offer price per unit as at June 30, (Rs.) (ex-distribution)	31.8955	32.5903	35.4619
Highest offer price per unit (Rs.)	37.8286	35.8241	38.5236
Lowest offer price per unit (Rs.)	30.2158	30.7461	30.2164
Highest redemption price per unit (Rs.)	36.5883	34.6495	37.2605
Lowest redemption price per unit (Rs.)	29.2251	29.7380	29.2257
Distribution (%)			
Interim	N/A	N/A	N/A
Final	N/A	N/A	N/A
Date of distribution	N/A		
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 (%)	(2.13)	(8.10)	14.25

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	-2.13%	-5.16%	0.91%

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

Dr. Muhammad Imran Usmani

Address:

Jamia Darul Uloom Karachi

Korangi Industrial Area Karachi

Pakistan

Postal Code 75180

Tel: +92 21 3 5047770

Fax: +92 21 5040234

Email: miu786@gmail.com

Report of the Shariah Advisor – Meezan Energy Fund (MEF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Seventh year of operations of Meezan Energy Fund (the “MEF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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 Shariah Advisor, we have prescribed six criteria for Shariah compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Investment in Shariah non-compliant activities to total assets (iv) Shariah 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 Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account which amounts to PKR 2.8 million and is available for disbursement.

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah 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 8 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' 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 **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of equity instruments) held by the Fund represent 95% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

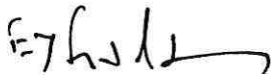
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076V8q9SM2w3



MEEZAN ENERGY FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	Note	2023	2022
		----- (Rupees in '000) -----	
Assets			
Balances with banks	5	7,847	5,571
Investments	6	443,644	430,357
Receivable against conversion of units		15,650	61
Dividend receivable		255	197
Receivable against sale of investments		3,949	6,571
Advance, deposits prepayments and other receivable	7	3,128	3,062
Preliminary expenses and floatation costs	8	-	-
Total assets		474,473	445,819
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	9	781	343
Payable to Central Depository Company of Pakistan Limited - Trustee	10	82	81
Payable to the Securities and Exchange Commission of Pakistan	11	101	101
Payable to Meezan Bank Limited		-	2
Payable against redemption and conversion of units		15,702	5,103
Accrued expenses and other liabilities	12	3,691	2,275
Payable against purchase of investments		2,161	-
Total liabilities		22,518	7,905
Net assets		451,955	437,914
Unit holders' fund (as per statement attached)		451,955	437,914
Contingencies and commitments			
	13		
		----- (Number of units) -----	
Number of units in issue		14,650,240	13,892,447
		----- (Rupees) -----	
Net asset value per unit		30.8497	31.5217

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
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees in '000)	2022
Income			
Net realised loss on sale of investments		(25,735)	(23,341)
Dividend income		59,094	43,539
Profit on savings accounts with banks		1,477	549
Other income		-	381
		34,836	21,128
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	(25,221)	(47,654)
Total income / (loss)		9,615	(26,526)
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company	9.1	10,095	10,084
Sindh Sales Tax on remuneration of the Management Company	9.2	1,312	1,311
Allocated expenses	9.3	555	555
Selling and marketing expenses	9.4	2,019	2,017
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	1,010	1,008
Sindh Sales Tax on remuneration of the Trustee	10.2	131	131
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	101	101
Auditors' remuneration	14	327	303
Charity expense		2,803	1,732
Fees and subscription		568	565
Brokerage expense		2,583	1,120
Bank and settlement charges		498	399
Legal and professional charges		-	184
Amortisation of preliminary expenses and floatation costs	8.1	-	83
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(2,709)
Total expenses		22,002	16,884
Net loss for the year before taxation		(12,387)	(43,410)
Taxation	16.1	-	-
Net loss for the year after taxation		(12,387)	(43,410)
Allocation of net income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
		-	-
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		-	-

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, 2023

	2023	2022
	----- (Rupees in '000) -----	
Net loss for the year after taxation	(12,387)	(43,410)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(12,387)</u>	<u>(43,410)</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, 2023

	2023			2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the year	871,748	(433,834)	437,914	974,734	(390,424)	584,310
Issue of 37,404,509 units (2022: 27,624,153 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,179,054	-	1,179,054	947,486	-	947,486
- Element of (loss) / income	22,853	-	22,853	(46,201)	-	(46,201)
Total proceeds on issuance of units	1,201,907	-	1,201,907	901,285	-	901,285
Redemption of 36,646,716 units (2022: 30,767,395 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,155,168	-	1,155,168	1,055,297	-	1,055,297
- Element of (loss) / income	20,311	-	20,311	(51,026)	-	(51,026)
Total payments on redemption of units	1,175,479	-	1,175,479	1,004,271	-	1,004,271
Total comprehensive (loss) / income for the year	-	(12,387)	(12,387)	-	(43,410)	(43,410)
Distribution during the year	-	-	-	-	-	-
Net (loss) / income for the year less distribution	-	(12,387)	(12,387)	-	(43,410)	(43,410)
Net assets at the end of the year	898,176	(446,221)	451,955	871,748	(433,834)	437,914
Accumulated loss brought forward						
- Realised loss		(386,180)			(390,627)	
- Unrealised (loss) / income		(47,654)			203	
		<u>(433,834)</u>			<u>(390,424)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Net loss for the year after taxation		(12,387)			(43,410)	
Accumulated loss carried forward		<u>(446,221)</u>			<u>(433,834)</u>	
Accumulated loss carried forward						
- Realised loss		(421,000)			(386,180)	
- Unrealised loss		(25,221)			(47,654)	
		<u>(446,221)</u>			<u>(433,834)</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			<u>31.5217</u>			<u>34.2992</u>
Net asset value per unit at the end of the year			<u>30.8497</u>			<u>31.5217</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
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees in '000)	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(12,387)	(43,410)
Adjustments for:			
Amortisation of preliminary expenses and floatation costs	8.1	-	83
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	25,221	47,654
		12,834	4,327
(Increase) / decrease / in assets			
Investments - net		(38,508)	100,349
Dividend receivable		(58)	1,567
Receivable against sale of investments		2,622	(6,571)
Advance, deposits and other receivable		(66)	1,032
		(36,010)	96,377
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		438	(418)
Payable to Central Depository Company of Pakistan Limited - Trustee		1	(32)
Payable to Meezan Bank Limited		(2)	(31)
Payable to the Securities and Exchange Commission of Pakistan		-	(4)
Payable against purchase of investments - net		2,161	-
Accrued expenses and other liabilities		1,416	(2,810)
		4,014	(3,295)
Net cash (used in) / generated from operating activities		(19,162)	97,409
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		1,186,318	909,475
Payment against redemption and conversion of units		(1,164,880)	(1,020,095)
Net cash generated from / (used in) financing activities		21,438	(110,620)
Net increase / (decrease) in cash and cash equivalents during the year		2,276	(13,211)
Cash and cash equivalents at the beginning of the year		5,571	18,782
Cash and cash equivalents at the end of the year	5	7,847	5,571

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
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). 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 VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 -and IFRS 7	January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Effective date (annual periods beginning on or after)

Standards

IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Company's financial statements in the period of initial application.

3.3 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.

3.4 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.

3.5 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

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.

4.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.14 Earnings / (loss) per unit

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

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

4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2023	2022
		----- (Rupees in '000) -----	
5	BALANCES WITH BANKS		
	Balances with banks in:		
	Savings accounts	5.1 4,990	3,675
	Current accounts	2,857	1,896
		<u>7,847</u>	<u>5,571</u>
5.1	This includes balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10% (2022: 6.01%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 7.14% to 20.25% (2022: 4.29% to 16.25%) per annum.		
		Note	2023
			2022
			----- (Rupees in '000) -----
6	INVESTMENTS		
	Investment at 'fair value through profit or loss'		
	Shares of listed companies - 'ordinary shares'	6.1 <u>443,644</u>	<u>430,357</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised (diminution) / appreciation as at June 30, 2023	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)	49,424	63,190	-	54,166	58,448	93,170	88,528	(4,642)	19.59	19.95	0.04
Oil and Gas Development Company Limited	922,016	1,441,000	-	1,341,251	1,021,765	80,712	79,698	(1,014)	17.63	17.96	0.02
Pakistan Oilfields Limited (note 6.1.2)	191,717	215,500	-	248,985	158,232	65,306	63,573	(1,733)	14.07	14.33	0.06
Pakistan Petroleum Limited (note 6.1.2)	985,036	1,655,000	-	1,456,600	1,183,436	76,873	69,988	(6,885)	15.49	15.78	0.04
									66.78	68.02	0.16
Oil and Gas Marketing Companies											
Attock Petroleum Limited	31,500	15,450	7,875	16,000	38,825	10,708	11,657	950	2.58	2.63	0.04
Pakistan State Oil Company Limited (note 6.1.2 & 6.1.3)	175,878	499,431	-	387,160	288,149	39,596	31,987	(7,609)	7.08	7.21	0.06
Shell Pakistan Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	322,300	2,382,990	-	1,923,891	781,399	31,696	30,764	(932)	6.81	6.93	0.12
Sui Southern Gas Company Limited	-	800,000	-	800,000	-	-	-	-	-	-	-
									16.47	16.77	0.22
Power Generation and Distribution											
The Hub Power Company Limited	656,444	1,217,000	-	968,223	905,221	63,730	62,985	(745)	13.94	14.21	0.07
K - Electric Limited (note 6.1.1)	2,553,500	4,050,000	-	4,008,000	2,595,500	7,075	4,464	(2,611)	0.99	1.01	0.01
									14.93	15.22	0.08
Refinery											
Attock Refinery Limited	25,500	77,000	-	102,500	-	-	-	-	-	-	-
Energycio PK Limited	2,597,000	-	-	2,597,000	-	-	-	-	-	-	-
National Refinery Limited	21,000	-	-	21,000	-	-	-	-	-	-	-
									-	-	-
Total as at June 30, 2023						468,866	443,644	(25,222)	98.18	100.00	
Total as at June 30, 2022						478,011	430,357	(47,654)			

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, 10,000 shares of Mari Petroleum Limited and 5,000 shares of Pakistan State Oil Company Limited, having market value of Rs.3.8441 million, Rs.10.647 million, Rs.15.1464 million and Rs.0.555 million respectively as at June 30, 2023 (2022: 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) 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, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.647 million (2022: Rs. 1.002 million).

	Note	2023	2022
		----- (Rupees in '000) -----	-----
6.2 Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'			
Market value of investments	6.1	443,644	430,357
Less: carrying value of investments	6.1	468,866	478,011
		<u>(25,222)</u>	<u>(47,654)</u>

7 ADVANCE, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE

Profit receivable on balances with banks		97	31
Security deposit with Central Depository Company of Pakistan Limited		100	100
Security deposit with National Clearing Company of Pakistan Limited		1,500	1,500
Prepaid listing Fee		2	-
Advance tax	7.1	1,431	1,431
		<u>3,128</u>	<u>3,062</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 May 12, 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, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2023	2022
		----- (Rupees in '000) -----	-----
8 PRELIMINARY EXPENSES AND FLOATATION COSTS			
At the beginning of the year		-	83
Less: Amortisation during the year	8.1	-	83
At the end of the year		<u>-</u>	<u>-</u>

- 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	2023	2022
----- (Rupees in '000) -----			
9 PAYABLE TO AI MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	9.1	198	146
Sindh Sales Tax payable on remuneration of the Management Company	9.2	25	19
Allocated expenses payable	9.3	40	3
Selling and marketing expenses payable	9.4	516	148
Sales load payable		2	24
Sindh Sales Tax on sales load payable		-	3
		781	343

- 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% (2022: 2%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

- 9.2 During the year, an amount of Rs.1.312 million (2022: Rs.1.311 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.1.306 million (2022: Rs.1.301 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 rate 0.11% (2022: 0.11%) during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

- 9.4 In accordance with Circular 11 dated July 05, 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% (2022: 0.4%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

	Note	2023	2022
----- (Rupees in '000) -----			
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable	10.1	73	72
Sindh Sales Tax payable on remuneration of the Trustee	10.2	9	9
		82	81

- 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 (2022: Rs.0.131 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.0.131 million (2022: Rs.0.135 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% (2022: 0.02%) of the average annual net assets of the Fund.

	Note	2023	2022
----- (Rupees in '000) -----			
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		215	195
Shariah advisor fee payable		265	264
Charity payable	12.1	2,805	1,623
Capital gain tax payable		66	112
Brokerage payable		335	81
Zakat payable		5	-
		<u>3,691</u>	<u>2,275</u>

- 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, 2023, Non-Shariah Compliant income amounting to Rs.2.802 million (2022: Rs.1.732 million) was charged as an expense in the books of the Fund, and Rs.1.623 million was disbursed to following charitable welfare organisations respectively:

Charitable Organisations	Amount - Rupees in '000 -
The Patients behbud Society for AKUH	<u>1,623</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022
(Rupees in '000)		
14 AUDITORS' REMUNERATION		
Annual audit fee	231	213
Fee for half yearly review of condensed interim financial statements	84	74
Out of pocket expenses	12	16
	<u>327</u>	<u>303</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 4.36% (2022: 3.89%) which includes 0.36% (2022: 0.33%) 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	2023	2022
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	198	146
Sindh Sales Tax payable on remuneration of the Management Company	25	19
Allocated expenses payable	40	3
Selling and marketing expenses payable	516	148
Sales load payable	2	24
Sindh Sales Tax on sales load payable	-	3
Investment of 2,746,371 units (2022: 2,671,102 units)	84,725	84,182
Meezan Bank Limited		
Balances with bank	3,509	5,159
Profit receivable on savings account	58	20
Sales load payable	-	2
Sindh Sales Tax on sales load payable	-	-
Shariah advisor fee payable	265	264
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	73	72
Sindh Sales Tax payable on remuneration of the Trustee	9	9
Security deposit	100	100
Directors and executives of the Management Company		
Investment of 3,394,531 units (2022: 439,242 units)	104,720	13,846

Transactions during the year
AI Meezan Investment Management Limited - Management Company

	2023	2022
	(Rupees in '000)	
Remuneration of the Management Company	10,095	10,084
Sindh Sales Tax on remuneration of the Management Company	1,312	1,311
Allocated expenses	555	555
Selling and marketing expenses	2,019	2,017
Units issued: 1,772,102 units (2022: 149,173 units)	53,500	5,061
Units redeemed: 1,696,833 units (2022: 741,216 units)	53,000	25,000

Meezan Bank Limited

Profit on savings account	508	217
Shariah advisor fee	540	537

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	1,010	1,008
Sindh Sales Tax on remuneration of the Trustee	131	131
CDS charges	62	34

Directors and executives of the Management Company

Units issued: 9,090,485 units (2022: 682,933 units)	295,995	22,755
Units redeemed: 4,242,949 units (2022: 463,559 units)	134,083	15,138

18 FINANCIAL INSTRUMENTS BY CATEGORY
Financial assets

	2023		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Balances with banks	7,847	-	7,847
Investments	-	443,644	443,644
Receivable against conversion of units	15,650	-	15,650
Dividend receivable	255	-	255
Receivable against sale of investments	3,949	-	3,949
Deposits and other receivable	1,696	-	1,696
	29,397	443,644	473,041

Financial liabilities

Payable to AI Meezan Investment Management Limited - Management Company	781	-	781
Payable to Central Depository Company of Pakistan Limited - Trustee	82	-	82
Payable to Meezan Bank Limited	-	-	-
Payable against conversion and redemption of units	15,702	-	15,702
Accrued expenses and other liabilities	815	-	815
	17,380	-	17,380

Financial assets

	2022		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
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
	14,031	430,357	444,388

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 against conversion and redemption of units	5,103	-	5,103
Payable to Meezan Bank Limited	2	-	2
Accrued expenses and other liabilities	540	-	540
	6,069	-	6,069

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, 2023, 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. 0.05 million (2022: Rs. 0.037 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, 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, 2023 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, 2023 can be determined as follows:

As at June 30, 2023					
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	7.14% - 20.25%	4,990	-	-	2,857	7,847
Investments		-	-	-	443,644	443,644
Receivable against conversion of units		-	-	-	15,650	15,650
Dividend receivable		-	-	-	255	255
Receivable against sale of investments		-	-	-	3,949	3,949
Deposits and other receivable		-	-	-	1,696	1,696
		4,990	-	-	468,051	473,041

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	781	781
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	82	82
Payable to Meezan Bank Limited		-	-	-	-	-
Payable against conversion and redemption of units		-	-	-	15,702	15,702
Accrued expenses and other liabilities		-	-	-	815	815
		-	-	-	17,380	17,380

On-balance sheet gap (a)

	4,990	-	-	450,671	455,661
--	-------	---	---	---------	---------

Off-balance sheet financial instruments

	-	-	-	-	-
--	---	---	---	---	---

Off-balance sheet gap (b)

	-	-	-	-	-
--	---	---	---	---	---

Total profit rate sensitivity gap (a + b)

	4,990	-	-		
--	-------	---	---	--	--

Cumulative profit rate sensitivity gap

	4,990	4,990	4,990		
--	-------	-------	-------	--	--

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 against conversion and redemption of units		-	-	-	5,103	5,103
Payable to Meezan Bank Limited		-	-	-	2	2
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		
--	-------	-------	-------	--	--

(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, 2023, with all other variables held constant, the total comprehensive (loss) / income of the Fund for the year would increase / decrease by Rs. 4.436 million (2022: Rs. 4.304 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, 2023 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, 2023.

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, 2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- (Rupees in '000) -----						
Balances with banks	7,847	-	-	-	-	7,847
Investments	-	-	-	-	443,644	443,644
Receivable against conversion of units	15,650	-	-	-	-	15,650
Dividend receivable	255	-	-	-	-	255
Receivable against sale of investments	3,949	-	-	-	-	3,949
Deposits and other receivable	97	-	-	-	1,599	1,696
	27,798	-	-	-	445,243	473,041
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	781	-	-	-	-	781
Payable to Central Depository Company of Pakistan Limited - Trustee	82	-	-	-	-	82
Payable to Meezan Bank Limited	-	-	-	-	-	-
Payable against redemption and conversion of units	15,702	-	-	-	-	15,702
Accrued expenses and other liabilities	-	815	-	-	-	815
	16,565	815	-	-	-	17,380
Net financial assets / (liabilities)	11,233	(815)	-	-	445,243	455,661

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)						
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 against conversion and redemption of units	5,103	-	-	-	-	5,103
Payable to Meezan Bank Limited	2	-	-	-	-	2
Accrued expenses and other liabilities	-	540	-	-	-	540
	5,529	540	-	-	-	6,069
Net financial assets / (liabilities)	6,902	(540)	-	-	431,957	438,319

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:

	2023		2022	
	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	7,847	7,847	5,571	5,571
Investments	443,644	-	430,357	-
Receivable against conversion of units	15,650	15,650	61	61
Dividend receivable	255	255	197	197
Receivable against sale of investments	3,949	3,949	6,571	6,571
Deposits and other receivable	1,696	1,696	1,631	1,631
	473,041	29,397	444,388	14,031

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 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	
	2023	2022
AAA	30.17	93.44
AA+	66.34	5.88
A+	3.49	0.68
	100.00	100.00

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, 2023 and June 30, 2022 are unsecured and are not impaired.

20 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

2023			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

ASSETS

Financial assets 'at fair value through profit or loss'

Shares of listed companies - 'ordinary shares'

443,644	-	-	443,644
---------	---	---	---------

2022			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

ASSETS

Financial assets 'at fair value through profit or loss'

Shares of listed companies - 'ordinary shares'

430,357	-	-	430,357
---------	---	---	---------

21 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount	Percentage of total investment	Number of unit holders	Investment amount	Percentage of total investment
		(Rupees in '000)	(%)		(Rupees in '000)	(%)
Individuals	1,275	224,353	49.64	1,421	330,245	75.41
Associated companies /						
Directors	2	177,526	39.28	1	84,198	19.23
Retirement funds	4	23,301	5.16	1	19,166	4.25
Others	4	26,775	5.92	3	4,305	0.98
Total	<u>1,285</u>	<u>451,955</u>	<u>100.00</u>	<u>1,426</u>	<u>437,914</u>	<u>99.87</u>

23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Insight Securities (Private) Limited	10.11%	Al Habib Capital Markets (Private) Limited	9.54%
Topline Securities Limited	7.49%	Darson Securities Limited	7.80%
Taurus Securities Limited	6.34%	AKD Securities Limited	7.00%
Intermarket Securities Limited	5.83%	Taurus Securities Limited	6.96%
Spectrum Securities Limited	5.82%	BMA Capital Management Limited	6.45%
Next Capital Limited	5.59%	KASB Securities (Private) Limited	6.25%
Alfa Adhi Securities (Private) Limited	5.53%	Aba Ali Habib Securities (Private) Limited	6.01%
AKD Securities Limited	5.53%	Intermarket Securities Limited	6.00%
Dalal Securities (Private) Limited	4.43%	Summit Capital (Private) Limited	5.49%
Multiline Securities (Private) Limited	4.31%	AKIK Capital (Private) Limited	5.29%

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 Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA / ACCA	Nine 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 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive Officer	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Director	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Director	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Director	Yes	Yes	Yes	Yes
Mr. Naeem	Director	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Director	Yes	No	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.



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 7, 2023 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director



Intellectual *Leadership* Advancement

Al Meezan stands as a beacon of intellectual leadership advancement. As pioneers in our field, our management has consistently navigated through changing times with strategic aptitude and smart strategies which has solidified our leadership position. Al Meezan boldly tackles challenges on its path to success, finding strategic solutions to fuel its continued growth.



Meezan Tahaffuz Pension Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

BOARD IT COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited
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

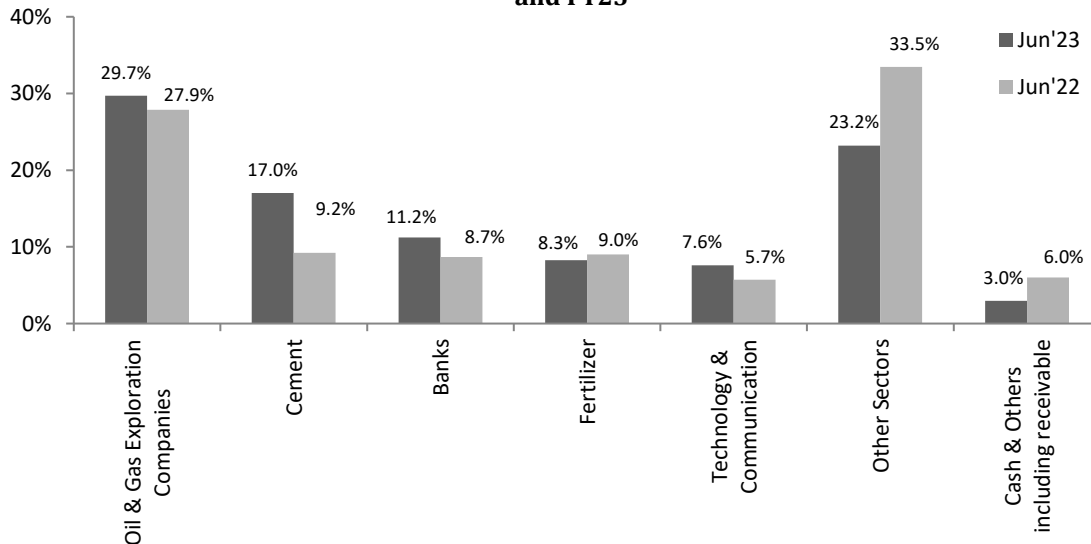
The objective of MTPF is to provide participants with a Shariah-compliant saving mechanism whereby they can save from their current income in order to gain benefits of an income stream after retirement or disability when other income avenues have been exhausted.

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:

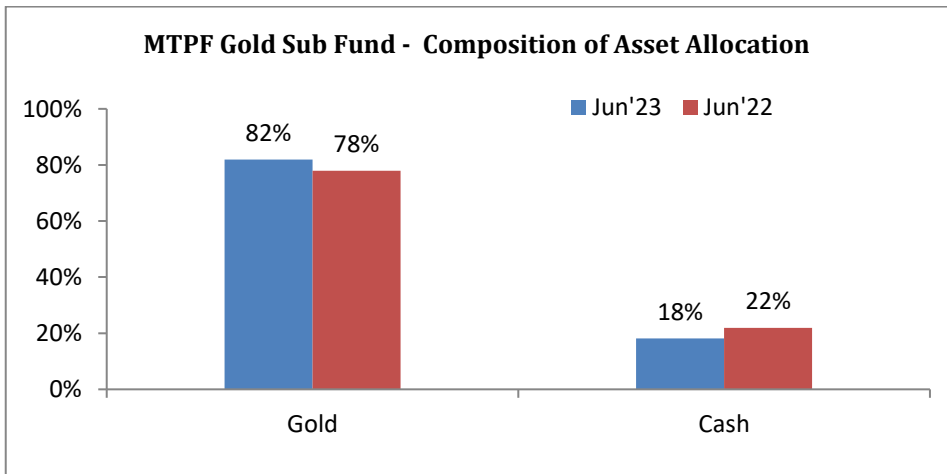
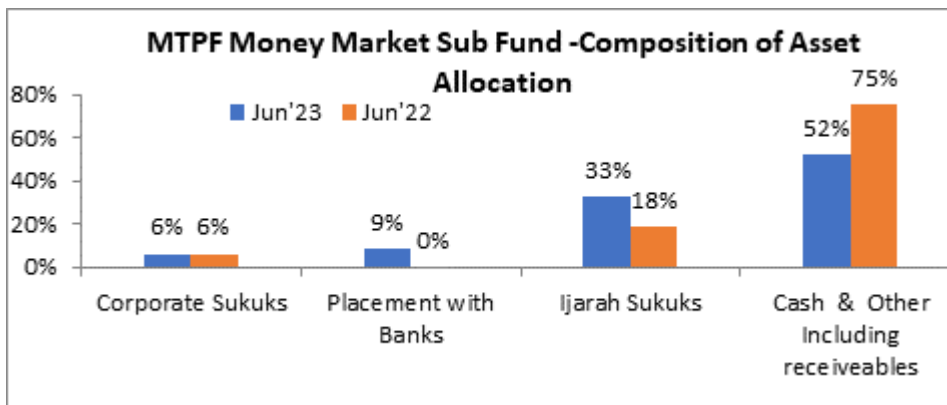
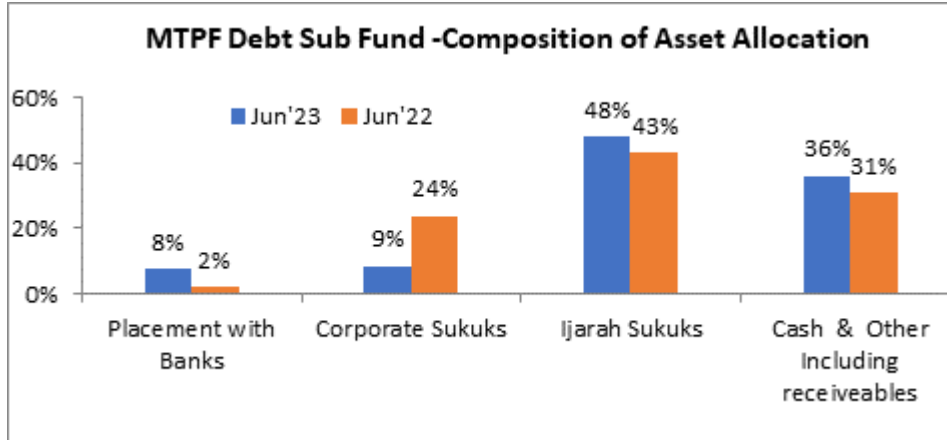
Allocation Scheme	Equity (%)	Debt (%)	Money Market (%)
High Volatility	80	20	0
Medium Volatility	50	40	10
Low Volatility	25	60	15
Lower Volatility	0	50	50

MTPF -Equity Sub Fund - Sector Asset Allocation for the year ended FY22 and FY23





Pure. Profit.





Pure. Profit.



Performance Review

For the period under review, the equity sub-fund provided a return of 0.21%, debt sub-fund provided a return of 14.39%, and money market sub-fund returned 15.87% while the Gold Sub-fund provided a return of 48.60%.

Meezan Tahaffuz Pension Fund		FY23
- Equity sub fund	Voluntary Pension Scheme	0.21%
- Debt sub fund		14.39%
- Money market sub fund		15.87%
- Gold sub fund		48.60%
		FY23
- High Volatility	Voluntary Pension Allocation Scheme	3.04%
- Medium Volatility		7.44%
- Low Volatility		11.06%
- Lower Volatility		15.13%

Equity Sub Fund

Equity sub fund posted a total gain of Rs. 122 million in FY23 as compared to a total loss of Rs. 452 million last year. Total Gain comprised of realized and unrealized loss on investments of Rs. 164 million and Rs. 94 million respectively. Dividend income contributed Rs. 368 million, while profit on saving accounts with banks amounted to Rs. 12 million. After accounting for expenses of Rs. 118 million and an element of income and capital gain included in prices of units issued and less those in units redeemed of Rs. 4 million, the Fund posted a net income of Rs. 7 million. The net assets of the Fund as at June 30, 2023 were Rs. 3,458 million as compared to Rs. 4,593 million at the end of last year. The net asset value per unit as at June 30, 2023 was Rs. 486.5451 as compared to Rs. 485.5458 per unit as on June 30, 2022.

SWWF Disclosure

Not Applicable

Debt Sub Fund

The Fund earned a gross income of Rs. 758 million in FY23, as compared to a gross income of Rs. 438 million last year. Total income was primarily due to profit on Sukuks certificates worth Rs. 480 million. Profit on saving accounts at Islamic banks including profit on term deposit receipts contributed Rs. 306 million. On the other side, the fund incurred realised and unrealized loss worth Rs. 12 million and 16 million respectively. The fund also incurred expenses totalling to Rs. 94 million and element of loss and capital loss included in prices of units issued and less those in units redeemed of Rs. 4 million, which brought the net income figure to Rs. 660 million. The net assets of the Fund as at June 30, 2023 were Rs. 5,252 million as compared to Rs. 5,012 million at the end of last year. The net asset value per unit as at June 30, 2023 was Rs. 348.5006 as compared to Rs. 304.6714 per unit as on June 30, 2022

SWWF Disclosure

Not Applicable



Pure. Profit.



Money Market Sub Fund

The Fund earned a gross income of Rs. 952 million in FY23, as compared to a gross income of Rs. 339 million last year. Total income was primarily due to profit on Sukuks certificates amounting to Rs. 376 million. Profit on saving accounts at Islamic banks including profit on term deposit receipt totalled Rs. 565 million. Unrealised and realised gain in the sub fund was Rs. 1 million each respectively. The fund also incurred expenses totalling Rs. 78 million and element of gain and capital gains included in price of units issued and less those in units redeemed was Rs. 226 million, which brought the net income figure to Rs. 1,100 million. The net assets of the Fund as at June 30, 2023 were Rs. 8,031 million as compared to Rs. 4,307 million at the end of last year. The net asset value per unit as at June 30, 2023 was Rs. 339.5715 as compared to Rs. 293.0581 per unit as on June 30, 2022.

SWWF Disclosure

Not Applicable

Gold Sub Fund

The Fund posted a gross income of Rs. 94 million in FY23, as compared to Rs. 34 million last year. Total income was mainly due unrealized gain on investment of Rs. 84 million. Profit on saving accounts at Islamic banks was Rs. 7 million. The fund also incurred expenses totalling to Rs. 6 million and element of gain and capital gains included in prices of units issued and less those in units redeemed of Rs. 48 million, which brought the net income figure to Rs. 136 million. The net assets of the Fund as at June 30, 2023 were Rs. 416 million as compared to Rs. 167 million at the end of last year. The net asset value per unit as at June 30, 2023 was Rs. 292.6303 as compared to Rs. 196.9220 per unit as on June 30, 2022.

SWWF Disclosure

Not Applicable

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, 2023 an amount of Rs. 13.26 million was accrued as charity payable.

Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	32	32	0	0
Percentage	100%	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.

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Tahaffuz Pension Fund (MTPF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Sixteenth year of operations of Meezan Tahaffuz Pension Fund (the “MTPF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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 Shariah Advisor, we have prescribed six criteria for Shariah compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Investment in Shariah non-compliant activities to total assets (iv) Shariah 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 Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account which amounts to PKR 13.3 million and is available for disbursement.

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



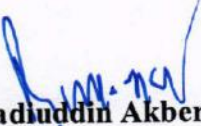
TRUSTEE REPORT TO THE PARTICIPANTS

MEEZAN TAHAFFUZ PENSION FUND

Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Tahaffuz Pension Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2023

INDEPENDENT AUDITOR'S REPORT

To the participants of Meezan Tahaffuz Pension Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Meezan Tahaffuz Pension Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement and statement of other comprehensive income, the statement of cash flows, the statement of movement in participants' sub funds, the statement of contribution table, and the statement of number of units in issue for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Report on other legal and regulatory requirements

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

- a) the financial statements prepared for the year ended June 30, 2023 have been properly prepared in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;

- b) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- c) a true and fair view is given of the disposition of the pension fund at the end of the period and of the transactions of the pension fund of the period then ended; and
- d) the cost and expenses debited to the Fund are as specified in the constitutive documents of the Fund.

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


Chartered Accountants

Place: Karachi

Date: September 20, 2023

UDIN: AR202310091Dkg27h8oP

	Note	2023				2022	
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	
(Rupees in '000)							
ASSETS							
Bank balances	4	94,100	1,746,732	4,030,357	68,102	5,939,291	4,898,529
Investments	5	3,405,730	3,374,335	3,819,465	-	10,599,530	8,935,964
Investment in gold	5.4	-	-	-	340,856	340,856	130,145
Dividend receivable		1,103	-	-	-	1,103	1,020
Deposits and other receivables	6	7,761	152,951	181,739	7,330	349,781	168,886
Receivable against change of plan / change of fund manager / issuance of units		-	-	15,649	-	15,649	-
Receivable against sale of investments		-	-	-	-	-	15,928
Total assets		3,508,694	5,274,018	8,047,210	416,288	17,246,210	14,150,472
LIABILITIES							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	7	3,590	6,656	7,976	139	18,361	2,829
Payable to Central Depository Company of Pakistan Limited - Trustee	8	240	354	527	28	1,149	985
Payable to auditors	15	86	86	86	86	344	272
Payable to Securities and Exchange Commission of Pakistan	9	1,589	1,973	2,313	92	5,967	5,275
Payable against purchase of investments		-	-	-	-	-	13,579
Payable against withdrawal / change of plan		14,336	2,020	2,096	-	18,452	10,047
Accrued expenses and other liabilities	10	31,173	10,876	2,735	388	45,172	39,351
Total liabilities		51,014	21,965	15,733	733	89,445	72,338
NET ASSETS		3,457,680	5,252,053	8,031,477	415,555	17,156,765	14,078,134
Contingencies and commitments	12						
PARTICIPANTS' SUB - FUNDS (as per statement attached)		3,457,680	5,252,053	8,031,477	415,555	17,156,765	14,078,134
(Number of units)							
Number of units in issue (as per statement attached)		7,106,596	15,070,426	23,651,799	1,420,069		
(Rupees)							
Net assets value per unit		486.5452	348.5006	339.5715	292.6301		

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



Meezan Tahaffuz Pension Fund
Income Statement and Statement of Other Comprehensive Income
For the year ended June 30, 2023

		For the year ended June 30, 2023				For the year ended June 30, 2022	
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
Note		(Rupees in '000)					
INCOME							
		-	479,953	375,901	-	855,854	353,516
		12,114	251,536	428,204	7,010	698,864	357,828
		-	54,689	136,399	-	191,088	92,313
		367,988	-	-	-	367,988	333,912
		(93,961)	(16,242)	1,193	-	(109,010)	(536,134)
	5.1 & 5.2						
	5.4	-	-	-	84,388	84,388	30,701
		(164,338)	(12,318)	1,356	-	(175,300)	(275,408)
	11	-	390	8,972	2,962	12,324	2,983
		121,803	758,008	952,025	94,360	1,926,196	359,711
EXPENSES							
		59,590	24,657	28,909	3,238	116,394	173,168
	7.1						
		7,747	3,205	3,758	421	15,131	22,513
	7.2						
		24,233	56,711	37,582	254	118,780	44,376
	7.3						
		3,001	3,721	4,355	174	11,251	10,409
	8.1						
		390	484	566	23	1,463	1,352
	8.2						
		1,589	1,973	2,313	92	5,967	5,275
	9						
		161	161	161	161	644	568
	15						
		7,141	241	162	1,937	9,481	8,205
		-	-	-	-	-	184
		1,340	521	490	24	2,375	1,071
		6	6	5	-	17	
		13,264	-	-	-	13,264	8,045
	10.3						
		-	1,920	-	-	1,920	-
	5.2.3						
		-	-	-	-	-	(108,565)
		118,462	93,600	78,301	6,324	296,687	166,601
		3,341	664,408	873,724	88,036	1,629,509	193,110
		3,761	(3,883)	226,405	47,955	274,238	46,759
		7,102	660,525	1,100,129	135,991	1,903,747	239,869
		-	-	-	-	-	-
	22	7,102	660,525	1,100,129	135,991	1,903,747	239,869
		-	-	-	-	-	-
		7,102	660,525	1,100,129	135,991	1,903,747	239,869
		-	-	-	-	-	-
		7,102	660,525	1,100,129	135,991	1,903,747	239,869

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

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director

	For the year ended June 30, 2023				Total	For the year ended June 30, 2022	
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund			
Note ----- (Rupees in '000) -----							
CASH FLOW FROM OPERATING ACTIVITIES							
Net income for the year before taxation	7,102	660,525	1,100,129	135,991	1,903,747	239,869	
Adjustments:							
Unrealised diminution / (appreciation) on 're-measurement of investments at 'fair value through profit or loss' - net	5.1 & 5.2	93,961	16,242	(1,193)	-	109,010	536,134
Unrealised appreciation on investment in gold	5.4	-	-	-	(84,388)	(84,388)	(30,701)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net		(3,761)	3,883	(226,405)	(47,955)	(274,238)	(46,759)
		97,302	680,650	872,531	3,648	1,654,131	698,543
(Increase) / decrease in assets							
Investments - net		862,580	114,776	(2,749,932)	(126,323)	(1,898,899)	27,879
Receivable against sale of investments		15,928	-	-	-	15,928	(8,232)
Dividend receivable		(83)	-	-	-	(83)	20,719
Deposits and other receivables		981	(52,498)	(122,339)	(7,039)	(180,895)	(27,119)
		879,406	62,278	(2,872,271)	(133,362)	(2,063,949)	13,247
Increase / (decrease) in liabilities							
Payable to Al Meezan Investment Management Limited - Pension fund Manager		2,151	5,863	7,417	101	15,532	1,357
Payable to Central Depository Company of Pakistan Limited - Trustee		(79)	(2)	229	16	164	32
Payable to Securities and Exchange Commission of Pakistan		(408)	161	902	37	692	1,280
Payable to auditors		18	18	18	18	72	(20)
Payable against purchase of investments		(13,579)	-	-	-	(13,579)	8,979
Accrued expenses and other liabilities		4,504	1,029	33	255	5,821	(118,351)
		(7,393)	7,069	8,599	427	8,702	(106,723)
Net cash generated from / (used in) operating activities		969,315	749,997	(1,991,141)	(129,287)	(401,116)	605,067
CASH FLOW FROM FINANCING ACTIVITIES							
Receipts of contribution / change of plan / change of fund manager / issuance of units		2,160,962	2,999,557	6,289,369	238,843	11,688,731	7,201,668
Payments on withdrawal / change of plan		(3,288,892)	(3,424,402)	(3,455,501)	(78,058)	(10,246,853)	(6,680,035)
Net cash (used in) / generated from financing activities		(1,127,930)	(424,845)	2,833,868	160,785	1,441,878	521,633
Net (decrease) / increase in cash and cash equivalents during the year		(158,615)	325,152	842,727	31,498	1,040,762	1,126,700
Cash and cash equivalents at beginning of the year		252,715	1,421,580	3,187,630	36,604	4,898,529	3,771,829
Cash and cash equivalents at end of the year	4	94,100	1,746,732	4,030,357	68,102	5,939,291	4,898,529

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



Meezan Tahaffuz Pension Fund
Statement of Movement in Participants' Sub Funds
For the year ended June 30, 2023

	For the year ended June 30, 2023				Total	For the year ended June 30, 2022
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
----- (Rupees in '000) -----						
Net assets at beginning of the year	4,592,545	5,012,235	4,306,627	166,727	14,078,134	13,359,776
Amount received on issuance of units (2023: Equity sub fund: 4,465,040 units; Debt sub fund: 9,248,608 units; Money market sub fund: 19,938,853 units; and Gold sub fund: 920,887 units) (2022: Equity sub fund: 3,412,731 units; Debt sub fund: 8,657,338 units; Money market sub fund: 10,017,821 units; and Gold sub fund: 249,216 units)	2,160,962	2,999,557	6,305,018	238,843	11,704,380	7,180,246
Amount paid on withdrawal of units (2023: Equity sub fund: 6,816,958 units; Debt sub fund: 10,629,464 units; Money market sub fund: 10,982,524 units; and Gold sub fund: 347,481 units) (2022: Equity sub fund: 4,177,582 units; Debt sub fund: 7,618,479 units; Money market sub fund: 7,804,467 units; and Gold sub fund: 252,280 units)	(3,299,168)	(3,424,147)	(3,453,892)	(78,051)	(10,255,258)	(6,654,998)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net	(3,761)	3,883	(226,405)	(47,955)	(274,238)	(46,759)
Net realised (loss) / gain on sale of investments	(164,338)	(12,318)	1,356	-	(175,300)	(275,408)
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss' - net	(93,961)	(16,242)	1,193	-	(109,010)	(536,134)
Unrealised appreciation on investment in gold	-	-	-	84,388	84,388	30,701
Other net income for the year	265,401	689,085	1,097,580	51,603	2,103,669	1,020,710
	7,102	660,525	1,100,129	135,991	1,903,747	239,869
Net assets at end of the year	3,457,680	5,252,053	8,031,477	415,555	17,156,765	14,078,134

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director

	For the year ended June 30, 2023								Total	For the year ended June 30, 2022
	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	4,465,040	2,160,962	9,248,608	2,999,557	19,938,853	6,305,018	920,887	238,843	11,704,380	7,180,246

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

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

Chief Executive

Chief Financial Officer

Director



Meezan Tahaffuz Pension Fund
Statement of Number of Units in Issue
For the year ended June 30, 2023

	For the year ended June 30, 2023			
	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	9,458,521	16,451,282	14,695,470	846,664
Add: Units issued / converted / reallocated during the year	4,465,040	9,248,608	19,938,853	920,887
Less: Units redeemed / converted / reallocated during the year	(6,816,965)	(10,629,464)	(10,982,524)	(347,481)
Total units in issue at the end of the year	<u>7,106,596</u>	<u>15,070,426</u>	<u>23,651,799</u>	<u>1,420,070</u>

	For the year ended June 30, 2022			
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund
	----- (Number of units) -----			
Total units in issue at beginning of the year	10,223,372	15,412,423	12,482,116	849,728
Add: Units issued / converted / reallocated during the year	3,412,731	8,657,338	10,017,821	249,216
Less: Units redeemed / converted / reallocated during the year	(4,177,582)	(7,618,479)	(7,804,467)	(252,280)
Total units in issue at the end of the year	<u>9,458,521</u>	<u>16,451,282</u>	<u>14,695,470</u>	<u>846,664</u>

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director

Meezan Tahaffuz Pension Fund
Notes to the Financial Statements
For the year ended June 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

1.2 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah.

1.3 The Fund is an unlisted pension scheme. Units are offered for public subscription on a continuous basis. The units are non-transferable and can be redeemed by surrendering them to the Fund at the option of the participants.

1.4 Title to the assets of the Sub Funds is held in the name of CDC as a Trustee of the Fund.

1.5 Meezan Bank Limited acts as Shariah Advisor of the Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.6 The Pension Fund Manager has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 30, 2022 (2022: AM1 dated December 27, 2021) and by PACRA dated June 23, 2023 (2021: AM1 dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.7 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (the VPS Rules), Voluntary Pension System Part V (NBFC Regulations, 2008) and requirements of the trust deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed differ from the IFRS standards, provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed have been followed.

2.1.2 The SECP vide SRO 800 (I)/2021 dated June 22, 2021 modified the effective date for applicability of International Financial Reporting Framework 9 for Non-Banking Finance Companies and Modarabas, as "Reporting period/year ending on or after June 30, 2022 (earlier application permitted)". However, as permitted the Fund had already applied the IFRS-9 during the year ended June 30, 2019 with the exception of below mentioned impairment requirements (refer note 2.1.3).

2.1.3 The SECP vide letter ref SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of International Financial Reporting Standard (IFRS) 9 "Financial Instruments" in relation to debt securities for mutual funds. Accordingly, the impairment requirements of IFRS 9 have not been considered for debt securities and requirements of SECP Circular 33 of 2012 have continued to be followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

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

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

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

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

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

a) New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

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

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

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

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

	Effective from Accounting period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

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

3.1.1 Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.1.2 Classification and subsequent measurement

3.1.2.1 Classification of financial assets

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

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

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

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

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

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

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

Business model assessment

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

- (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 Schedule II of VPS Rules 2005.

4. BANK BALANCES

	Note	2023				2022	
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	
		(Rupees in '000)					
Current accounts		10,456	35	34	-	10,525	7,121
Savings accounts	4.1	83,644	1,746,697	4,030,323	68,102	5,928,766	4,891,408
		94,100	1,746,732	4,030,357	68,102	5,939,291	4,898,529

4.1 The balance in savings accounts carry expected profit which ranges from 4.02% To 20.5% (2022: 3.00% to 16.40%) per annum.

5. INVESTMENTS

	Note	2023				2022
		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	3,405,730	-	-	3,405,730	4,362,271
Sukuk certificates	5.2	-	2,976,618	3,120,236	6,096,854	4,475,727
		3,405,730	2,976,618	3,120,236	9,502,584	8,837,998
At amortised cost						
Term deposit receipts / COMs	5.3	-	400,000	700,000	1,100,000	100,000
Less: Provision for impairment losses	5.2.3	-	(2,283)	(771)	(3,054)	(2,034)
		3,405,730	3,374,335	3,819,465	10,599,530	8,935,964

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 2022	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	(Number of shares)				(Rupees in '000)				(%)	
Automobile Assembler										
Millat Tractors Limited	175,473	-	22,881	198,354	-	-	-	-	-	-
Gandhara Industries Limited	28,200	-	-	28,200	-	-	-	-	-	-
Commercial Bank										
BankIslami Pakistan Limited	9,316,000	2,731,500	-	2,040,000	10,007,500	123,375	177,733	54,358	5.14	0.90
Meezan Bank Limited	2,566,180	493,000	266,618	818,074	2,507,724	258,599	216,592	(42,007)	6.26	0.15
									11.40	1.06
Cement										
Lucky Cement Limited	435,956	411,002	-	456,299	390,659	183,095	203,959	20,864	5.90	0.09
Maple Leaf Cement Factory Limited	2,213,042	2,100,000	-	2,642,500	1,670,542	45,443	47,326	1,883	1.37	0.52
Kohat Cement Company Limited	713,320	172,500	-	50,000	835,820	114,204	144,990	30,786	4.19	0.08
Cherat Cement Company Limited	799,100	685,000	-	188,900	1,295,200	133,997	155,787	21,790	4.51	0.64
Pioneer Cement	-	520,000	-	-	520,000	35,489	45,048	9,559	1.30	0.23
									17.27	1.56
Chemical										
Dynea Pakistan Limited (Face value of Rs. 5 each)	120,500	-	-	97,900	22,600	3,931	2,848	(1,083)	0.08	-
Engro Polymer & Chemicals Limited	915,209	-	-	915,209	-	-	-	-	-	4.85
Lucky Core Industries (formerly known as ICI Pakistan Limited)	110,320	46,100	-	30,000	126,420	90,944	76,375	(14,569)	2.21	0.00
Power Cement Limited	-	-	-	-	-	-	-	-	-	-
									2.29	4.85
Engineering										
International Steels Limited	-	100,000	-	100,000	-	-	-	-	-	0.76
International Industries Limited	-	50,000	-	50,000	-	-	-	-	-	0.01
Mughal Iron & Steel Industries	1,152,680	400,000	-	1,552,680	-	-	-	-	-	1.18
									-	1.95
Fertilizer										
Engro Corporation Limited (note 5.1.1)	867,952	525,300	-	325,000	1,068,252	13,876	12,920	(956)	0.37	0.06
Engro Fertilizers Limited	2,209,445	-	-	2,052,898	156,547	289,246	277,628	(11,618)	8.03	0.15
									8.40	0.21
Food and Personal Care Products										
National Foods Limited (Face value of Rs. 5)	66,400	318,000	-	181,400	203,000	17,255	19,975	2,720	0.58	0.16
Al-Shaheer Corporation Limited	33,160	-	-	-	33,160	300	240	(60)	0.01	-
At- Tahir Limited	1,797,840	-	169,784	274,000	1,693,624	29,361	27,877	(1,484)	0.81	0.14
The Organic Meat Company Limited	-	942,500	4,875	125,000	822,375	18,789	17,089	(1,700)	0.49	0.01
Nestle Pakistan Limited	-	2,920	-	-	2,920	17,833	18,827	994	0.54	-
									2.43	0.31
Glass & Ceramics										
Ghani Glass Limited	623,650	-	-	623,650	-	-	-	-	-	0.07
Tariq Glass Industries	-	270,440	30,110	300,500	50	5	3	(2)	0.00	0.13
									0.00	0.20

Name of the investee company	As at 01 July 2022	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	(Number of shares)				(Rupees in '000)					(%)
Oil and Gas Exploration Companies										
Oil and Gas Development Company Limited	3,697,500	1,431,500	-	1,100,000	4,029,000	326,016	314,262	(11,754)	9.09	0.03
Pakistan Oilfields Limited (note 5.1.2)	439,733	60,000	-	457,300	42,433	17,222	17,048	(174)	0.49	0.16
Pakistan Petroleum Limited	3,595,538	2,277,500	-	1,505,000	4,368,038	301,995	258,326	(43,669)	7.47	0.06
Mari Petroleum Company Limited	334,292	23,800	-	59,391	298,701	517,153	452,425	(64,728)	13.08	0.04
									30.14	0.29
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	1,087,056	192,000	-	413,000	866,056	143,003	96,141	(46,862)	2.78	0.09
Attock Petroleum Limited	91,844	-	22,961	-	114,805	29,510	34,470	4,960	1.00	-
Sui Northern Gas Pipelines Limited	2,093,600	730,000	-	315,000	2,508,600	88,577	98,764	10,187	2.86	-
Hascol Petroleum Limited	2,588	-	-	-	2,588	11	14	3	0.00	-
									6.63	0.09
Paper and Board										
Packages Limited	197,051	14,600	-	74,300	137,351	54,621	53,421	(1,200)	1.54	0.08
Century Paper & Board Mills	728,085	503,000	1,130,722	-	2,361,807	73,953	66,697	(7,256)	1.93	-
									3.47	0.08
Pharmaceuticals										
Haleon Pakistan Limited	110,300	-	-	110,300	-	-	-	-	-	0.09
The Searle Company Limited	165,694	-	20,173	160,000	25,867	2,256	991	(1,265)	0.03	0.02
Highnoon Laboratories Limited	48,382	-	12,821	-	61,203	25,636	20,575	(5,061)	0.60	-
GlaxoSmithKline Pakistan Limited	292,200	-	-	292,200	-	-	-	-	-	-
									0.62	0.11
Power Generation & Distribution										
The Hub Power Company Limited	3,027,543	3,175,000	-	3,583,000	2,619,543	182,461	182,268	(193)	5.27	0.28
K-Electric Limited (Face value Rs. 3.5)	14,355,500	5,500,000	-	7,118,268	12,737,232	39,176	21,908	(17,268)	0.63	0.07
									5.90	0.35
Refinery										
Attock Refinery Limited	385,500	-	-	385,500	-	-	-	-	-	-
National Refinery Limited	177,204	-	-	177,204	-	-	-	-	-	-
Textile Composite										
Nishat Mills Limited	455,800	-	-	455,800	-	-	-	-	-	0.13
Feroze1888 Mills Limited	144,500	-	-	144,500	-	-	-	-	-	0.04
Interloop Limited	2,086,832	569,648	478,009	1,972,792	1,161,697	46,039	40,961	(5,078)	1.18	0.22
Kohinoor Textile	564,500	-	-	70,000	494,500	24,725	25,175	450	0.73	0.02
									1.91	0.41
Technology & Communication										
Systems Limited	774,030	240,000	-	355,000	659,030	242,669	265,807	23,138	7.69	0.26
Airlink Communication Limited	266,762	-	-	266,762	-	-	-	-	-	0.19
Avanceon Limited	-	50,000	-	50,000	-	-	-	-	-	0.02
									7.69	0.47
Miscellaneous										
Pakistan Aluminium Beverages Cans Limited	234,000	300,000	-	285,000	249,000	8,926	11,260	2,334	0.33	0.31
Total					54,093,844	3,499,691	3,405,730	(93,961)	0.33	0.31

Name of the investee company	As at 01 July 2022	Purchases during the year	Bonus / Rights issue during the year	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023	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)					
5.1.1	160,000 shares (June 30, 2022: 160,000 shares) of Engro Corporation Limited having market value of Rs 41.58 million as at June 30, 2023 (2022: Rs. 41.13 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, 2022: 25,000 shares) of Pakistan Oilfields Limited having market value of Rs. 10.05 million as at June 30, 2023 (June 30, 2022: Rs. 10.15 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, 2023, 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, 2022	Purchases during the year	Sales / Matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023	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	500	-	-	500	-	-	-	-
Banks									
Dubai Islamic Bank Pakistan Limited	5.2.1.1	57	-	57	-	-	-	-	-
Dubai Islamic Bank Pakistan Limited Tier Sukuk	5.2.1.1	-	78	-	78	78,000	78,107	107	1.49
Pharmaceuticals									
OBS AGP (Private) Limited	5.2.1.1	820	-	-	820	66,958	66,758	(200)	1.27
Power Generation & Distribution									
K-Electric Limited-Short Term Sukuk (IV)	5.2.1.1	100	-	100	-	-	-	-	-
K-Electric Limited-Short Term Sukuk (V)	5.2.1.1	500	-	500	-	-	-	-	-
K-Electric Limited-Short Term Sukuk (IX)	5.2.1.1	-	100	100	-	-	-	-	-
K-Electric Limited-Short Term Sukuk (X)	5.2.1.1	-	100	100	-	-	-	-	-
The Hub Power Holding Limited	5.2.1.1	2,000	-	-	2,000	200,000	205,260	5,260	3.91
Cement & Construction									
Javedan Corporation Limited	5.2.1.1	1,000	-	-	1,000	57,913	57,167	(746)	1.09
Steel & Allied Products									
Agha Steels Industries Limited	5.2.1.1	50	-	-	50	35,631	34,238	(1,393)	0.65
Chemicals									
Engro Polymer & Chemicals Limited	5.2.1.1	1,500	-	1,500	-	-	-	-	-
Miscellaneous									
Shakarganj Foods Product Limited	5.2.1.1 & 5.2.6	18	-	-	18	8,460	8,042	(418)	0.15

Name of the Security		As at July 01, 2022	Purchases during the year	Sales / Matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023	Market value as a percentage of Net Assets
Note		-----Number of certificates-----			(Rupees in '000)			-----%	
Government Securities									
Pakistan Energy Sukuk I	5.2.1.1 & 5.2.3	110,000	-	-	110,000	587,400	587,400	-	11.18
Pakistan Energy Sukuk II	5.2.1.1 & 5.2.3	92,000	20,000	40,000	72,000	361,820	360,072	(1,748)	6.86
GOP-Ijarah sukuk XXIII VRR	5.2.1.1	-	500	-	500	49,925	49,700	(225)	0.95
GOP-Ijarah sukuk XXIV VRR	5.2.1.1	3,350	2,000	3,140	2,210	220,468	220,356	(112)	4.20
GOP-Ijarah sukuk XXVI VRR	5.2.1.1	3,500	4,500	3,500	4,500	447,840	446,662	(1,178)	8.50
GOP-Ijarah sukuk XXVII Fixed	5.2.1.1	2,000	2,000	4,000	-	-	-	-	-
GOP-Ijarah sukuk XXVII Fixed	5.2.1.1	2,500	-	-	2,500	240,000	225,208	(14,792)	4.29
GOP-Ijarah sukuk XXVIII VRR	5.2.1.1	-	11,200	6,500	4,700	469,662	468,747	(915)	8.93
GOP Ijarah sukuk XXX II Fixed	5.2.1.1	-	1,000	835	165	16,500	16,518	18	0.31
GOP Ijarah sukuk XXXI VRR	5.2.1.1	-	1,500	-	1,500	150,000	150,100	100	2.86
Non-Performing Investments	5.2.3					2,283	2,283	-	
Total						2,992,860	2,976,618	(16,242)	

5.2.1.1 Significant terms and conditions of Sukuk certificates outstanding as at June 30, 2023 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
Eden Housing Limited	984	-	31-Dec-07	31-Dec-12
Security Leasing Corporation Limited II	5,000	-	19-Sep-07	19-Sep-12
Dubai Islamic Bank Pakistan Limited Tier Sukuk	1,000,000	6 months KIBOR + 0.70%	02-Dec-22	01-Dec-32
OBS AGP (Private) Limited	100,000	3 months KIBOR + 1.55%	15-Jul-21	15-Jul-26
The Hub Power Holding Limited	100,000	6 months KIBOR + 2.5%	12-Nov-20	12-Nov-25
Javedan Corporation Limited	100,000	6 months KIBOR + 1.75%	04-Oct-18	04-Oct-26
Agha Steels Industries Limited	1,000,000	3 months KIBOR + 0.80%	09-Oct-18	09-Oct-25
Shakarganj Foods Product Limited	1,000,000	3 months KIBOR + 1.75%	10-Jul-18	10-Jul-25
Pakistan Energy Sukuk I	5,000	6 months KIBOR + 0.80%	01-Mar-19	01-Mar-29
Pakistan Energy Sukuk II	5,000	6 months KIBOR + 0.01%	21-May-19	21-May-30
GOP-Ijarah sukuk 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
GOP-Ijarah sukuk XXVI VRR	100,000	Weighted average yield of 6 months T-Bills	29-Oct-21	29-Oct-26
GOP-Ijarah sukuk XXVII Fixed	100,000	Weighted average yield of 6 months T-Bills	15-Dec-21	15-Dec-26
GOP-Ijarah sukuk XXVIII VRR	100,000	Weighted average yield of 6 months T-Bills	26-Oct-22	26-Oct-27
GOP Ijarah sukuk XXX II Fixed	100,000	Weighted average yield of 6 months T-Bills	17-Apr-23	17-Apr-24
GOP Ijarah sukuk XXXI VRR	100,000	Weighted average yield of 6 months T-Bills	22-May-23	22-May-24

5.2.2 Held by Money Market Sub-Fund

Name of the Security		As at July 01, 2022	Purchases during the year	Sales / Matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised loss as at June 30, 2023	Market value as a percentage of Net Assets
Note		-----Number of certificates-----				(Rupees in '000)			-----%
Leasing Companies									
Security Leasing Corporation Limited II	5.2.2.1	500	-	-	500	-	-	-	-
Power Generation & Distribution									
China Power Hub Generation Company	5.2.2.1	-	550	550	-	-	-	-	-
China Power Hub Generation Company 2	5.2.2.1	-	500	-	500	500,000	500,000	-	6.23
K-Electric Limited- Short Term Sukuk (III)	5.2.2.1	200	-	200	-	-	-	-	-
K-Electric Limited- Short Term Sukuk (IV)	5.2.2.1	70	-	70	-	-	-	-	-
K-Electric Limited- Short Term Sukuk (VII)	5.2.2.1	-	200	200	-	-	-	-	-
K-Electric Limited- Short Term Sukuk (IX)	5.2.2.1	-	70	70	-	-	-	-	-
K-Electric Limited- Short Term Sukuk (X)	5.2.2.1	-	400	400	-	-	-	-	-
Textile									
Nishat Mills Limited	5.2.2.1	-	250	250	-	-	-	-	-
Government Securities									
GOP-Ijarah sukuk XXIV VRR	5.2.2.1	4,000	3,000	3,000.00	4,000	399,030	398,833	(197)	4.97
GOP-Ijarah sukuk XXVI VRR	5.2.2.1	2,000	8,000	2,250	7,750	767,943	769,251	1,309	9.58
GOP-Ijarah sukuk XXVII VRR	5.2.2.1	2,000	2,000	4,000	-	-	-	-	-
GOP-Ijarah sukuk XXVIII VRR	5.2.2.1	-	7,000	4,487	2,513	251,300	250,630	(670)	3.12
GOP-Ijarah sukuk XXX VRR	5.2.2.1	-	5,000	-	5,000	500,000	500,284	284	6.23
GOP-Ijarah sukuk XXXI VRR	5.2.2.1	-	7,000	-	7,000	700,000	700,467	467	8.72
Non-Performing Investments									
	5.2.3					771	771	-	
Total						3,119,044	3,120,236	1,193	

5.2.2.1 Significant terms and conditions of Sukuk certificates outstanding as at June 30, 2023 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)
Security Leasing Corporation Limited II	5,000	-
China Power Hub Generation Co. Ltd.	1,000,000	6 months KIBOR + 0.7%
GOP-Ijarah sukuk XXIV VRR	100,000	Weighted average yield of 6 months T-Bills
GOP-Ijarah sukuk XXVI VRR	100,000	Weighted average yield of 6 months T-Bills
GOP-Ijarah sukuk XXVIII VRR	100,000	Weighted average yield of 6 months T-Bills
GOP-Ijarah sukuk XXX VRR	100,000	Weighted average yield of 6 months T-Bills
GOP-Ijarah sukuk XXXI VRR	100,000	Weighted average yield of 6 months T-Bills

5.2.3 The agreement with the Securities Leasing Corporation Limited (SLCL) had been amended on 19 February 2012. In accordance with the revised terms no mark-up is payable on the said sukuk with the approval of the contributories to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 03, 2012. Therefore, in accordance with the requirement of SECP's circular No. 33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy, amount of Rs. 1.542 million (June 30, 2021: Rs. 1.542 million) in both debt and money market sub fund has also been held as a provision against principal as at June 30, 2023.

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

On April 26, 2023, sukuk certificates of Shakarganj Food Products Limited have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 1.920 million (June 30, 2022: nil) have also been held as provision against the outstanding principal as at June 30, 2023.

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	-
	Shakarganj Food Products Limited	Non-traded sukuk	8,042	1,020	7,022
			<u>9,305</u>	<u>2,283</u>	<u>7,022</u>
Money Market Sub Fund					
	Security Leasing Corporation Limited II	Non-traded sukuk	771	771	-

5.2.4 As at June 30, 2023, rating of Shakarganj Foods Product Limited was BBB+ which is lower than the minimum prescribed rating, which at the time of investment was compliant with SECP criteria and investment policy of the Fund.

5.3 Term deposit receipts / certificate of modaraba - 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, 2022	TDR's placed during the year	Matured during the year	As at June 30,2023	Market Value as a Percentage of Net Assets
(Rupees in '000)								
OLP Modaraba (formerly Orix Modaraba)	AA	July 29, 2022	15.86%	100,000	-	100,000	-	-
OLP Modaraba (formerly Orix Modaraba)	AA	October 28, 2022	16.12%	-	100,000	100,000	-	-
OLP Modaraba (formerly Orix Modaraba)	AA	January 27, 2023	16.98%	-	300,000	300,000	-	-
United Bank Limited	AAA	December 14, 2022	15.80%	-	400,000	400,000	-	-
OLP Modaraba (formerly Orix Modaraba)	AA	April 27, 2023	21.75%	-	300,000	300,000	-	-
OLP Modaraba (formerly Orix Modaraba)	AA	May 3, 2023	21.75%	-	100,000	100,000	-	-
OLP Modaraba (formerly Orix Modaraba)	AA	July 27, 2023	22.71%	-	300,000	-	300,000	5.71
OLP Modaraba (formerly Orix Modaraba)	AA	August 3, 2023	22.74%	-	100,000	-	100,000	1.90
				<u>100,000</u>	<u>1,600,000</u>	<u>1,300,000</u>	<u>400,000</u>	



Name of the Bank	Rating	Maturity date	Profit rate per annum	As at July 01, 2022	TDR's placed during the year	Matured during the year	As at June 30, 2023	Market Value as a Percentage of Net Assets
----- (Rupees in '000) -----								-----%-----
5.3.2 Held by Money Market Sub-Fund								
Meezan Bank Limited	AAA	August 29, 2022	14.15%	-	400,000	400,000	-	-
Meezan Bank Limited	AAA	December 23, 2022	15.50%	-	500,000	500,000	-	-
Meezan Bank Limited	AAA	December 30, 2022	15.50%	-	500,000	500,000	-	-
Meezan Bank Limited	AAA	January 13, 2023	15.50%	-	500,000	500,000	-	-
United Bank Limited	AAA	December 14, 2022	15.80%	-	500,000	500,000	-	-
United Bank Limited	AAA	January 13, 2023	15.70%	-	500,000	500,000	-	-
Meezan Bank Limited	AAA	April 7, 2023	19.50%	-	600,000	600,000	-	-
Faysal Bank Limited	AA	April 7, 2023	18.25%	-	600,000	600,000	-	-
Meezan Bank Limited	AAA	June 23, 2023	19.90%	-	600,000	600,000	-	-
United Bank Limited	AAA	January 27, 2023	15.25%	-	500,000	500,000	-	-
Meezan Bank Limited	AAA	January 27, 2023	15.50%	-	500,000	500,000	-	-
Faysal Bank Limited	AA	February 3, 2023	15.25%	-	500,000	500,000	-	-
Meezan Bank Limited	AAA	March 17, 2023	16.50%	-	500,000	500,000	-	-
Faysal Bank Limited	AA	February 17, 2023	15.60%	-	500,000	500,000	-	-
Faysal Bank Limited	AA	March 3, 2023	15.75%	-	500,000	500,000	-	-
United Bank Limited	AAA	March 28, 2023	17.45%	-	600,000	600,000	-	-
Habib Bank Limited	AAA	March 29, 2023	18.50%	-	600,000	600,000	-	-
Meezan Bank Limited	AAA	May 5, 2023	20.15%	-	600,000	600,000	-	-
Faysal Bank Limited	AA	May 8, 2023	19.25%	-	600,000	600,000	-	-
United Bank Limited	AAA	April 28, 2023	19.00%	-	600,000	600,000	-	-
Meezan Bank Limited	AAA	June 16, 2023	20.15%	-	600,000	600,000	-	-
Faysal Bank Limited	AA	June 14, 2023	20.00%	-	600,000	600,000	-	-
Bank Al Falah	AA+	August 23, 2023	20.50%	-	700,000	-	700,000	8.72
				-	12,600,000	11,900,000	700,000	

5.4 Investment in gold	As at July 01, 2022	Purchases during the year	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain as at June 30, 2023	Market Value as a Percentage of Net Assets
	----- (Quantity in Tola) -----				----- (Rupees'000) -----			-----%-----
Tola Gold	926	531	-	1,457	256,468	340,856	84,388	82.02
Total	926	531	-	1,457	256,468	340,856	84,388	

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

5.4.2 The investment in gold of Rs. 340.856 million has been measured at fair value based on the quoted market price in active markets.

6. DEPOSITS AND OTHER RECEIVABLES

	2023					2022
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
Note	----- (Rupees in '000) -----					
Security deposits	2,600	100	100	-	2,800	2,800
Profit receivable on saving accounts with banks and Term Deposits /COMs	414	41,099	67,203	1,080	109,796	56,315
Profit receivable on sukuks certificates	-	111,752	114,436	-	226,188	105,024
Advance tax	4,747	-	-	-	4,747	4,747
Advance against investment	-	-	-	6,250	6,250	-
	7,761	152,951	181,739	7,330	349,781	168,886

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

	Note	2023					2022
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
----- (Rupees in '000) -----							
Management remuneration	7.1	1,136	589	882	89	2,696	1,957
Sindh Sales Tax on management fee	7.2	148	77	115	12	352	254
Allocated Expense	7.3	1,726	4,837	4,086	38	10,687	618
Sales Load Payable		513	1,020	2,560	-	4,093	-
Sindh Sales Tax on sales load payable		67	133	333	-	533	-
		3,590	6,656	7,976	139	18,361	2,829

- 7.1 As per regulation 67F of NBFC Regulation, 2008, Al Meezan Investment Management Limited, the Pension Fund Manager of the Fund is allowed to charge an annual management fee of the average of the values of the net assets of each of the Sub-Fund calculated for determining the prices of the units of the Sub-Funds with allowed expense ratio limit. Accordingly, the Pension Fund Manager has charged management fee at the following rates of the average daily net assets of the Sub-Funds. (June 30, 2022: 1.5% & 0.5%).

	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund
From July 01, 2022 till April 30, 2023				1.50%
From May 01, 2023 till June 30, 2023	1.50%	0.50%	0.50%	1.15%

- 7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through Sindh Sales Tax Act, 2011 effective from July 01, 2011.
- 7.3 As per S.R.O.1068(I)/2021 dated August 23, 2021 the SECP made an amendment in Non-Banking Finance Companies and Notified Entities Regulations, 2008, adjoined "Voluntary Pension System" as Part V of NBFC Regulations, 2008. In accordance with Regulation 67G(3), Pension Fund Manager may charge the eligible expense as given in sub-regulation (2) and (3) of the regulation 60 to pension fund.

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

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

	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund
From July 01, 2022 till June 30, 2023	0.61%	1.15%	0.65%	0.11%

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

	Note	2023				Total	2022 Total
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
		(Rupees in '000)					
Trustee fee	8.1	212	313	466	25	1,016	872
Sindh Sales Tax on Remuneration of the Trustee	8.2	28	41	61	3	133	113
		240	354	527	28	1,149	985

- 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, 2023 is as follows:

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

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

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

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one twenty-fifth of 1% (June 30, 2022 : one thirtieth of 1%) of average annual net asset value of the Fund.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2023				Total	2022 Total
		Equity-sub fund	Debt-sub fund	Money Market sub-fund	Gold sub- fund		
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	13,274	-	-	-	13,274	7,967
Brokerage payable		663	78	44	-	785	1,546
Custodian Charges Payable		-	-	-	388	388	133
Provision Against Sukuks		-	1,020	-	-	1,020	-
Amount received against units to be issued		-	-	-	-	-	-
		31,173	10,876	2,735	388	45,172	39,351

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, 2023 would have been higher by Rs. 2.17 (June 30, 2022: Rs. 1.82) per unit, Re. 0.59 (June 30, 2022: Re. 0.59) per unit and Re. 0.10 (June 30, 2022: Re. 0.18) per unit for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

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

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

10.3 Charity payable

According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of such investees has been made in shariah non-compliant avenues, such proportion of income of the Fund from those investees should be given away for charitable purposes directly by the Fund. Accordingly, an amount of Rs. 13.27 million (2022: Rs. 7.96 million) is outstanding in this regard after making charity payments of Rs 7.96 million (2022: Rs 8.8 million) to renowned charitable institutions. None of the directors of the Pension Fund Manager of the Fund were interested in any of the donee.

11. OTHER INCOME - GOLD SUB FUND

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. CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022

14. EXPENSE RATIO

	2023			
	Equity Sub Fund	Debt Sub Fund	Money Market	Gold Sub Fund
Total Expense ratio (including government levies)	2.98%	1.90%	1.35%	2.73%
Government levies	0.27%	0.12%	0.12%	0.23%

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

15. AUDITORS' REMUNERATION

	2023					2022
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
----- (Rupees in '000) -----						
Audit fee	84	84	84	84	336	272
Half yearly review	73	73	73	73	292	272
Out of pocket expenses	6	6	6	6	24	24
	163	163	163	163	652	568

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

16.5 Amount outstanding as at year end are as follows:

	2023					2022
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
----- (Rupees in '000) -----						
AI Meezan Investment Management Limited						
(AI Meezan) - Pension Fund Manager						
Remuneration payable	1,136	589	882	89	2,696	1,957
Sindh Sales Tax on management fee	148	77	115	12	352	254
Allocated expense payable	1,726	4,837	4,086	38	10,687	618
Investments as at June 30, 2023: (Equity sub fund: 260,077 units; Gold Sub Fund: 174,735) as at June 30, 2022 (Equity sub fund: 260,077 units; Gold Sub Fund: 174,735 units)	126,539	-	-	51,133	177,672	160,688
Meezan Bank Limited (MBL)						
Bank balance	14,088	23,734	2,329	2,786	42,937	72,723
Profit receivable on saving account	140	219	26	149	534	250
Investment in shares as at June 30, 2023: 2,507,724 (June 30, 2022: 2,566,180 shares)	216,592	-	-	-	216,592	289,927
Central Depository Company of Pakistan Limited (CDC) - Trustee						
Trustee fee payable	212	313	466	25	1,016	872
Sindh Sales Tax on trustee fee payable	28	41	61	3	133	113
Deposits	100	100	100	-	300	300
Directors and Executives of the Pension Fund Manager						
Investments as at June 30, 2023: (Equity sub fund: 1,024,787 units; Debt Sub Fund: 292,433 units; Money Market Sub Fund: 1,035,283 units; Gold Sub Fund: 511,395 Units) as at June 30, 2022: (Equity sub fund: 1,155,590 units; Debt sub fund: 917,690 units; Money Market sub fund: 289,825 units; Gold Sub Fund : 254,439 units)	498,605	101,913	351,553	149,650	1,101,721	975,726

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

	2023					2022
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total
----- (Rupees in '000) -----						
AI Meezan Investment Management Limited						
(AI Meezan) - Pension Fund Manager						
Remuneration for the year	59,590	24,657	28,909	3,238	116,394	173,168
Sindh Sales Tax on management fee	7,747	3,205	3,758	421	15,131	22,513
Allocated expense for the year	24,233	56,711	37,582	254	118,780	44,376
Units redeemed / reallocated	-	-	-	-	-	20,000
Meezan Bank Limited (MBL)						
Profit on savings account	2,803	842	665	620	4,930	2,865
Purchase of 493,000 shares	53,150	-	-	-	53,150	101,549
Sale of 818,074 shares	87,779	-	-	-	87,779	2,955
Bonus Shares 266,618 shares	-	-	-	-	-	-
Dividend income for the year	25,551	-	-	-	25,551	14,636
Meezan Balanced Fund						
Purchase of Javedan Corporation Limited - sukuk	-	-	-	-	-	55,845
Central Depository Company of Pakistan Limited (CDC) - Trustee						
Remuneration for the year	3,001	3,721	4,355	174	11,251	10,409
Sindh Sales Tax on trustee fee	390	484	566	23	1,463	1,352
CDS Charges for the year	190	18	6	-	214	221
Directors and Executives of the Pension Fund Manager						
Units issued (Equity Sub Fund: 1,113,058 units; Debt Sub Fund: 1,236,235 units; Money Market Sub Fund: 1,572,575 units; Gold sub fund: 92,440 units)	543,837	400,747	498,419	21,586	1,464,589	1,171,056
Units redeemed / reallocated (Equity Sub Fund 1,502,338 units; Debt Sub Fund: 1,856,144 units; Money Market Sub Fund: 822,380 units; Gold sub fund: 10,799 units)	718,662	598,216	259,422	3,009	1,579,309	1,075,054

17. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

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

Risks managed and measured by the Fund are explained below:

17.1 Market risk

17.1.1 Price risk

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

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

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

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

In case of 5% increase / decrease in fair value on June 30, 2023, the net income for the year would increase / decrease by Rs. 170.286 million (net off SWWF) (2022: Rs. 218.113 million) and net assets of the Fund would increase / decrease by the same amount. The sensitivity analysis is based on the Fund's equity security as at the reporting date with all other variables held constant.

17.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

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

	2023			2022		
	Effect on net income			Effect on net income		
	Debt Sub-Fund	Money Market Sub-Fund	Total	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----					
Increase by 100 basis points	29,743	31,195	60,938	34,054	10,683	44,737
Decrease by 100 basis points	(29,743)	(31,195)	(60,938)	(34,054)	(10,683)	(44,737)

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association of Pakistan for the Government Ijarah Sukuks is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2023 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.

		Carrying amount	
		2023	2022
Note		----- (Rupees in 000) -----	
Term deposit receipts / COMs	5	<u>1,100,000</u>	100,000
		<u>1,100,000</u>	<u>4,991,408</u>

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

		Carrying amount	
		2023	2022
Note		----- (Rupees in 000) -----	
Savings accounts	4	<u>5,939,291</u>	4,891,408
Investments	5	<u>10,599,530</u>	8,935,964
		<u>16,538,821</u>	<u>13,827,372</u>
		Impact on profit before tax	
		100 bp	100 bp
		increase	decrease
		----- (Rupees) -----	
As at June 30, 2023			
Cash flow sensitivity - variable rate instruments		<u>165,388</u>	<u>(165,388)</u>
As at June 30, 2022			
Cash flow sensitivity - variable rate instruments		<u>138,274</u>	<u>(138,274)</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 2023							
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Note	
	Up to three months	More than three months and up to one year	More than one year				
On-balance sheet financial instruments							
Financial assets							
Bank balances	4	4.02% to 20.5%	5,928,766	-	-	10,525	5,939,291
Investments - at fair value through profit or loss							
- Listed equity securities	5.1		-	-	-	3,405,730	3,405,730
- Sukuk certificates	5.2		-	6,093,800	-	-	6,093,800
Investments - at amortised cost							
- Term deposit receipts / COMs	5.3		-	-	-	1,100,000	1,100,000
Receivable against sale of investments			-	-	-	-	-
Deposits and other receivables			-	-	-	341,584	341,584
Dividend receivable			-	-	-	1,103	1,103
Receivable against change of plan / change of fund manager / issuance of units			-	-	-	15,649	15,649
			5,928,766	6,093,800	-	4,874,591	16,897,157
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager			-	-	-	18,361	18,361
Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	-	1,149	1,149
Payable to auditors			-	-	-	344	344
Payable against purchase of investments			-	-	-	-	-
Payable against withdrawal / change of plan			-	-	-	18,452	18,452
Accrued expenses and other liabilities			-	-	-	14,447	14,447
			-	-	-	52,753	52,753
On-balance sheet gap			5,928,766	6,093,800	-	4,821,838	16,844,404
Off-balance sheet financial instruments			-	-	-	-	-
Off-balance sheet gap			-	-	-	-	-
Total interest rate sensitivity gap			5,928,766	6,093,800	-		
Cumulative interest rate sensitivity gap			5,928,766	12,022,566	12,022,566		

As at June 30, 2022							
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Note	
	Up to three months	More than three months and up to one year	More than one year				
On-balance sheet financial instruments							
Financial assets							
Bank balances	4	3.00% to 16.40%	4,891,408	-	-	7,121	4,898,529
Investments - at fair value through profit or loss							
- Listed equity securities	5		-	-	-	4,362,271	4,362,271
- Sukuk certificates	5		-	4,473,693	-	-	4,473,693
Investments - at amortised cost							
- Term deposits receipts / COMs			-	-	-	100,000	100,000
Receivable against sale of investments (net)			-	-	-	15,928	15,928
Deposits and other receivable			-	-	-	164,139	164,139
Dividend receivable			-	-	-	1,020	1,020
Receivable against change of plan / change of fund manager / issuance of units			-	-	-	-	-
			4,891,408	4,473,693	-	4,650,479	14,015,580
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager			-	-	-	1,957	1,957
Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	-	872	872
Payable to auditors			-	-	-	272	272
Payable against purchase of investments			-	-	-	13,579	13,579
Payable against withdrawal / change of plan			-	-	-	10,047	10,047
Accrued expenses and other liabilities			-	-	-	9,646	9,646
			-	-	-	36,373	36,373
On-balance sheet gap			4,891,408	4,473,693	-	4,614,106	13,979,207
Off-balance sheet financial instruments			-	-	-	-	-
Off-balance sheet gap			-	-	-	-	-
Total interest rate sensitivity gap			4,891,408	4,473,693	-		
Cumulative interest rate sensitivity gap			4,891,408	9,365,101	9,365,101		

17.1.3 Currency risk

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

17.2 Credit risk

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

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

Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The credit rating wise analysis of investment in debt instruments has been tabulated as follows:

	2023				2022			
	Debt sub fund		Money market sub fund		Debt sub fund		Money market sub fund	
	(Rs. in '000)	(%)	(Rs. in '000)	(%)	(Rs. in '000)	(%)	(Rs. in '000)	(%)
Government guaranteed	2,524,763	76%	2,619,465	69%	2,173,998	62%	798,340	75%
AA+	205,260	5%	700,000	18%	197,506	5%	-	0%
AA-	135,274	4%	-	-	133,369	4%	-	-
AA	400,000	12%	500,000	13%	860,500	25%	270,000	25%
A+	100,996	3%	-	-	127,759	4%	-	-
BBB+	8,042	0%	-	-	12,221	0%	-	-
	3,374,335	100%	3,819,465	100%	3,505,353	100%	1,068,340	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	2023	
		(Rs. in '000)	(%)
AAA	VIS / PACRA	5,434,013	91.00%
AA+	VIS / PACRA	27,854	0.00%
AA-	VIS / PACRA	101,564	2.00%
AA	VIS / PACRA	57,815	1.00%
A+	VIS / PACRA	317,888	5.00%
A	VIS / PACRA	157	0.00%
		5,939,291	99%

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, 2023 along with comparative is tabulated below:

	2023	2022
	(Rupees in '000)	
Financial assets exposed to credit risk		
Bank balances	5,939,291	4,898,529
Investments	2,049,572	1,601,355
Receivable against sale of investments	-	15,928
Dividend receivable	1,103	1,020
Deposits and other receivables	338,784	164,139
Receivable against change of plan / change of fund manager	15,649	-
	8,344,399	6,680,971

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

17.3 Liquidity risk

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

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

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

An analysis of the Fund's financial liabilities into relevant maturity grouping as at June 30, 2023 and June 30, 2022 is tabulated below:

	2023				Total
	Maturity up to				
	Three months	Six months	One year	More than one year	
----- (Rupees in '000) -----					
Financial liabilities					
Payable to Pension Fund Manager	13,383	-	-	-	13,383
Payable to Trustee	1,016	-	-	-	1,016
Payable to auditors	344	-	-	-	344
Payable against purchase of investments	-	-	-	-	-
Payable against withdrawal / change of plan	18,452	-	-	-	18,452
Accrued expenses and other liabilities	14,447	-	-	-	14,447
	<u>47,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,642</u>
Net assets attributable to redeemable units	<u>17,156,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,156,765</u>

	2022				Total
	Maturity up to				
	Three months	Six months	One year	More than one year	

18. PARTICIPANTS' FUND RISK MANAGEMENT

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

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

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

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

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

For valuation techniques for specific instruments, refer note 3.1.2.2.

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

	Note	Carrying Amounts				Fair Values			
		Amortised cost	At fair value through profit or loss	Financial liabilities measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
June 30, 2023									
(Rupees in'000)									
Financial assets - measured at fair value									
- Listed equity securities		-	3,405,730	-	3,405,730	3,405,730	-	-	3,405,730
- Sukuk certificates		-	6,093,800	-	6,093,800	947,472	5,146,328	-	6,093,800
		-	9,499,530	-	9,499,530				
Financial assets not measured at fair value									
Bank balances	19.1	5,939,291	-	-	5,939,291				
Investments									
- Term deposit receipt / COMs	19.1	1,100,000	-	-	1,100,000				
-Commercial Paper		-	-	-	-				
Dividend receivable	19.1	1,103	-	-	1,103				
Deposits and other receivables	19.1	338,784	-	-	338,784				
Receivable against sale of investments	19.1	-	-	-	-				
Receivable against change of plan / change of fund manager / issuance of units	19.1	15,649	-	-	15,649				
		7,394,827	-	-	7,394,827				
		7,394,827	9,499,530	-	16,894,357				
Financial liabilities not measured at fair value									
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	19.1	-	-	18,361	18,361				
Payable to Central Depository Company of Pakistan Limited - Trustee	19.1	-	-	1,149	1,149				
Payable to auditors	19.1	-	-	344	344				
Payable against purchase of investments	19.1	-	-	-	-				
Payable against withdrawal / change of plan	19.1	-	-	18,452	18,452				
Accrued expenses and other liabilities	19.1	-	-	14,447	14,447				
		-	-	52,753	52,753				



	Note	Carrying Amounts				Fair Values			
		Amortised cost	At fair value through profit or loss	Financial liabilities measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
June 30,2022									
----- (Rupees in'000) -----									
Financial assets - measured at fair value									
- Listed equity securities		-	4,362,271	-	4,362,271	4,362,271	-	-	4,362,271
- Sukuk certificates		-	4,473,693	-	4,473,693	1,050,620	3,423,073	-	4,473,693
		-	8,835,964	-	8,835,964				
Financial assets not measured at fair value									
Bank balances	18.1	4,898,529	-	-	4,898,529				
Investments					-				
- Term deposit receipt / COMs	18.1	100,000	-	-	100,000				
Dividend receivable	18.1	-							
Deposits and other receivables	18.1	1,020	-	-	1,020				
Receivable against sale of investments	18.1	164,139	-	-	164,139				
Receivable against change of plan / change of fund manager / issuance of units	18.1	15,928	-	-	15,928				
		5,179,616	-	-	5,179,616				
		5,179,616	8,835,964	-	14,015,580				
Financial liabilities not measured at fair value									
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	18.1	-	-	1,957	1,957				
Payable to Central Depository Company of Pakistan Limited - Trustee	18.1	-	-	872	872				
Payable to auditors	18.1	-	-	272	272				
Payable against purchase of investments	18.1	-	-	13,579	13,579				
Payable against withdrawal / change of plan	18.1	-	-	10,047	10,047				
Accrued expenses and other liabilities	18.1	-	-	9,646	9,646				
		-	-	36,373	36,373				

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

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

20. PERFORMANCE TABLE

	For the year ended June 30, 2023	For the year ended June 30, 2022	Percentage change	For the year ended June 30, 2021	For the year ended June 30, 2020	For the year ended June 30, 2019
	(Rupees in '000')		-----(%)-----	(Rupees in '000)		
EQUITY SUB FUND						
Net income / (loss)	7,102	(506,493)	101.40	1,420,501	232,998	(1,268,816)
Net realised (loss) / gain on sale of investments	(164,338)	(275,803)	40.41	389,748	2,777	(310,877)
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	(93,961)	(522,193)	82.01	935,236	121,463	(1,116,081)
Dividend income	367,988	333,912	10.21	237,520	176,627	229,481
Profit on savings accounts with banks	12,114	10,394	16.55	9,570	19,004	17,620
Transactions in securities						
Purchases	1,635,791	2,028,368	(19.35)	2,501,487	5,694,416	2,087,420
Sales	2,498,371	2,307,960	8.25	2,301,836	5,707,764	2,316,077
Total contribution received	2,160,962	1,755,700	23.08	1,500,225	1,432,864	1,616,733
Total net asset value	3,457,680	4,592,545	(24.71)	5,511,365	4,130,564	4,086,115
Net Asset value per unit (Rs.)	486.5452	485.5458	0.21	539.0946	400.1482	377.5765
DEBT SUB FUND						
Net income	660,525	385,694	71.26	297,676	313,094	185,361
Net realised gain / (loss) on sale of investments	(12,318)	15	(82,220.00)	6,803	200	(1,418)
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss'	(16,242)	(8,571)	(89.50)	44,284	(2,742)	(1,674)
Profit on savings accounts with banks	251,536	143,555	75.22	79,630	144,623	79,474
Profit on Term Deposit Receipts / COMs	54,689	48,628	12.46	24,979	38,408	48,300
Profit on Sukuk Certificates and Commercial Paper	479,953	254,847	88.33	171,525	177,836	109,711
Transactions in securities						
Purchases	2,897,669	5,010,253	(42.17)	2,085,237	1,512,914	2,563,841
Sales	3,012,445	4,193,570	(28.17)	1,772,882	666,869	3,152,538
Total contribution received	2,999,557	2,547,509	17.74	2,368,842	1,951,819	1,434,919
Total net asset value	5,252,053	5,012,235	4.78	4,334,385	3,178,358	2,807,052
Net Asset value per unit (Rs.)	348.5006	304.6714	14.39	281.2267	261.9128	236.1122
MONEY MARKET SUB FUND						
Net income	1,100,129	328,525	234.87	166,742	277,574	141,302
Net realised gain / (loss) on sale of investments	1,356	380	100.00	1,609	-	122
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss'	1,193	(5,370)	122.22	3,590	(4,800)	-
Profit on savings accounts with banks	428,204	201,822	112.17	95,081	235,653	93,200
Profit on Term Deposit Receipts / COMs	136,399	43,685	212.23	73,645	39,451	32,155
Profit on Sukuk Certificates and Commercial Paper	375,901	98,669	280.97	45,734	27,450	15,603
Transactions in securities						
Purchases	5,560,386	2,123,450	161.86	941,163	818,391	1,177,912
Sales	2,810,454	2,688,420	4.54	464,003	(80,939)	1,372,165
Total contribution received	6,305,018	2,832,157	122.62	2,189,157	2,770,311	2,701,257
Total net asset value	8,031,477	4,306,627	86.49	3,378,955	3,092,338	2,072,836
Net Asset value per unit (Rs.)	339.5715	293.0581	15.87	270.7037	257.3454	234.2456
GOLD SUB FUND						
Net income	135,991	32,143	323.08	484	21,043	18,682
Net realised gain on sale of investments	-	-	-	-	261	-
Unrealised appreciation on investment in gold	84,388	30,701	174.87	1,518	20,655	17,923
Profit on savings accounts with banks	7,010	2,057	240.79	1,066	1,073	349
Transactions in securities						
Purchases	126,324	-	100.00	-	10,757	10,395
Sales	-	-	-	99,444	4,704	-
Total contribution received	238,843	44,880	432.18	36,714	26,924	20,322
Total net asset value	415,555	166,727	149.24	35,627	119,438	84,316
Net Asset value per unit (Rs.)	292.6301	196.9220	48.60	158.9588	158.3880	130.4834

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
For the year ended June 30, 2023	448.7030	515.3166	304.7692	348.5006	293.1651	339.5715	191.6016	306.2662
For the year ended June 30, 2022	473.2889	564.5848	281.2695	304.6714	270.7423	293.0581	155.4966	204.6029

21. COMMODITY RISK MANAGEMENT

21.1 Commodity risk

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

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

22. TAXATION

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

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

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Pension Fund Manager.

24. GENERAL

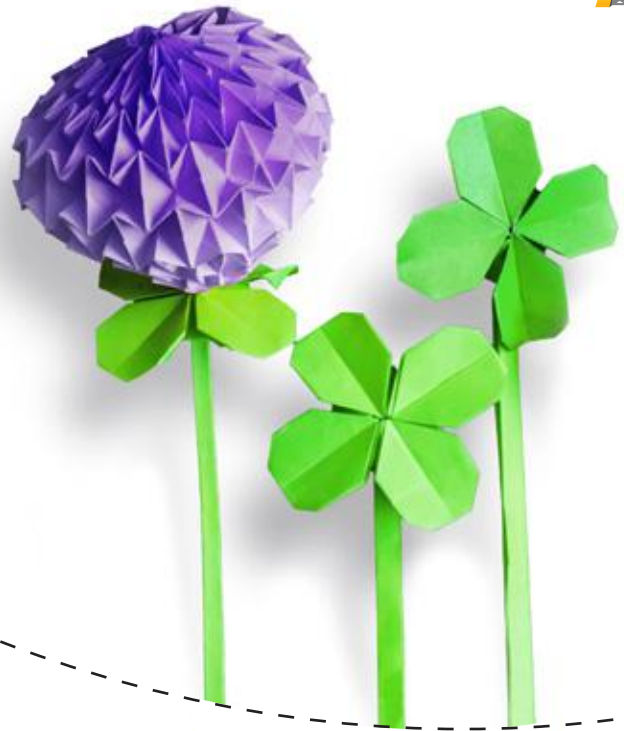
Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

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

Chief Executive

Chief Financial Officer

Director



Fostering Financial Inclusion

Al Meezan is dedicated to promoting financial inclusion by offering accessible and comprehensive financial services. We are committed to empowering individuals from diverse backgrounds to participate in Shariah Compliant investment opportunities.

Meezan Balanced Fund

Meezan Balanced Fund seeks to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested in both high-quality equity securities and Islamic Income Instruments such as TFCs, COIs, Certificates of Musharika, Islamic Sukuks, Ready-future hedges and other Shariah Compliant instruments.

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Balanced Fund (MBF)

Type of Fund

Balanced category fund that invests in Shariah compliant listed equity securities and listed or unlisted Islamic fixed income products.

Objective

The objective of MBF is to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality equity securities and Islamic fixed income avenues such as Sukuk (Islamic Bonds), Musharaka and Murabaha instruments, Shariah compliant spread transactions, Certificate of Islamic Investments, Islamic bank deposits, and other Islamic income products.

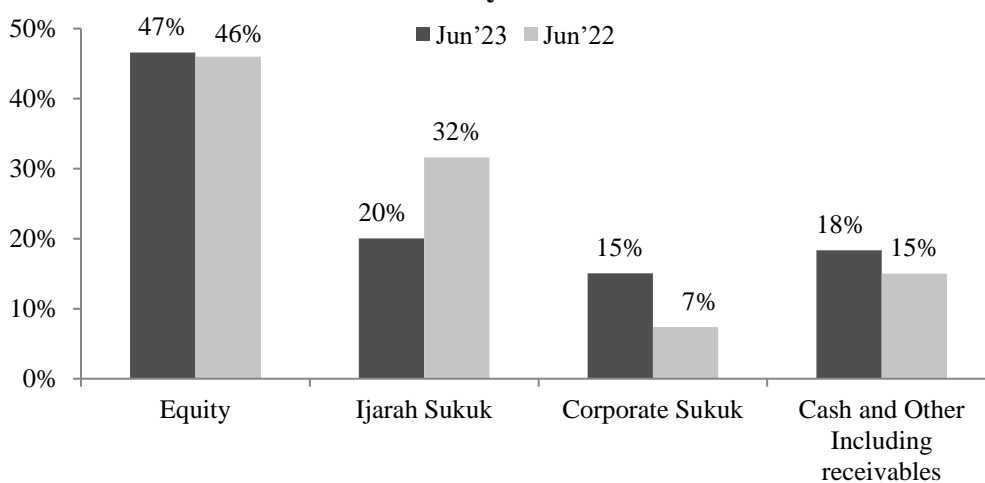
The fund invests only in Shariah Compliant instruments with the objective of maximizing total return to its unit holders and maintaining risks within acceptable levels. The fund also has a focus of long term preservation of capital and aims to maximize total returns by varying fund's allocations to fixed income and equity exposures in accordance with the economic conditions and market scenario.

Strategy and Investment Policy

Being a balanced fund, performance of MBF is linked proportionately to the performance of stock market and Islamic fixed income instruments. The fund manager, Al Meezan Investments, actively manages the fund with an aim to provide maximum risk adjusted total return to the investors. The fund primarily aims at controlling risk by balancing growth and income earning objectives of certificate holders. To achieve this purpose, the fund manager strives to reduce equity exposure in times when the market is trading above valuations and increase exposure to high quality liquid Islamic fixed income instruments. As per revised policy, the fund can invest up to 50% in listed equities.

During the year, the focus was on proactive and continuous re-allocation between high yield instruments so as to optimize fund return while simultaneously minimizing risk. To keep interest rate risk at a minimum, the fund manager over the period kept the duration of the fixed income portfolio below six months.

Asset Allocation for the year ended FY22 and FY23



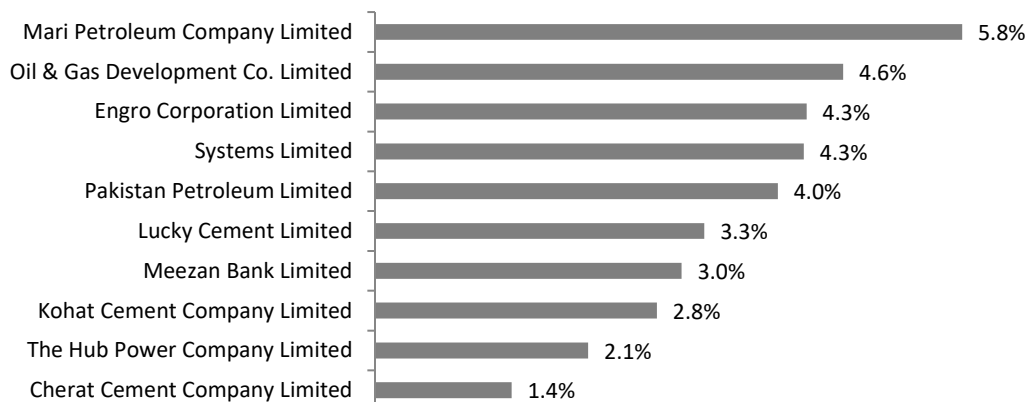


Pure. Profit.



The fund maintained significant exposure to the Oil and Gas Exploration sector which was raised in FY22 in wake of rising commodity prices and sharp PKR devaluation. Exposure to cement sector was simultaneously reduced in light rapid tightening undertaken by the central bank. The average equity exposure in the fund during the year was 47.89% while the remaining was deployed in quality fixed income instruments.

Top Holdings



Performance Review

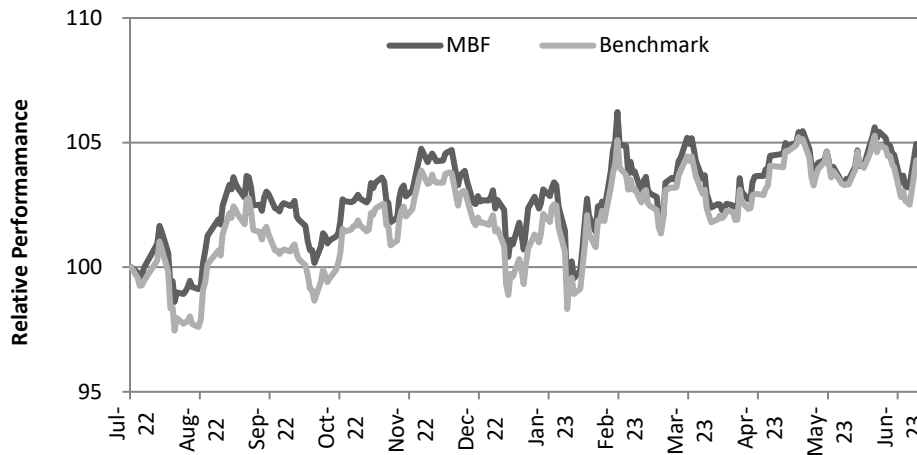
During FY23, Meezan Balanced Fund (MBF) provided a positive return of 4.87% to its investors compared to benchmark return of 13.13%.

	30-Jun-23	30-Jun-22	Change
NAV			
Meezan Balanced Fund	15.60	15.62	4.87%
Benchmark Returns (Inputs)			
KMI 30	70,748	68,766	2.88%
Average Yield on Islamic Bank Deposits (annualised)			6.06%
KMI 30 Return	2.88%	-10.25%	13.13%
Islamic Bank Deposit Return	6.06%	3.34%	2.72%
Benchmark Return			4.55%
Underperformance			0.32%

MBF posted a total income of Rs. 207 million in the fiscal year 2023 as compared to a total income of Rs. 0.378 million last year. Total income comprised of realized and unrealized loss on investments of Rs. 76.6 million and Rs. 17.7 million respectively. Dividend income contributed Rs. 103.6 million to income, while profit on saving accounts with banks amounted to Rs. 65.4 million. Profit on Sukuk certificates was Rs. 130 million and Profit on Commercial papers was Rs. 2.3 million. After accounting for expenses of Rs. 99.7 million, the Fund posted a net income of Rs. 107.7 million. The net assets of the Fund as at June 30, 2023 were Rs. 1,689 million as compared to Rs. 2,641 million at the end of last year depicting a decrease of 36%. The net asset value per unit as at June 30, 2023 was Rs. 15.5966 as compared to Rs. 15.6153 per unit as on June 30, 2022.



Pure. Profit.



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, 2023 an amount of Rs. 3.603 million was accrued as charity payable.

Distributions

There is Re 0.78/- distribution by the Fund during the period ended June 30, 2023.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1-9,999	3,868
10,000-49,999	366
50,000-99,999	98
100,000-499,999	97
500,000 and above	24
Total	4,453

Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	31	31	0	0
Percentage	100%	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
MEEZAN BALANCED FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	1,688,530	2,640,821	4,713,137
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	15.5966	15.6153	16.2002
Offer price per unit as at June 30, (Rs.) (ex-distribution)	15.9490	50.6141	50.5379
Highest offer price per unit (Rs.)	16.9640	17.0316	16.8449
Lowest offer price per unit (Rs.)	15.7470	15.7398	14.1888
Highest redemption price per unit (Rs.)	16.5891	16.6552	16.4727
Lowest redemption price per unit (Rs.)	15.3990	15.3920	13.8753
Distribution (%)			
Interim	7.80	-	-
Final	-	-	-
Date of distribution			
Interim	27-Jun-23	-	-
Final	-	-	-
Income distribution (Rupees in '000)	81,963	-	-
Growth distribution (Rupees in '000)	-	-	-
Total return (%)	4.87	(3.61)	18.13

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	4.87%	0.54%	6.09%

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

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Balanced Fund (MBF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Nineteenth year of operations of Meezan Balanced Fund (the “MBF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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 Shariah Advisor, we have prescribed six criteria for Shariah compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Investment in Shariah non-compliant activities to total assets (iv) Shariah 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 Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account which amounts to PKR 3.7 million and is available for disbursement.

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN BALANCED FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Balanced 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Balanced Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Balanced Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of equity and debt instruments) held by the Fund represent 97% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

f

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076TBSm8FDci



MEEZAN BALANCED FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	2023	2022
Note	------(Rupees in '000')-----	
Assets		
Balances with banks	5 275,725	314,974
Investments	6 1,460,582	2,356,901
Receivable against conversion of units	152	91
Dividend receivable	861	694
Receivable against sale of investments	19,077	1,991
Advances, deposits and other receivables	7 38,308	25,094
Total assets	1,794,704	2,699,745
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	8 6,046	3,432
Payable to Central Depository Company of Pakistan Limited - Trustee	9 252	339
Payable to the Securities and Exchange Commission of Pakistan	10 471	798
Payable to Meezan Bank Limited	14	50
Payable against purchase of investments	5,319	2,579
Payable against redemption and conversion of units	10,382	770
Dividend payable	28,731	7,498
Accrued expenses and other liabilities	11 54,959	43,458
Total liabilities	106,174	58,924
NET ASSETS	1,688,530	2,640,821
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	1,688,530	2,640,821
CONTINGENCIES AND COMMITMENTS	12	
NUMBER OF UNITS IN ISSUE	108,262,700	169,117,750
	------(Rupees)-----	
NET ASSET VALUE PER UNIT	15.5966	15.6153

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN BALANCED FUND
INCOME STATEMENT
AS AT JUNE 30, 2023

	Note	2023 ----- (Rupees in '000')-----	2022 ----- (Rupees in '000')-----
Income			
Profit on balances with banks		65,396	50,868
Dividend income		103,556	130,249
Profit on sukuk certificates		130,038	99,378
Profit on commercial papers		2,369	48,070
Other income		500	1,047
Net realised loss on sale of investments		(76,627)	(145,248)
		225,232	184,364
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.4	(17,789)	(183,986)
Total income		207,443	378
Expenses			
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	47,063	79,783
Sindh Sales Tax on remuneration of the Management Company	8.2	6,118	10,372
Allocated expenses	8.3	2,588	4,388
Selling and marketing expenses	8.4	23,531	39,891
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	3,353	4,989
Sindh Sales Tax on remuneration of the Trustee	9.2	436	649
Annual fees to the Securities and Exchange Commission of Pakistan	10	471	798
Brokerage expense		2,343	3,914
Auditors' remuneration	13	574	601
Fees and subscription		528	561
Legal and professional charges		-	184
Charity expense	11.1	3,603	3,232
Bank and settlement charges		363	684
Provision against sukuk certificates	6.2.2.4	8,746	28,125
Reversal of provision for Sindh Workers' Welfare Fund	11.2	-	(60,542)
Total expenses		99,717	117,629
Net income / (loss) for the year before taxation		107,726	(117,251)
Taxation	15	-	-
Net income / (loss) for the year after taxation		107,726	(117,251)
Allocation of net income for the year			
Net income for the year after taxation		107,726	-
Income already paid on units redeemed		(24,688)	-
		83,038	-
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		83,038	-
		83,038	-

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN BALANCED FUND
STATEMENT OF COMPREHENSIVE INCOME
AS AT JUNE 30, 2023

Note	2023	2022
	----- (Rupees in '000') -----	
Net income / (loss) for the year after taxation	107,726	(117,251)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>107,726</u>	<u>(117,251)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN BALANCED FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
AS AT JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	2,104,770	536,051	2,640,821	4,059,835	653,302	4,713,137
Issue of 11,612,060 units (2022: 50,857,425 units)						
- Capital value (at net asset value per unit at the beginning of the year)	181,326	-	181,326	823,900	-	823,900
- Element of income	4,284	-	4,284	1,220	-	1,220
Total proceeds on issuance of units	185,610	-	185,610	825,120	-	825,120
Redemption of 72,467,110 units (2022: 172,671,265 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,131,596	-	1,131,596	2,797,309	-	2,797,309
- Element of loss / (income)	7,380	24,688	32,069	(17,124)	-	(17,124)
Total payments on redemption of units	1,138,976	24,688	1,163,665	2,780,185	-	2,780,185
Total comprehensive income / (loss) for the year	-	107,726	107,726	-	(117,251)	(117,251)
Distribution during the year	-	(81,963)	(81,963)	-	-	-
Net assets at the end of the year	1,151,404	537,126	1,688,530	2,104,770	536,051	2,640,821
Undistributed income brought forward						
- Realised income		720,037			218,892	
- Unrealised (loss) / income		(183,986)			434,410	
		536,051			653,302	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		83,038			-	
		83,038			-	
Distribution during the year ended 30 June 2023		(81,963)			(117,251)	
Undistributed income carried forward		537,126			536,051	
Undistributed income carried forward						
- Realised income		554,915			720,037	
- Unrealised loss		(17,789)			(183,986)	
		537,126			536,051	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			15.6153			16.2002
Net asset value per unit at the end of the year			15.5966			15.6153

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN BALANCED FUND
CASH FLOW STATEMENT
AS AT JUNE 30, 2023

Note	2023	2022
	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year before taxation	107,726	(117,251)
Adjustments for:		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.4 17,789	183,986
Provision against sukuk certificates	8,746	28,125
	<u>134,261</u>	<u>94,860</u>
Decrease / (increase) in assets		
Investments - net	869,784	1,084,889
Dividend receivable	(167)	8,256
Receivable against sale of investments	(17,086)	1,226
Advances, deposits and other receivables	(13,214)	52,774
	<u>839,317</u>	<u>1,147,145</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	2,614	(9,329)
Payable to Central Depository Company of Pakistan Limited - Trustee	(87)	(177)
Payable to the Securities and Exchange Commission of Pakistan	(327)	(78)
Payable to Meezan Bank Limited	(36)	(93)
Payable against purchase of investments	2,740	(11,690)
Accrued expenses and other liabilities	11,501	(63,758)
	<u>16,405</u>	<u>(85,125)</u>
Net cash generated from operating activities	<u>989,983</u>	<u>1,156,880</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	185,549	832,994
Payments against redemption and conversion of units	(1,154,052)	(2,790,966)
Dividend paid	(60,729)	-
Net cash used in from financing activities	<u>(1,029,232)</u>	<u>(1,957,972)</u>
Net decrease in cash and cash equivalents	<u>(39,249)</u>	<u>(801,092)</u>
Cash and cash equivalents at the beginning of the year	314,974	1,116,066
Cash and cash equivalents at the end of the year	5 <u>275,725</u>	<u>314,974</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN BALANCED FUND**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****AS AT JUNE 30, 2023****1 LEGAL STATUS AND NATURE OF BUSINESS**

1.1 Meezan Balanced Fund (the Fund) was initially established as a closed-end scheme under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 15, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 08, 2004 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

Subsequently, on May 3, 2013, SECP vide its letter No. SCD/AMCW/MBF /512/2013 had approved the conversion of the closed end structure into an open end scheme through the establishment of the Unit Trust Scheme under the name of Meezan Balanced Fund (MBF). On June 27, 2013, SECP vide its letter No SCD/AMCW/MBF/613/2013 registered MBF (the open-end scheme) as a notified entity and had withdrawn the registration of MBF as a closed end scheme with effect from the effective date i.e. July 01, 2013 and therefore from July 01, 2013, the Fund had been converted into an open end scheme and, accordingly, the certificate holders of the closed end scheme at June 30, 2013 were converted to unitholders of the open end scheme.

1.2 The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP.

1.3 The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah compliant equity securities and Islamic income instruments such as Islamic Sukuks (certificates of Islamic investment), Musharaka Certificates, Government Securities, cash in bank accounts, Money Market Placements, Deposits, Certificates of Deposits, Term Deposits Receipts, Commercial Papers, Islamic alternatives of Reverse Repos, Spread Transactions, and other Shariah compliant instruments as indicated by the SECP. 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.

1.4 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. The Fund is categorised as a Shariah Compliant Balanced Fund in accordance with Circular 7 of 2009 issued by the SECP.

1.5 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan (CDC) as the Trustee of the Fund.

1.6 The Management Company has been assigned a Asset Manager Quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION**3.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the 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 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual period beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising - from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its - Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

**IASB Effective date
(annual periods
beginning on or after)**

Standards

IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

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

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which have been carried at fair values.

3.6 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.2 Cash and cash equivalents

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

4.3 Financial assets

4.3.1 Initial recognition and measurement

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

4.3.2 Classification and subsequent measurement

4.3.2.1 Debt instruments

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

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

based on the business model of the entity.

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

4.3.2.2 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.

4.3.3 Impairment

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

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

4.3.4 Impairment loss on debt securities

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

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

4.3.5 Regular way contracts

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

4.3.6 Derecognition

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

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Provisions

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

4.7 Net asset value per unit

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

4.8 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 that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

4.9 Distributions to unit holders

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

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

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

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

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Income on sukuk certificates, commercial paper and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Profit on saving accounts with banks is recognised on an accrual basis.

4.12 Expenses

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

4.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the condensed interim financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.14 Earnings / (loss) per unit

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

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

4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5	BALANCES WITH BANKS	Note	2023	2022
		----- (Rupees in '000')-----		
Balances with banks in:				
	Savings accounts	5.1	262,047	306,713
	Current accounts		13,677	8,261
			<u>275,725</u>	<u>314,974</u>

5.1 These include a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10% (June 30, 2022: 6.05%) per annum. Other profit and loss sharing accounts of the Fund have expected profit rates ranging from 6.74% to 20.25% per annum (June 30, 2022: 3.00% to 16.25% per annum).

6	INVESTMENTS	Note	2023	2022
		----- (Rupees in '000')-----		
At fair value through profit or loss				
	Shares of listed companies - 'ordinary shares'	6.1	835,585	1,241,797
	Sukuk certificates	6.2	624,997	699,588
	Commercial papers	6.3	-	415,516
			<u>1,460,582</u>	<u>2,356,901</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2022	Purchases during the period	Right / bonus issue	Sales during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised (diminution)/ appreciation as at June 30, 2023	Percentage in relation to		
									Total market value of investments	Net assets of the Fund	Paid-up-capital of the investee company (with face value of investments)
						----- (Rupees in '000')-----		----- %-----			
Commercial Banks											
Bank Islami Pakistan Limited	436,962	846,000	-	110,000	1,172,962	15,147	20,832	5,685	1.43	1.23	0.11
Meezan Bank Limited (note 6.2.1.2) (an associate company of the Fund)	822,816	109,933	74,274	375,000	632,023	64,768	54,588	(10,180)	3.74	3.23	0.04
									<u>5.16</u>	<u>4.47</u>	<u>0.15</u>
Automobile assemblers											
Ghandhara Industries Limited	2,100	-	-	2,100	-	-	-	-	-	-	-
Ghandhara Nissan Limited	39,600	-	-	39,600	-	-	-	-	-	-	-
Millat Tractor Limited	26052	4,461	-	30,513	-	-	-	-	-	-	-
Engineering											
Mughal Iron	159,851.00	-	-	-	159,851	9,504	7743.1824	-	0.53	0.46	0.05
									<u>0.53</u>	<u>0.46</u>	<u>0.05</u>
Chemicals											
Dynea Pakistan Limited (note 6.1.1.1)	28,000	12,300	-	40,300	-	-	-	-	-	-	-
Engro Polymer and Chemicals Limited	365,954	-	-	365,954	-	-	-	-	-	-	-
Haleon Pakistan Limited	-	42,900	-	42,900	-	-	-	-	-	-	-
Lucky Core Industries Limited	29,616	17,300	-	10,000	36,916	24,794	22,302	(2,491)	1.53	1.32	0.04
									<u>1.53</u>	<u>1.32</u>	<u>0.04</u>
Cement											
Attock Cement Limited	4,527	-	-	4,527	-	-	-	-	-	-	-
Cherat Cement Company Limited	137,400	64,959	-	-	202,359	20,342	24,340	3,997	1.67	1.44	0.10
Fauji Cement Limited	200000	306,250	-	300,000	206,250	2707.8293	2425.5	(282)	0.17	0.14	0.01
Kohat Cement Limited	324,320	15,000	-	50,000	289,320	38,066	50,188	12,123	3.44	2.97	0.14
Lucky Cement Limited	119,947	49,824	-	57,500	112,271	52,213	58,616	6,402	4.01	3.47	0.04
Maple Leaf Cement Limited	570,987	290,000	-	250,000	610,987	17,076	17,309	234	1.19	1.03	0.06
Pioneer Cement	0	50,000	-	50,000	3600	4331.5	732	0.30	0.26	0.02	
									<u>10.76</u>	<u>9.31</u>	<u>0.37</u>
Fertilizers											
Engro Corporation Limited (note 6.1.1.2)	268,014	140,000	-	112,415	295,599	80,388	76,823	(3,565)	5.26	4.55	0.05
Engro Fertilizer Limited	676,924	-	-	596,905	80,019	7,093	6,604	(489)	0.45	0.39	0.01
									<u>5.71</u>	<u>4.94</u>	<u>0.06</u>
Technology & Communication											
Air Link Communication Limited	80,156	-	-	80,156	-	-	-	-	-	-	-
Avanceon Limited	126,875	19,031	-	145,906	-	-	-	-	-	-	-
Octopus Digital Limited	24,836	-	-	24,836	-	-	-	-	-	-	-
Systems Limited	249,230	28,000	-	88,000	189,230	64,894	76,322	11,428	5.23	4.52	0.07
Pakgen Power	-	500	-	500	-	-	-	-	-	-	-
									<u>5.23</u>	<u>4.52</u>	<u>0.07</u>
Paper & Board											
Century Paper & Board Mills Limited	328,345	106,500	258,177	105,000	588,022	17,907	16,606	(1,302)	1.14	0.98	0.15
Cherat Packaging Limited	40	6	-	-	46	5	4	(0)	0.00	0.00	-
Packages Limited	74773	23,900	-	50,200	48,473	18894.982	18853.089	(42)	1.29	1.12	0.05
									<u>2.43</u>	<u>2.10</u>	<u>0.20</u>
Oil & Gas Exploration											
Mari Petroleum Company Limited	77,554	7,872	-	16,435	68,991	118,868	104,497	(14,372)	7.15	6.19	0.05
Oil and Gas Developed Company Limited	1,292,931	75,000	-	300,000	1,067,931	84,019	83,299	(720)	5.70	4.93	0.02
Pakistan Oilfield Limited	85,007	-	-	70,428	14,579	5,916	5,857	(59)	0.40	0.35	0.01
Pakistan Petroleum Limited	1,386,997	155,170	-	330,000	1,212,167	82,810	71,688	(11,122)	4.91	4.25	0.04
									<u>18.17</u>	<u>15.71</u>	<u>0.12</u>
Oil and Gas Marketing											
Attock Petroleum Company Limited	-	33,833	5,558	5,000	34,391	10,661	10,326	(335)	0.71	0.61	0.03
Hascal Petroleum Limited	1,901	-	-	-	1,901	8	11	3	0.00	0.00	-
Pakistan State Oil Company Limited	297,066	50,000	-	219,000	128,066	22,050	14,217	(7,833)	0.97	0.84	0.03
Sui Northern Gas Pipeline Limited	410,888	450,000	-	500,000	360,888	13,211	14,208	997	0.97	0.84	0.04
									<u>2.65</u>	<u>2.30</u>	<u>0.10</u>

Name of the investee company	As at July 1, 2022	Purchases during the period	Right / bonus issue	Sales during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised (diminution)/ appreciation as at June 30, 2023	Percentage in relation to				
									Total market value of investments	Net assets of the Fund	Paid-up-capital of the investee company (with face value of investments)		
					Number of shares			Rupees in '000			%		
Pharmaceuticals													
Abbott Laboratories Pakistan Limited	2,250	-	-	2,250	-	-	-	-	-	-	-	-	
AGP Limited	500	-	-	-	500	44	28	(16)	0.00	0.00	-		
GlaxoSmithKline Consumer Healthcare Limited	42,900	-	-	42,900	-	-	-	-	-	-	-		
Highnoon Laboratories Limited	529	-	139	-	668	280	225	(56)	0.02	0.01	-		
IBL Health Care Limited	247,520	40,152	-	287,672	-	-	-	-	0.05	0.04	-		
The Searle Company Limited	15,369	53,842	-	50,000	19,211	1,713	736	(977)	0.07	0.06	-		
Food & Personal Care Products													
Al-Shaheer Corporation Limited	8,546	-	-	2,511	6,035	55	44	(11)	0.00	0.00	0.00		
Al Tahir Limited	312,880	31,288	-	223,500	120,668	2,092	1,986	(106)	0.14	0.12	0.06		
The Organic Meat Company Limited	-	329,875	-	100,000	229,875	5,138	4,777	(361)	0.33	0.28	0.17		
National Food Limited	-	85,100	-	75,000	10,100	859	994	135	0.07	0.06	0.01		
Power Generation & Distribution													
K-Electric Limited (note 6.1.1)	3,578,500	2,200,000	-	5,778,500	-	-	-	-	-	-	-		
The Hub Power Company Limited	760,291	420,000	-	634,969	545,322	37,761	37,944	182	2.60	2.25	0.04		
Real Estate Investment Trust													
Dolmen City REIT	1,909,000	-	-	1,421,500	487,500	6,591	6,669	78	0.46	0.39	0.02		
Refinery													
Attock Refinery Limited	6,000	-	-	6,000	-	-	-	-	-	-	-		
National Refinery Limited	13,500	-	-	13,500	-	-	-	-	-	-	-		
Energyco PK Limited (Formerly Byco Petroleum Pakistan Limited)	2,075,978	600,000	-	2,675,978	-	-	-	-	-	-	-		
Textile composite													
Feroze1888 Mills Limited	82,468	-	-	82,468	-	-	-	-	-	-	-		
Interloop Limited	761,700	160,168	-	623,005	298,863	11,721	10,538	(1,183)	0.72	0.62	0.02		
Kohinoor Textile Mills Limited	100,000	-	-	20,000	80,000	4,000	4,073	73	0.28	0.24	0.03		
Nishat Mills Limited	86,427	-	-	86,427	-	-	-	-	1.00	0.87	-		
Right Certificates													
Food & Personal Care Products													
Unity Foods Limited	245,098	237,049	-	482,147	-	-	-	-	-	-	-		
Glass & Ceramics													
Shabbir Tiles and Ceramics Limited (note 6.1.1.1)	807,500	-	-	807,500	-	-	-	-	-	-	-		
Leather & Tanneries													
Service GlobalFootwear Limited	40,430	-	-	17,500	22,930	921	639	(282)	0.04	(0.02)	0.01		
MISCELLANEOUS													
Supernet Limited	-	192,600	-	-	192,600	2,602	2,887	285	0.20	0.02	0.16		
TPL Properties Limited	-	165,000	-	-	165,000	3,383	2,056	(1,327)	0.14	(0.09)	0.03		
									0.34	(0.07)	0.19		
Total as at June 30, 2023						852,103	835,585	(14,757)					
Total as at June 30, 2022						1,432,337	1,241,797	(190,540)					

- 6.1.1 All shares have a face value of Rs 10 each except for the shares of Dynea Pakistan Limited and Shabbir Tiles and Ceramics Limited which have a nominal value of Rs 5 and K-Electric Limited which have a nominal value of Rs 3.5 each.
- 6.1.2 Investments include 153,500 shares of Engro Corporation Limited, having a market value of Rs 39.893 million (2022: Rs 38.564 million) and 1,000 shares of Pakistan Petroleum Limited having market value of Rs. 0.059 million 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 have 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 has issued notices to the relevant parties and has 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.

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 year were not withheld by the investee companies.

As at June 30, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 2.638 million (2022: 4.347 million).

6.2 Sukuk certificates
6.2.1 Government Securities - GOP Ijarah Sukuk

Name of the Security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the year	Sales / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000') -----			----- % -----		
GoP Ijarah Sukuk Certificates - XXV (Note 6.1.2.2.2)	April 27, 2027	Weighted Average 6 months T-Bills	2,000	-	2,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates (Note 6.1.2.2.2)	October 26, 2027	Weighted Average 6 months T-Bills	-	2,000	2,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates (Note 6.1.2.2.2)	October 10, 2026	Weighted Average 6 months T-Bills	-	5,250	5,250	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates (Note 6.1.2.2.2)	July 29, 2025	Weighted Average 6 months T-Bills	-	3,147	500	2,647	263,138	263,112	(26)	15.58	18.01
Total as at June 30, 2023							263,138	263,112	(26)		
Total as at June 30, 2022							199,820	199,360	(460)		

6.2.1.1 The nominal value of the GoP Ijarah sukuk certificates is Rs 100,000 each.

6.2.2 Sukuk certificates

Name of the investee company	Maturity	Profit rate	As at July 1, 2022	Purchases during the period	Sales / Redemptions / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023*	Market value as at June 30, 2023*	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to		
			-----Number of certificates-----			----- (Rupees in '000') -----			----- % -----			
NON-PERFORMING ASSETS												
Security Leasing Corporation Limited II * (note 6.2.2.2) (non-traded)	January 19, 2022	N/A	5,000	-	-	5,000	-	-	-	-	-	-
Eden Housing Limited * (note 6.2.2.2) (non-traded)	September 29, 2014	N/A	5,000	-	-	5,000	-	-	-	-	-	-
Arzoo Textile Mills Limited * (note 6.2.2.2) (non-traded)	April 15, 2014	N/A	5,000	-	-	5,000	-	-	-	-	-	-
Hascol Petroleum Limited - Sukuk (note 6.2.2.2) (non-traded) *	January 7, 2022	N/A	50,000	-	-	50,000	-	-	-	-	-	-
Shakarganj Food Products Limited (BBB+, VIS, non-traded) (note 6.2.2.2 & 6.2.2.3)*	July 10, 2025	3 months KIBOR plus base rate of 1.75%	82	-	-	82	33,896	31,991	(1,904)	1.89	5.88	2.19
POWER GENERATION & DISTRIBUTION												
Lucky electric power company Limited VI (AA, Pacra)	April 13 2023	6 months KIBOR plus base rate of 1.50%	-	250	250	-	-	-	-	-	-	-
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) (note 6.2.2.1)	June 29, 2026	6 months KIBOR plus base rate of 1.13%	230	-	-	230	7,972	7,336	(636)	0.43	0.01	0.50
Hub Power Holdings Limited (AA+, PACRA) (note 6.2.1.1)	November 12, 2025	6 months KIBOR plus base rate of 2.50%	2,000	-	500	1,500	150,000	153,945	3,945	9.12	2.57	10.54

Name of the investee company	Maturity	Profit rate	As at July 1, 2022	Purchases during the period	Sales / Redemptions / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023*	Market value as at June 30, 2023*	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to		
										Number of certificates	Net assets of the Fund	Total issue (with face value of investment)
							(Rupees in '000')			%		
COMMERCIAL BANKS												
Dubai Islamic Bank Pakistan Limited (AA-, VIS, non-traded) (note 6.2.2.1)	November 30, 2032	6 months KIBOR plus base rate of 0.70%	-	100	-	100	100,000	100,137	137	5.93	2.50	6.86
Dubai Islamic Bank Pakistan Limited (AA-, VIS, non-traded) (note 6.2.2.1)	July 14, 2027	6 months KIBOR plus base rate of 0.50%	141	-	141	-	-	-	-	-	-	-
Shakarganj Food Products Limited (BBB+, VIS, non-traded) (note 6.2.2.1 & 6.2.2.2)	July 10, 2025	3 months KIBOR plus base rate of 1.75%	82	-	-	82	38,542	-	-	-	-	-
STEEL & ALLIED PRODUCTS												
Agha Steel Industries Limited (A+, VIS, non-traded) (note 6.2.2.1)	October 9, 2025	3 months KIBOR plus base rate of 0.80%	100	-	-	100	71,262	68,476	(2,786)	4.06	1.37	4.69
Total as at June 30, 2023							401,672	361,885	(1,244)			
Total as at June 30, 2022							493,214	500,228	7,014			

* In case of debt securities against which provision has been made, these are carried at carrying value less provision.

6.2.2.1 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Eden Housing Limited having nominal value of Rs 984,375, Hub Power Holdings Limited and Neelum Jhelum Hydropower Company (Private) Limited having nominal value of Rs. 100,000 each and Dubai Islamic Bank Pakistan, Shakarganj Food Products Limited, Lucky Electric Power Company Limited and Agha Steel Industries Limited having nominal value of Rs 1,000,000 each respectively.

6.2.2.2 Details of non-compliant investments with the investment criteria of the assigned category

The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Balanced Fund (the Fund) as a 'Balanced Scheme' in accordance with the said circular. As at June 30, 2023, following investments of the Funds are in sukuks which are non compliant securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of non-compliant investment	Type of Investment	Value of investments before provision	Provision held as at June 30, 2023	Value of investments after provision	Percent- age of net assets	Percent- age of total assets
		(Rupees in '000')			%	
Listed						
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
Hascol Petroleum Limited (note 6.2.2.4)	Non-traded sukuk certificates	62,037	62,037	-	-	-
Shakarganj Food Products Limited	Non-traded sukuk certificates	40,738	8,746	31,991	-	1.78
Total - June 30, 2023		140,398	108,406	31,991	-	1.78
Total - June 30, 2022		155,332	99,660	55,672	2.11	2.06

6.2.2.3 On April 26, 2023, sukuk certificates of Shakarganj Food Products Limited have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 8.746 million (June 30, 2022: nil) have also been held as provision against the outstanding principal as at June 30, 2023

6.2.2.4 Movement of provision

	Note	2023` ---- (Rupees in '000')----	2022
Balance as at July 1		99,360	71,235
Charge for the period	6.2.2.3	8,746	28,125
Reversals for the period		-	-
Balance as at June 30		108,106	99,360

6.3 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the period	Sales / redemptions / maturity during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000') -----			Net assets of the Fund	Total market value of investment	----- % -----
Mughal Iron & Steel Industries Limited ICP 1 (A-2, VIS)	July 21, 2022	6 months KIBOR plus base rate of 1.75%	165	-	165	-	-	-	-	-	-
Lucky Electric Power Company Limited ICP-2 (AA-, PACRA)	July 12, 2022	6 months KIBOR plus base rate of 1.50%	250	-	250	-	-	-	-	-	-
Total as at June 30, 2023							-	-	-	-	-
Total as at June 30, 2022							415,516	415,516	-	15.73	17.63

6.3.1 The nominal value of these commercial papers is Rs 1,000,000 each and these are redeemable at maturity.

	Note	2023	2022
		---- (Rupees in '000')----	
6.4 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'			
Market value of investments		1,460,582	2,356,901
Carrying value of investments		1,516,913	2,540,887
		<u>(56,331)</u>	<u>(183,986)</u>
	Note	2023	2022
		---- (Rupees in '000')----	

7 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Security deposits		2,800	2,800
Profit receivable on balances with banks		3,985	3,704
Profit receivable on sukuk certificates		29,950	17,017
Advance tax	7.1	1,573	1,573
		<u>38,308</u>	<u>25,094</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 150 and 151. However, withholding tax on dividend and profit on debt paid to the Fund has been 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 by the withholder. The tax withheld on dividends and profit on debt amounts to Rs 1.573 million (2022: Rs 1.573 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. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, 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 judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2023	2022
------(Rupees in '000')-----			
8	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Management fee payable	8.1	725
	Sindh Sales Tax on management fee payable	8.2	94
	Sales load payable		96
	Sindh Sales Tax on sales load payable		13
	Allocated expenses payable	8.3	155
	Selling and marketing expenses payable	8.4	4,963
		<u>6,046</u>	<u>2,364</u>
		<u>6,046</u>	<u>3,432</u>

8.1 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% (2022: 2%) per annum of the average net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs 6.118 million (2022: Rs 10.372 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 6.137 million (2022: Rs. 10.331 million) has been paid to the Management Company which acts as a collecting agent.

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

The management company based on its own discretion has charged allocated expenses at the rate of 0.11% (2022: 0.11%) of average annual net assets during the year, subject to the total expense charged being lower than actual expense incurred.

8.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at 1% (2022: 1%) per annum of the average annual net assets of the Fund during the year subject to the total expense charged being lower than actual expense incurred.

	Note	2023	2022
------(Rupees in '000')-----			
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Trustee fee payable	9.1	223
	Sindh Sales Tax payable on trustee fee	9.2	29
		<u>252</u>	<u>300</u>
		<u>252</u>	<u>339</u>

9.1 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	Rs 0.7 million or 0.2% per annum of net assets, whichever is higher.
from Rs 1,000 million and above	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1,000 million.

9.2 During the year, an amount of Rs 0.436 million (2022: Rs 0.649 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 0.446 million (2022: Rs 0.669 million) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2022: 0.02%) per annum of average annual net assets of the Fund.

	Note	2023	2022
----- (Rupees in '000') -----			
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		11,521	510
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	11.2	31,961	31,961
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	11.2	6,838	6,838
Brokerage expenses payable		103	41
Charity payable	11.1	3,918	3,466
Shariah advisory fee payable		197	237
Auditors' remuneration payable		346	401
Zakat payable		75	4
		<u>54,959</u>	<u>43,458</u>

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

During the year ended June 30, 2023, non-shariah compliant income amounting to Rs 3.603 million (2022: Rs 3.232 million) was charged as an expense in the books of the Fund, and Rs. 3.286 million was disbursed to Behbud Society for AKUH on account of charity payment.

11.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 38.799 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.36 (2022: Re 0.23) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022
----- (Rupees in '000') -----		
13 AUDITORS' REMUNERATION		
Annual audit fee	430	443
Half yearly review of condensed interim financial statements	120	129
Out of pocket expenses	24	29
	<u>574</u>	<u>601</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 4.24% (2022: 3.76%) which includes 0.31% (2022: 0.31%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Balanced Scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

16.1 Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

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

16.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

16.5 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

	2023	2022
	------(Rupees in '000')-----	
Al Meezan Investment Management Limited (Management Company)		
Management fee payable	725	867
Sindh Sales Tax on management fee payable	94	113
Sales load payable	96	64
Sindh Sales Tax on sales load payable	13	8
Allocated expenses payable	155	16
Selling and marketing expenses payable	4,963	2,364
Outstanding 988,045 (2022: 947,787) units - at net asset value	15,410	14,800
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	223	300
Sindh Sales Tax payable on trustee fee	29	39
Security deposits	300	300

Balances	2023	2022
	------(Rupees in '000')-----	
Meezan Bank Limited		
Balances with banks	17,227	24,042
Sales load payable	12	44
Sindh Sales Tax on sales load payable	2	6
Shariah advisory fee payable	197	237
Outstanding 18,886,746 units (2022: 18,886,746 units) - at net asset value	294,569	294,922
Investment in 632,023 shares (2022: 822,816 shares)	54,588	92,962
Profit receivable on balances with banks	88	38
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Outstanding 493,285 units (2022: 473,186) units	7,694	7,389
Directors and Executives of the Management Company		
Outstanding 64 units (2022: 6,522,868 units)	1	101,857
Transactions during the year		
	2023	2022
	------(Rupees in '000')-----	
Al Meezan Investment Management Limited (Management Company)		
Remuneration of Al Meezan Investment Management Limited - Management Company	47,063	79,783
Sindh Sales Tax on remuneration of the Management Company	6,118	10,372
Allocated expenses	2,588	4,388
Selling and marketing expenses	23,531	39,891
Units issued: 940,259 units (2022: Nil)	15,489	-
Units redeemed: 900,000 units (2022: Nil)	14,750	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	3,353	4,989
Sindh Sales Tax on remuneration of the Trustee	436	649
CDS charges	42	120
Transactions during the year		
	2023	2022
	------(Rupees in '000')-----	
Meezan Bank Limited		
Profit on balances with banks	1,134	742
Profit on sukuk certificates	-	2,952
Dividend income	8,136	5,768
Shariah advisor fee	500	533
Sale of sukuk certificates: Nil (2022: 80 certificates)	-	80,000
Purchase of 109,933 shares (2022: 90,000 shares)	11,742	12,119
Bonus Shares: 74,274 shares (2022: 138,190 shares)	-	-
Sale of 375,000 shares (2022: 336,647 shares)	40,205	46,562
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Units issued: 20,099 units (2022: Nil)	369	-
Meezan Tahaffuz Pension Fund-Debt Sub Fund		
Sale of Javedan Corporation Limited sukuk certificates: Nil (2022: 750 sukuk certificates)	-	55,845
Directors and Executives of the Management Company		
Units issued: 8,224 units (2022: 19,434 units)	131	312
Units redeemed: 6,530,777 units (2022: 21,479 units)	101,542	346

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

17 FINANCIAL INSTRUMENTS BY CATEGORY
Financial assets

Balances with banks
Investments
Receivable against conversion of units
Dividend receivable
Receivable against sale of investments
Advances, deposits and other receivables

2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000')		
275,725	-	275,725
-	1,460,582	1,460,582
152	-	152
861	-	861
19,077	-	19,077
36,735	-	36,735
332,549	1,460,582	1,793,131

Financial liabilities

Payable to Al Meezan investment Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Payable to Meezan Bank Limited
Payable against purchase of investments
Payable against redemption and conversion of units
Dividend payable
Accrued expenses and other liabilities

2023		
At fair value through profit or loss	At amortised cost	Total
(Rupees in '000')		
-	6,046	6,046
-	252	252
-	14	14
-	5,319	5,319
-	10,382	10,382
-	28,731	28,731
-	54,959	54,959
-	105,703	105,703

Financial assets

Balances with banks
Investments
Receivable against conversion of units
Dividend receivable
Receivable against sale of investments
Advances, deposits and other receivables

2022		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000')		
314,974	-	314,974
-	2,356,901	2,356,901
91	-	91
694	-	694
1,991	-	1,991
23,521	-	23,521
341,271	2,356,901	2,698,172

Financial liabilities

Payable to Al Meezan investment Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Payable to Meezan Bank Limited
Payable against redemption and conversion of units
Payable against purchase of investments
Dividend payable
Accrued expenses and other liabilities

2022		
At fair value through profit or loss	At amortised cost	Total
(Rupees in '000')		
-	3,432	3,432
-	339	339
-	50	50
-	770	770
-	2,579	2,579
-	7,498	7,498
-	4,145	4,145
-	18,813	18,813

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

18.1 Market risk

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

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

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

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks, sukuk certificates and investments in government securities. 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 KIBOR based sukuk certificates and balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 8.917 million (2022: Rs. 10.063 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund do not holds commercial papers which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs nil (2022: 4.16 million).

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, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / 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, 2023 can be determined as

----- 2023 -----						
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	6.74% to 20.25%	262,047	-	-	13,677	275,725
Investments	Weighted Average 6 months T-Bills & KIBOR + 0.5% to KIBOR +2.5%	331,588	261,418	-	835,585	1,428,591
Receivable against conversion of units		-	-	-	152	152
Dividend receivable		-	-	-	861	861
Receivable against sale of investments		-	-	-	19,077	19,077
Advances, deposits and other receivables		-	-	-	36,735	36,735
		593,635	261,418	-	906,087	1,761,140
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	6,046	6,046
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	252	252
Payable to Meezan Bank Limited		-	-	-	14	14
Payable against redemption and conversion of units		-	-	-	10,382	10,382
Payable against purchase of investments		-	-	-	5,319	5,319
Dividend payable		-	-	-	28,731	28,731
Accrued expenses and other liabilities		-	-	-	54,959	54,959
		-	-	-	105,703	105,703
On-balance sheet gap (a)		593,635	261,418	-	800,384	1,655,437
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		593,635	261,418	-		
Cumulative profit rate sensitivity gap		593,635	855,053	855,053		

----- 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	3.00% - 16.25%	306,713	-	-	8,261	314,974
Investments	Weighted Average 6 months T-Bills & KIBOR + 0.5% to KIBOR +2.5%	814,418	300,686	-	1,241,797	2,356,901
Receivable against conversion of units		-	-	-	91	91
Receivable against sale of investments		-	-	-	694	694
Dividend receivable		-	-	-	1,991	1,991
Advances, deposits and other receivables		-	-	-	23,521	23,521
		1,121,131	300,686	-	1,276,355	2,698,172
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	3,432	3,432
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	339	339
Payable to Meezan Bank Limited		-	-	-	50	50
Payable against redemptions and conversion of units		-	-	-	770	770
Payable against purchase of investments		-	-	-	2,579	2,579
Dividend payable		-	-	-	7,498	7,498
Accrued expenses and other liabilities		-	-	-	4,145	4,145
		-	-	-	18,813	18,813
On-balance sheet gap (a)		1,121,131	300,686	-	1,257,542	2,679,359
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		1,121,131	300,686	-		
Cumulative profit rate sensitivity gap		1,121,131	1,421,817	1,421,817		

(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.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks.

In case of 1% increase / decrease in KMI 30 index on June 30, 2023, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 8.356 million (2022: Rs. 12.418 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 the 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, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI-30 Index.

18.2 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 settlement of equity securities and 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 redemptions during the year.

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

2023						
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	275,725	-	-	-	-	275,725
Investments	-	-	492,869	100,137	-	1,428,591
Receivable against conversion of units	152	-	-	-	-	152
Dividend receivable	861	-	-	-	-	861
Receivable against sale of investments	19,077	-	-	-	-	19,077
Advances, deposits and other receivables	38,308	-	-	-	-	38,308
	334,122	-	492,869	100,137	-	1,762,713

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	6,046	-	-	-	-	6,046
Payable to Central Depository Company of Pakistan Limited - Trustee	252	-	-	-	-	252
Payable to Meezan Bank Limited	14	-	-	-	-	14
Payable against purchase of investments	5,319	-	-	-	-	5,319
Payable against redemption and conversion of units	10,382	-	-	-	-	10,382
Dividend payable	28,731	-	-	-	-	28,731
Accrued expenses and other liabilities	55,430	-	-	-	-	55,430
	106,174	-	-	-	-	106,174

Net financial assets

	227,948	-	492,869	100,137	-	1,656,539
--	---------	---	---------	---------	---	-----------

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	314,974	-	-	-	-	314,974
Investments	415,516	201,396	300,686	197,506	-	2,356,901
Receivable against conversion of units	91	-	-	-	-	91
Dividend receivable	694	-	-	-	-	694
Receivable against sale of investments	1,991	-	-	-	-	1,991
Advances, deposits and other receivables	3,725	9,491	7,505	-	-	23,521
	736,991	210,887	308,191	197,506	-	2,698,172

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	3,432	-	-	-	-	3,432
Payable to Central Depository Company of Pakistan Limited - Trustee	339	-	-	-	-	339
Payable to Meezan Bank Limited	50	-	-	-	-	50
Payable against redemption and conversion of units	770	-	-	-	-	770
Payable against purchase of investments	2,579	-	-	-	-	2,579
Dividend payable	7,498	-	-	-	-	7,498
Accrued expenses and other liabilities	41	4,104	-	-	-	4,145
	14,709	4,104	-	-	-	18,813

Net financial assets

	722,282	206,783	308,191	197,506	-	2,679,359
--	---------	---------	---------	---------	---	-----------

18.3 Credit risk

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

	2023		2022	
	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	275,725	275,725	314,974	314,974
Investments	1,460,582	361,885	2,356,901	915,744
Receivable against conversion of units	152	152	91	91
Dividend receivable	861	861	694	694
Receivable against sale of investments	19,077	19,077	1,991	1,991
Advances, deposits and other receivables	36,735	36,735	23,521	23,521
	<u>1,793,131</u>	<u>694,434</u>	<u>2,698,172</u>	<u>1,257,015</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investment in government securities of Rs. 263.112 million (2022: 199.360 million) are not exposed to credit risk as these are guaranteed by Government of Pakistan, and investment in equity securities of Rs. 835.584 million (2022: Rs. 1,241.797 million) are also not exposed to credit risk.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

18.3.2 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 mark-up accrued thereon, investment in sukuk certificates and commercial paper. The credit rating profile of balances with banks is as follows:

	% of financial assets exposed to credit risk	
	2023	2022
AAA	73.98	12.28
AA+	8.23	7.11
AA	3.79	1.33
A+	14.00	79.26
A	0.00	0.03
	<u>100.00</u>	<u>100.00</u>

Ratings of sukuks (other than Government securities) and commercial papers have been disclosed in related notes to the financial statements. GoP Ijarah Sukuks and sukuks issued by government owned entities are government guaranteed. Since, the asset of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

18.3.3 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. 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 concentrations of credit risk.

The Fund does not have any collateral against any of the aforementioned assets. The issuer of the Sukuks, however, pledge securities with the investment agent in Trust for the benefit of the Sukuk Holder.

Due to the Fund's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Fund except for Arzoo Textiles Limited Sukuk, Security Leasing Corporation Sukuk, Eden Housing Limited Sukuk, Hascol Petroleum Limited Sukuk and Shakarganj Food Products Limited Sukuk (refer note 6).

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

	2023		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	(Rupees in '000')		
Shares of listed companies - 'ordinary shares'	835,585	-	-
Sukuk certificates	-	624,997	-
Commercial papers**	-	-	-
	835,585	624,997	-

	2022		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	(Rupees in '000')		
Shares of listed companies - 'ordinary shares'	1,241,797	-	-
Sukuk certificates	-	699,588	-
Commercial papers**	-	415,516	-
	1,241,797	1,115,104	-

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

** The valuation of commercial papers has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating except for the commercial paper of Mughal Iron & Steel Industries Limited which has a tenure of one year, however, this has also been valued on the same basis.

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount (Rupees in '000')	Percentage of total	Number of unit holders	Investment amount (Rupees in '000')	Percentage of total
Individuals	4,394	722,691	42.80	4,724	1,220,965	46.23
Associated Companies / Directors	1	15,410	0.91	3	411,482	15.58
Insurance Companies	1	1,639	0.10	1	1,641	0.06
Retirement Funds	23	373,963	22.15	51	725,831	27.49
Public Limited Companies	-	-	-	-	-	0.00
Others	34	574,827	34.04	42	280,902	10.64
	4,453	1,688,530	100.00%	4,821	2,640,821	100.00%

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
ISMAIL IQBAL SECURITIES (PVT) LTD	8%	ISMAIL IQBAL SECURITIES (PVT) LTD	11%
TOP LINE SECURITIES (PVT) LTD	8%	TOP LINE SECURITIES (PVT) LTD	8%
ABA ALI HABIB SECURITIES (PVT) LTD	7%	JS GLOBAL CAPITAL LIMITED	8%
ARIF HABIB LIMITED	6%	BMA CAPITAL MANAGEMENT LTD	6%
JS GLOBAL CAPITAL LIMITED	5%	ARIF HABIB LIMITED	6%
TAURUS SECURITIES LTD	5%	TAURUS SECURITIES LTD	6%
SHAJAR CAPITAL PAKISTAN (PRIVATE) LT	5%	SPECTRUM SECURITIES (PRIVATE) LTD	4%
BMA CAPITAL MANAGEMENT LTD	5%	ABA ALI HABIB	4%
SPECTRUM SECURITIES (PRIVATE) LTD	4%	OPTIMUS CAPITAL MANAGEMENT PVT LTD	2%
EFG HERMES PAKISTAN LIMITED	3%	SHERMAN SECURITIES (PVT.) LTD	2%

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

24 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 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	(Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoaib, CFA	(Chief Executive Officer	Yes	Yes	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

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

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

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 7, 2023.

26 GENERAL

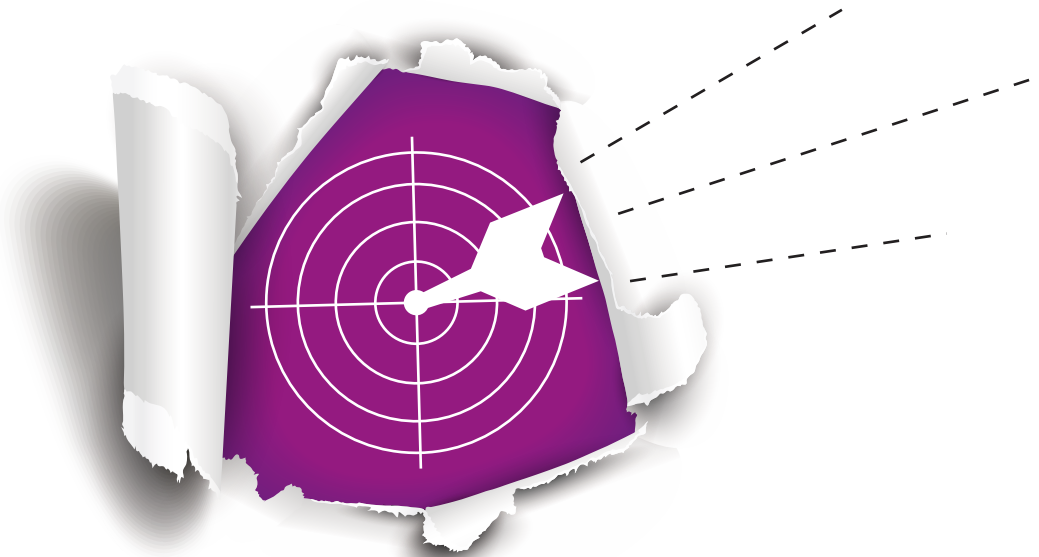
Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

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

Chief Executive Officer

Chief Financial Officer

Director



Evolving Reporting **Standards**

Al Meezan's commitment to evolving its reporting standards ensures that clients receive accurate and up-to-date information, offering complete transparency and easy access to information.

Meezan Asset Allocation Fund

Meezan Asset Allocation Fund is a Shariah Compliant Asset Allocation Scheme. It aims to earn a potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instrument as permitted by the SECP and Shariah Advisor.

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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

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



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Asset Allocation Fund (MAAF)

Objective

The fund aims to earn a potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income and Money Market Instruments and any other Shariah Compliant instrument as permitted by the SECP and Shariah Advisor.

Investment Policy and Strategy

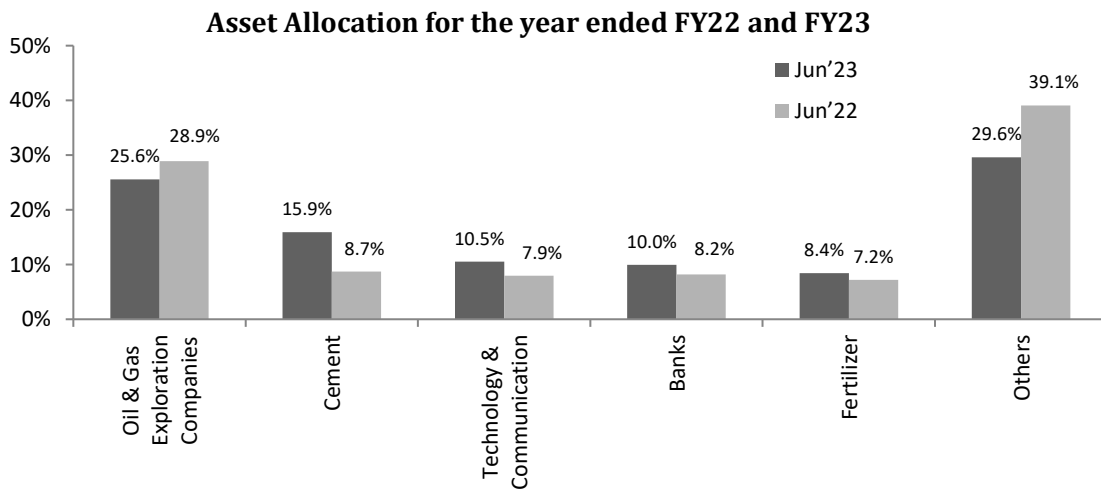
Based on the Fund Manager's outlook on asset classes, the allocation of the portfolio will actively be managed between the Equity asset classes and Fixed Income/Money Market asset classes in line with the macroeconomic view and outlook of such asset classes. For exposure to equities, this fund shall primarily be invested in Listed Islamic Equity while for exposure to Fixed Income/Money Market, the fund shall invest in Islamic Money Market and Islamic Fixed Income instruments as well as in Cash at Bank Accounts of Islamic Banks and licensed Islamic Banking windows of conventional Banks.

To comply with the regulatory limits enforced by the SECP, the fund can take a maximum exposure of up to 90% of its Net Assets in equity or fixed income; in case of an investment in REITs, a limit of 35% has been assigned by the regulator.

The fund manager looks to earn a higher than average return by actively managing the portfolio between equity and fixed income avenues in line with the movements of the stock market.

Asset Allocation

As on June 30, 2023, the fund's equity exposure was 85.36%, while 14.64% of the Net Assets was invested in bank deposits.

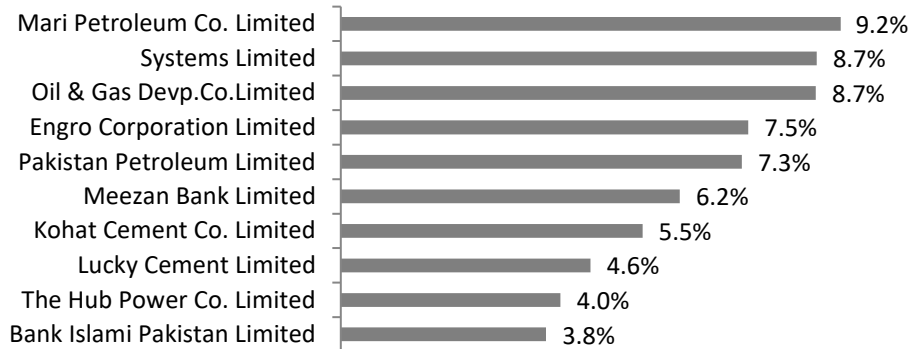




Pure. Profit.



Top Holdings



Performance Review

During the fiscal year 2023, Meezan Asset Allocation Fund provided a positive return of 0.35% to its investors.

	MAAF	Benchmark
Net Asset Value as on June 30, 2022	40.01	68,766.37
Net Asset Value as on June 30, 2023	39.86	70,748.12
Change (Points)	-0.15	1,981.75
Return During the Period - Net	0.35%	3.28%
Under performance	-2.94%	

Benchmark: Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation

Meezan Asset Allocation Fund posted a total Income of Rs. 29 million during FY23 as compared to total Loss of Rs. 233 million last year. Total loss comprised of realized and unrealized loss on investments of Rs. 31 million and Rs. 5 million respectively. Dividend income and profit on saving account with banks comprised of Rs. 54 million and 11 million respectively. After accounting for expenses of Rs. 26 million, the fund posted a net Income of Rs. 3 million. The net assets of the Fund as at June 30, 2023 were Rs. 454 million as compared to Rs. 850 million at the end of last year depicting an decrease of 47%.

The fund aims to earn a potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income and Money Market Instruments and any other Shariah Compliant instrument as permitted by the SECP and Shariah Advisor.

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, 2023 an amount of Rs. 1.811 million was accrued as charity payable.

Distributions

There is Re 0.29/- distribution by the Fund during the period ended June 30, 2023.



Pure. Profit.



SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size:

(As on June 30, 2023)

Range (Units)	No. of Investors
1 - 9,999	978
10,000 - 49,999	105
50,000 - 99,999	19
100,000 - 499,999	13
500,000 and above	4
Total	1,119

Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	31	31	0	0
Percentage	100%	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
MEEZAN ASSET ALLOCATION FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	453,987.00	850,185.00	1,672,231.00
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	39.8599	40.0109	49.4600
Offer price per unit as at June 30, (Rs.) (ex-distribution)	41.2111	41.3673	51.1367
Highest offer price per unit (Rs.)	43.7888	53.7822	53.0784
Lowest offer price per unit (Rs.)	38.6005	40.2510	38.6076
Highest redemption price per unit (Rs.)	42.3531	52.0188	51.3381
Lowest redemption price per unit (Rs.)	37.3349	38.9313	37.3418
Distribution (%)			
Interim	0.58%	0	0
Final		0	0
Date of distribution			
Interim	27/06/2023	0	0
Final		0	0
Income distribution (Rupees in '000)	3,286	0	0
Growth distribution (Rupees in '000)		0	0
Total return (%)	0.00	(19.10)	35.16

Average annual return as at June 30, 2023 (%)

One Year	Two Years	Three Years
0.00%	-10.05%	3.02%

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

Dr. Muhammad Imran Usmani

Address:

Jamia Darul Uloom Karachi

Korangi Industrial Area Karachi

Pakistan

Postal Code 75180

Tel: +92 21 3 5047770

Fax: +92 21 5040234

Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Asset Allocation Fund (MAAF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Seventh year of operations of Meezan Asset Allocation Fund (the “MAAF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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 Shariah Advisor, we have prescribed six criteria for Shariah compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Investment in Shariah non-compliant activities to total assets (iv) Shariah 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 Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account which amounts to PKR 1.8 million and is available for disbursement.

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah 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



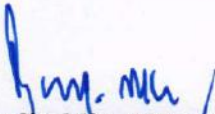
TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ASSET ALLOCATION FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Asset Allocation Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Asset Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Asset Allocation Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of equity instruments) held by the Fund represent 96% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

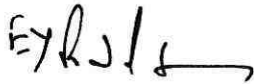
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076QEKakzDhP



**MEEZAN ASSET ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023**

	Note	2023	2022
		-----Rupees in '000-----	
Assets			
Balances with banks	5	51,466	94,883
Investments	6	400,027	759,097
Receivable against conversion of units		601	2,873
Receivable against sale of investments		9,966	3,981
Dividend receivable		716	240
Advances, deposits and other receivable	7	5,844	5,992
Total assets		468,620	867,066
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	8	1,558	1,062
Payable to Central Depository Company of Pakistan Limited - Trustee	9	86	159
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	137	268
Payable to Meezan Bank Limited		-	66
Payable against redemption and conversion of units		8,294	7,287
Payable against purchase of investments		-	5,179
Dividend payable		258	-
Withholding Tax Payable On Dividend		637	-
Accrued expenses and other liabilities	11	3,663	2,860
Total liabilities		14,633	16,881
Net assets		453,987	850,185
Unit holders' fund (as per statement attached)		453,987	850,185
Contingencies and commitments	12		
		-----Number of units-----	
Number of units in issue		11,389,560	21,248,845
		-----Rupees-----	
Net asset value per unit		39.8599	40.0109

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ASSET ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
----- Rupees in '000 -----			
Income			
Realised loss on sale of investments		(31,049)	(149,016)
Dividend income		53,954	68,810
Profit on balances with banks		10,950	11,527
Other income		-	1,032
		<u>33,855</u>	<u>(67,647)</u>
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	<u>(4,818)</u>	<u>(165,110)</u>
Total income / (loss)		<u>29,037</u>	<u>(232,757)</u>
Expenses			
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	10,256	20,106
Sindh Sales Tax on remuneration of the Management Company	8.2	1,333	2,614
Allocated expenses	8.3	752	1,474
Selling and marketing expenses	8.4	6,838	13,404
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,368	2,322
Sindh Sales Tax on remuneration of the Trustee	9.2	178	302
Annual fees to the Securities and Exchange Commission of Pakistan (SECP)	10	137	268
Brokerage expense		1,736	4,526
Auditors' remuneration	13	386	339
Fee and subscription charges		471	563
Legal and professional charges		-	184
Bank and settlement charges		462	621
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(21,839)
Charity expense	11.1	1,811	1,420
Total expenses		<u>(25,728)</u>	<u>(26,304)</u>
Net income / (loss) for the year before taxation		<u>3,309</u>	<u>(259,061)</u>
Taxation	15	-	-
Net income / (loss) for the year after taxation		<u>3,309</u>	<u>(259,061)</u>
Allocation of net income for the year			
Net income for the year after taxation		3,309	-
Income already paid on units redeemed		-	-
		<u>3,309</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		3,309	-
		<u>3,309</u>	<u>-</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ASSET ALLOCATION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	----- Rupees in '000-----	
Net income / (loss) for the year after taxation	3,309	(259,061)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>3,309</u>	<u>(259,061)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ASSET ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	2023			2022		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	----- Rupees in '000-----			----- Rupees in '000-----		
Net assets at the beginning of the year	1,680,295	(830,110)	850,185	2,243,280	(571,049)	1,672,231
Issuance of units 2,325,709 (2022: 14,050,775 units)						
- Capital value (at net asset value per unit at the beginning of the year)	93,054	-	93,054	694,951	-	694,951
- Element of income / (loss)	666	-	666	(36,295)	-	(36,295)
Total proceeds on issuance of units	93,720	-	93,720	658,656	-	658,656
Redemption of units 12,184,995 (2022 26,611,680 units)						
- Capital value (at net asset value per unit at the beginning of the year)	487,533	-	487,533	1,316,214	-	1,316,214
- Element of loss / (income)	2,408	-	2,408	(94,573)	-	(94,573)
Total payments on redemption of units	489,941	-	489,941	1,221,641	-	1,221,641
Total comprehensive income / (loss) for the year	-	3,309	3,309	-	(259,061)	(259,061)
Distribution during the year	-	(3,286)	(3,286)	-	-	-
Net income / (loss) for the year less distribution	-	23	23	-	(259,061)	(259,061)
Net assets at the end of the year	1,284,074	(830,087)	453,987	1,680,295	(830,110)	850,185
Accumulated losses brought forward						
- Realised loss	(665,000)			(768,055)		
- Unrealised (loss) / income	(165,110)			197,006		
	(830,110)			(571,049)		
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	3,309			-		
	3,309			-		
Interim distribution during the year at Rs. 0.29 per unit i.e. 0.58% of the par value of Rs. 50 each (June 27, 2023)	(3,286)			-		
Net income / (loss) for the year after taxation	-			(259,061)		
Accumulated losses carried forward	(830,087)			(830,110)		
Accumulated losses carried forward						
- Realised loss	(825,269)			(665,000)		
- Unrealised income	(4,818)			(165,110)		
	(830,087)			(830,110)		
	(Rupees)			(Rupees)		
Net assets value per unit at the beginning of the year	40.0109			49.4600		
Net assets value per unit at the end of the year	39.8599			40.0109		

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ASSET ALLOCATION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year before taxation		3,309	(259,061)
Adjustments for:			
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	4,818	165,110
		<u>8,127</u>	<u>(93,951)</u>
Decrease / (increase) in assets			
Investments - net		354,252	499,195
Receivable against sale of investments		(5,985)	4,151
Dividend receivable		(476)	400
Advances, deposits and other receivable		148	21,970
		<u>347,939</u>	<u>525,716</u>
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		496	(3,442)
Payable to Central Depository Company of Pakistan Limited - Trustee		(73)	(82)
Payable to the Securities and Exchange Commission of Pakistan (SECP)		(131)	(42)
Payable against purchase of investments		(5,179)	5,051
Payable to Meezan Bank Limited		(66)	17
Dividend payable		258	-
Withholding Tax Payable On Dividend		637	-
Accrued expenses and other liabilities		803	(24,560)
		<u>(3,255)</u>	<u>(23,058)</u>
Net cash generated from operating activities		<u>352,811</u>	<u>408,707</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(3,286)	-
Receipts against issuance and conversion of units		95,992	659,458
Payment against redemption and conversion of units		(488,934)	(1,223,144)
Net cash used in from financing activities		<u>(396,228)</u>	<u>(563,686)</u>
Net decrease in cash and cash equivalents during the year		<u>(43,417)</u>	<u>(154,979)</u>
Cash and cash equivalents at the beginning of the year		94,883	249,862
Cash and cash equivalents at the end of the year	5	<u><u>51,466</u></u>	<u><u>94,883</u></u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ASSET ALLOCATION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Asset Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on November 25, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 16, 2015 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.3 The Fund is an open-end Shariah Compliant Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 31, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). 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 and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of 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 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments	Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8 January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising - from a Single Transaction - Amendments to IAS 12 January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants - Amendments to IAS 1 January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its - Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 - and IFRS 7 January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12 January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRS January 01, 2004
IFRS 17	Insurance Contracts January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

3.6 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.2 Cash and cash equivalents

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

4.3 Financial assets

4.3.1 Initial recognition and measurement

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

4.3.2 Classification and subsequent measurement

a) 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.

a) Debt instruments

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

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

based on the business model of the entity

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

b) Impairment

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

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

c) Impairment loss on debt securities

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

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

4.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

4.3.4 Derecognition

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

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Provisions

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

4.7 Net asset value per unit

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

4.8 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 and provision of any duties and charges, provision for transaction costs if applicable. The sales load is payable to the Management Company / distributors.

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

4.9 Distributions to unit holders

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

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

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

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

4.11 Revenue recognition

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

4.12 Expenses

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

4.13 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 being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

4.14 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Provided that, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.15 Earnings / (loss) per unit

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

Earnings / (loss) per unit has not been disclosed as, in the opinion of the Management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5	BALANCES WITH BANKS	Note	2023	2022
			----- Rupees in '000-----	
	Balances with banks in:			
	Savings accounts	5.1	49,757	92,714
	Current accounts		1,709	2,169
			<u>51,466</u>	<u>94,883</u>

5.1 These include balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 10.00% (2022: 6.01%) per annum. Other savings accounts of the Fund have expected profit rates ranging from 7.14% to 20.25% per annum (2022: 4.00% to 15.50% per annum).

6	INVESTMENTS	Note	2023	2022
			----- Rupees in '000-----	
	Investment at 'fair value through profit or loss'			
	Listed equity securities	6.1	<u>400,027</u>	<u>759,097</u>

6.1 Investments in equity securities - listed

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised (diminution)/a appreciation as at June 30, 2023	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
				----- (Number of shares) -----		----- (Rupees in '000) -----		----- % -----			
Cement											
Attock Cement Pakistan Limited	3,100	-	-	-	3,100	206	257	51	0.06	-	-
Cherat Cement Company Limited	74,600	50,000	-	30,000	94,600	9,429	11,378	1,950	2.51	0.05	0.03
Fauji Cement Company Limited	245,000	140,000	30,625	300,000	115,625	1,525	1,360	(165)	0.30	-	-
Gharibwal Cement Limited	442,000	-	-	185,500	256,500	5,002	3,976	(1,026)	0.88	0.06	0.01
Kohat Cement Company Limited	125,800	43,968	-	20,500	149,268	20,611	25,894	5,283	5.70	0.07	0.06
Lucky Cement Limited	58,031	31,000	-	48,000	41,031	18,650	21,422	2,772	4.72	0.01	0.05
Pioneer Cement Limited	-	50,000	-	-	50,000	3,600	4,332	732	0.95	0.02	0.01
Maple Leaf Cement Factory Limited	489,707	150,000	-	428,033	211,674	5,880	5,997	116	1.32	0.02	0.01
									16.44	0.23	0.17
Chemicals											
Descon Oxychem Limited	-	400,000	-	400,000	-	-	-	-	-	-	-
Dynea Pakistan Limited (note 6.1.1)	59,600	100	-	59,700	-	-	-	-	-	-	-
Engro Polymer and Chemicals Limited	199,761	-	-	199,761	-	-	-	-	-	-	-
Lucky Core Industries Limited	12,400	-	-	3,000	9,400	6,811	5,679	(1,132)	1.25	0.01	0.01
									1.25	0.01	0.01
Commercial Banks											
BankIslami Pakistan Limited	852,000	300,000	-	160,000	992,000	12,256	17,618	5,362	3.88	0.09	0.04
Meezan Bank Limited (a related party of the Fund)	539,167	-	49,516	252,000	336,683	34,580	29,079	(5,501)	6.41	0.02	0.07
									10.29	0.11	0.11
Engineering											
International Industries Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
International Steels Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	186,190	160,000	-	346,190	-	-	-	-	-	-	-
									-	-	-
Fertilizer											
Engro Corporation Limited (note 6.1.2)	95,778	178,000	-	139,263	134,515	36,608	34,959	(1,649)	7.70	0.02	0.09
Fatima Fertilizer Company Limited	-	102,264	-	102,264	-	-	-	-	-	-	-
Engro Fertilizers Limited	423,348	75,000	-	444,000	54,348	4,765	4,485	(280)	0.99	-	0.01
									8.69	0.02	0.10
Food And Personal Care Products											
Al-Shaheer Corporation Limited (note 6.1.3)	7,704	-	-	7,516	188	2	1	(1)	-	-	0.00
National Foods Limited	-	45,000	-	33,000	12,000	1,020	1,181	161	0.26	0.01	0.00
The Organic Meat Company Limited	-	285,000	9,750	95,000	199,750	4,188	4,151	(37)	0.91	-	0.01
At-Tahur Limited	169,200	-	16,920	181,500	4,620	80	76	(4)	0.02	-	0.00
									1.19	0.01	0.01
Glass and Ceramics											
Shabbir Tiles and Ceramics Limited (note 6.1.1)	1,326,500	-	-	1,326,500	-	-	-	-	-	-	-
Leather & Tanneries											
Service GlobalFootwear Limited	15,005	-	-	15,005	-	-	-	-	-	-	-
Oil And Gas Exploration Companies											
Mari Petroleum Company Limited	55,936	6,368	-	33,975	28,329	48,718	42,908	(5,810)	9.45	0.02	0.11
Oil and Gas Development Company Limited (note 6.1.2)	874,650	115,000	-	467,000	522,650	41,187	40,767	(420)	8.98	0.01	0.10
Pakistan Oilfields Limited	40,667	-	-	36,249	4,418	1,793	1,775	(18)	0.39	-	0.00
Pakistan Petroleum Limited	1,002,841	101,000	-	522,000	581,841	39,695	34,410	(5,285)	7.58	0.02	0.09
									26.40	0.05	0.30
Oil And Gas Marketing Companies											
Attock Petroleum Limited	-	32,000	6,250	29,015	9,235	2,755	2,773	18	0.61	0.01	0.01
Pakistan State Oil Company Limited (note 6.1.3)	126,561	34,000	-	103,000	57,561	9,802	6,390	(3,412)	1.41	0.01	0.02
Sui Northern Gas Pipelines Limited	442,336	270,000	-	519,000	193,336	7,399	7,612	213	1.68	0.03	0.02
									3.70	0.05	0.05
Paper and Board											
Century Paper and Board Mills Limited	166,100	35,500	106,378	92,500	215,478	6,451	6,085	(366)	1.34	0.11	0.02
Packages Limited	33,250	-	-	18,000	15,250	6,083	5,931	(152)	1.31	0.02	0.01
									2.65	0.13	0.03
Pharmaceuticals											
Haleon Pakistan Limited	19,800	-	-	19,800	-	-	-	-	-	-	-
IBL Healthcare Limited	473,300	-	33,330	506,630	-	-	-	-	-	-	-
The Searle Company Limited (note 6.1.3)	3,682	-	920	-	4,602	401	176	(225)	0.04	-	0.00
									0.04	-	0.00

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised (diminution)/a ppreciation as at June 30, 2023	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of invest-ments
									%		
(Number of shares)						(Rupees in '000)			%		
Power Generation And Distribution											
The Hub Power Company Limited	150,797	490,000	-	370,000	270,797	18,861	18,842	(19)	4.15	0.02	0.05
K-Electric Limited (note 6.1.1)	1,779,500	1,000,000	-	2,779,500	-	-	-	-	-	-	-
									4.15	0.02	0.05
PROPERTY & REAL ESTATE											
TPL Properties Limited	-	300,000	10,000	100,000	210,000	3,547	2,617	(931)	0.58	0.04	0.01
									0.58	0.04	0.01
Refinery											
Attock Refinery Limited	4,500	-	-	4,500	-	-	-	-	-	-	-
Cnergyico PK Limited	1,898,000	750,000	-	2,648,000	-	-	-	-	-	-	-
National Refinery Ltd	20,956	-	-	20,956	-	-	-	-	-	-	-
									-	-	-
Technology and Communication											
Air Link Communication Limited	46,737	-	-	46,737	-	-	-	-	-	-	-
Avanceon Limited	43,000	-	6,450	49,450	-	-	-	-	-	-	-
Octopus Digital Limited	25,524	-	-	25,524	-	-	-	-	-	-	-
Supernet Limited	500,000	10,000	50,000	-	560,000	9,774	8,394	(1,380)	1.85	0.50	0.02
Systems Limited	145,260	10,000	-	54,000	101,260	34,089	40,841	6,752	9.00	0.04	0.10
Worldcall Telecom Limited	3,150,000	-	-	3,150,000	-	-	-	-	-	-	-
									10.85	0.54	0.12
Textile Composite											
Feroze1888 Mills Limited	63,600	-	-	61,600	2,000	125	150	25	0.03	-	0.00
Interloop Limited	279,626	220,000	37,361	449,362	87,625	3,627	3,090	(537)	0.68	0.01	0.01
Kohinoor Textile Mills Limited	260,500	-	-	154,000	106,500	5,325	5,422	97	1.19	0.04	0.01
Nishat Mills Limited	75,700	-	-	75,700	-	-	-	-	-	-	-
									1.90	0.05	0.02
Total as at June 30, 2023						404,845	400,027	(4,818)	88.14		98.64
Total as at June 30, 2022						924,207	759,097	(165,110)	89.29		100.00

* Nil figures due to rounding off

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of Dynea Pakistan Limited and Shabbir Tiles and Ceramics Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.
- 6.1.2** Investments include 34,000 shares of Engro Corporation Limited and 140,000 shares of Oil and Gas Development Company Limited, having market value of Rs.8.836 million and Rs.10.92 million respectively as at June 30, 2023 (June 30, 2022: 34,000 shares of Engro Corporation Limited, 140,000 shares of Oil and Gas Development Company Limited, having market value of Rs.17.676 million and Rs.9.503 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 are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only 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 High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment 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 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 01, 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 year were not withheld by the investee companies.

As at June 30, 2023, the market value of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.0.800 million (June 30, 2022: Rs.1.37 million).

	Note	2023	2022
----- Rupees in '000-----			
6.2 Unrealised diminution on re-measurement of investments classified as Financial assets at fair value through profit or loss			
Market value of investments	6.1	400,027	759,097
Carrying value of investments	6.1	(404,845)	(924,207)
		<u>(4,818)</u>	<u>(165,110)</u>
7 ADVANCES, DEPOSITS AND OTHER RECEIVABLE			
Security deposit with Central Depository Company of Pakistan Limited		100	100
Security deposit with National Clearing Company of Pakistan Limited		2,512	2,500
Profit receivable on saving accounts with banks		762	922
Advance tax	7.1	2,470	2,470
		<u>5,844</u>	<u>5,992</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 the year ended June 30, 2022, withholding tax on dividend 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 May 12, 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 amounts to Rs.2.470 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, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	Note	2023	2022
-----Rupees in '000-----			
PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED- MANAGEMENT COMPANY			
Remuneration payable	8.1	148	211
Sindh Sales Tax on remuneration payable to the Management Company	8.2	19	27
Allocated expenses payable	8.3	42	5
Front End Sales load payable		15	13
Sindh Sales Tax payable on sales load		2	1
Selling and marketing expenses payable	8.4	1,332	805
		<u>1,558</u>	<u>1,062</u>

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.5% (2022:1.5%) per annum of the average net assets of the Fund during the year June 30, 2023 . The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs.1.333 million (2022: Rs.2.614 million) was charged on account of sales tax on Management Fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.1,341 million (2022: Rs.2.605 million) has been paid to the Management Company which acts as a collecting agent.

8.3 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 rate of 0.11% (2022: 0.11%) of the average annual net assets of the Fund during the current year, subject to total expense charged being lower than actual expense incurred.

8.4 In accordance with Circular 11 dated July 05, 2019 issued by SECP with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 1% (2022: 1%) per annum of the average annual net assets of the Fund during the current year, subject to total expense charged being lower than actual expense incurred.

9	Note	2023	2022
-----Rupees in '000-----			
PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration of the Trustee	9.1	76	141
Sindh Sales Tax payable on remuneration of the Trustee	9.2	10	18
		<u>86</u>	<u>159</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs. 1 billion Rs 0.7 million or 0.2% per annum of net assets, whichever is higher.

- exceeding Rs. 1 billion Rs. 2.0 million plus 0.1% per annum of net assets exceeding Rs. 1 billion.

9.2 During the year, an amount of Rs.0.178 million (2022: Rs.0.302 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.0.186 million (2022: Rs.0.312 million) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, 2008, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan.

Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of average annual net assets of the Fund during the current year (2022: 0.02% of average annual net assets).

	Note	2023	2022
-----Rupees in '000-----			
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		255	208
Brokerage payable		568	318
Shariah advisor fee payable		167	264
Charity payable	11.1	2,036	1,417
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration to the Management Company	11.2	482	482
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	11.2	145	145
Capital gain tax payable		10	26
		3,663	2,860

- 11.1 According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund. Accordingly, during the year ended June 30, 2023, Shariah non-compliant income amounting to Rs.1.811 million (2022: Rs.1.420 million) was charged as charity expense and Rs1.19 million was disbursed to following charitable / welfare organisations respectively:

S. No	Charitable Organisations	Amount Rupees in '000
1	Akhuwat Foundation	227
2	The Patients behbud Society for AKUH	963
	Total	1,190

- 11.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs.0.627 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re.0.06 (June 30, 2022: Re.0.03) per unit.

12 CONTINGENCIES AND COMMITMENTS

12.1 There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022
	-----Rupees in '000-----	
13 AUDITORS' REMUNERATION		
Annual audit fee	246	225
Half yearly review fee	102	94
Out of pocket expenses	38	20
	<u>386</u>	<u>339</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 3.76% (2022: 3.59%) which includes 0.27% (2022: 0.28%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), 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 Asset Allocation scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

16.1 Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Collective Investment Schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

16.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.

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

Balances

	2023	2022
	-----Rupees '000-----	
Al Meezan Investment Management Company (Management Company)		
Remuneration payable to the Management Company	148	211
Sindh Sales Tax payable on remuneration of the Management Company	19	27
Sales load payable	15	13
Sindh Sales Tax on sales load	2	1
Allocated expenses	42	5
Selling and marketing expenses payable	1,332	805
Central Depository Company Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	76	141
Sindh Sales Tax on remuneration of the Trustee	10	18
Deposits	100	100
Meezan Bank Limited		
Sales load payable	-	58
Sindh Sales tax on sales load payable	-	8
Bank balance	3,774	1,472
Profit receivable on savings account	45	60
Outstanding 336,683 shares (2022: 539,167 shares)	29,079	60,915
Shariah Advisor fee payable	167	264
Unit Holders holding 10% or more units of the Fund		
Investment (Rs. in '000)	136,190	-
Investment (Units)	3,417	-
Directors and their close family members and key management personnel of the Management Company		
Investment of 96,221 units (2022: 295,585 units)	3,835	11,827

	For the year ended June 30,	
	2023	2022
	----- (Rupees in '000) -----	
Transactions during the year		
Al Meezan Investment Management Company (Management Company)		
Remuneration to the Management Company	10,256	20,106
Sindh Sales Tax on remuneration of the Management Company	1,333	2,614
Allocated expenses	752	1,474
Selling and marketing expenses	6,838	13,404
Central Depository Company Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,368	2,322
Sindh Sales Tax on remuneration of the Trustee	178	302
CDS charges	47	125
Meezan Bank Limited		
Profit on savings account	690	947
Purchase of Nil (2022: 271,234 shares)	-	36,646
Bonus of 49,516 shares (2022: 71,108 shares)	-	-
Sale 252,000 shares (2022: 131,000 shares)	25,985	18,889
Dividend income	4,780	3,469
Shariah Advisor fee	443	535
Unit holders holding 10% or more units of the Fund		
Dividend paid	755	-
Directors and their close family members and key management personnel of the Management Company		
Issuance of 3,498 units (2022: 586,315 units)	147	27,827
Redemption of 202,819 units (2022: 1,282,474 units)	7,998	61,895
Dividend paid	1,106	-

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

17 **FINANCIAL INSTRUMENTS BY CATEGORY**

2023		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
Financial assets		
Balances with banks	51,466	51,466
Investments	-	-
Receivable against conversion of units	400,027	400,027
Receivable against sale of investments	601	601
Dividend receivable	9,966	9,966
Advances, deposits and other receivable	716	716
	3,374	3,374
	<u>66,123</u>	<u>466,150</u>
Financial liabilities		
Payable to Al Meezan Investment Management Company - Management Company	1,558	1,558
Payable to Central Depository Company Of Pakistan Limited- Trustee	86	86
Payable against redemption and conversion of units	8,294	8,294
Accrued expenses and other liabilities	990	990
	<u>10,928</u>	<u>10,928</u>
Net financial assets / (liabilities)	<u>55,195</u>	<u>455,222</u>

2022		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
Financial assets		
Balances with banks	94,883	94,883
Investments	-	-
Receivable against sale of investments	759,097	759,097
Receivable against conversion of units	2,873	2,873
Dividend receivable	3,981	3,981
Advances, deposits and other receivable	240	240
	3,522	3,522
	<u>105,499</u>	<u>864,596</u>
Financial liabilities		
Payable to Al Meezan Investment Management Company- Management Company	1,062	1,062
Payable to Central Depository Company Of Pakistan Limited - Trustee	159	159
Payable against redemption and conversion of units	7,287	7,287
Payable against purchase of investments	5,179	5,179
Payable to Meezan Bank Limited	66	66
Accrued expenses and other liabilities	790	790
	<u>14,543</u>	<u>14,543</u>
Net financial assets / (liabilities)	<u>90,956</u>	<u>850,053</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

18.1 Market risk

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

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

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs.0.50 million (2022: Rs.0.93 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

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

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:



2023						
Effective Yield / 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	7.14% to 20.25%	49,757	-	-	1,709	51,466
Investments		-	-	-	400,027	400,027
Receivable against conversion of units		-	-	-	601	601
Dividend receivable		-	-	-	716	716
Receivable against sale of investments		-	-	-	9,966	9,966
Advances, deposits and other receivable		-	-	-	3,374	3,374
		49,757	-	-	416,393	466,150
Financial liabilities						
Payable to Al Meezan Asset Management Company - Management Company		-	-	-	1,558	1,558
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	86	86
Payable against redemption and conversion of units		-	-	-	8,294	8,294
Accrued expenses and other liabilities		-	-	-	990	990
		-	-	-	10,928	10,928
On-balance sheet gap (a)		49,757	-	-	405,465	455,222
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		49,757	-	-		
Cumulative profit rate sensitivity gap		49,757	49,757	49,757		

2022						
Effective Yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / interest rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- Rupees in 000-----						
Financial assets						
Balances with banks	4.00% to 15.50%	92,714	-	-	2,169	94,883
Investments		-	-	-	759,097	759,097
Receivable against conversion of units		-	-	-	2,873	2,873
Dividend receivable		-	-	-	240	240
Receivable against sale of investments		-	-	-	3,981	3,981
Advances, deposits and other receivable		-	-	-	3,522	3,522
		92,714	-	-	771,882	864,596
Financial liabilities						
Payable to Al Meezan Asset Management Company - Management Company		-	-	-	1,062	1,062
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	159	159
Payable against redemption and conversion of units		-	-	-	7,287	7,287
Payable against purchase of investments		-	-	-	5,179	5,179
Payable to Meezan bank Limited		-	-	-	66	66
Accrued expenses and other liabilities		-	-	-	790	790
		-	-	-	14,543	14,543
On-balance sheet gap (a)		92,714	-	-	757,339	850,053
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		92,714	-	-		
Cumulative profit rate sensitivity gap		92,714	92,714	92,714		

(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 and 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 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 1% increase / decrease in 30 KSE index on June 30, 2023, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs.4.00 million (2022: Rs.7.591 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, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

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

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

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

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

2023						
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	51,466	-	-	-	-	51,466
Investments	-	-	-	-	400,027	400,027
Receivable against conversion of units	601	-	-	-	-	601
Receivable against sale of investments	9,966	-	-	-	-	9,966
Dividend receivable	716	-	-	-	-	716
Advances, deposits and other receivable	3,374	-	-	-	-	3,374
	66,123	-	-	-	400,027	466,150

Financial liabilities

Payable to Al Meezan Management Company Limited- Management Company	1,558	-	-	-	-	1,558
Payable to Central Depository Company of Pakistan Limited - Trustee	86	-	-	-	-	86
Payable against redemption and conversion of units	8,294	-	-	-	-	8,294
Accrued expenses and other liabilities	568	422	-	-	-	990
	10,506	422	-	-	-	10,928

Net assets / (liabilities)

	55,617	(422)	-	-	400,027	455,222
--	---------------	--------------	---	---	----------------	----------------

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	94,883	-	-	-	-	94,883
Investments	-	-	-	-	759,097	759,097
Receivable against conversion of units	2,873	-	-	-	-	2,873
Receivable against sale of investments	3,981	-	-	-	-	3,981
Dividend receivable	240	-	-	-	-	240
Advances, deposits and other receivable	3,522	-	-	-	-	3,522
	105,499	-	-	-	759,097	864,596

Financial liabilities

Payable to Al Meezan Investment Management Company - Management Company	1,062	-	-	-	-	1,062
Payable to Central Depository Company of Pakistan Limited - Trustee	159	-	-	-	-	159
Payable against redemption and conversion of units	7,287	-	-	-	-	7,287
Payable against purchase of investments	5,179	-	-	-	-	5,179
Accrued expenses and other liabilities	318	472	-	-	-	790
Payable to Meezan bank Limited	66	-	-	-	-	66
	14,071	472	-	-	-	14,543

Net assets / (liabilities)

	91,428	(472)	-	-	759,097	850,053
--	---------------	--------------	---	---	----------------	----------------

18.3 Credit risk

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

	2023		2022	
	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	51,466	51,466	94,883	94,883
Investments	400,027	-	759,097	-
Receivable against conversion of units	601	601	2,873	2,873
Receivable against sale of investments	9,966	9,966	3,981	3,981
Dividend receivable	716	716	240	240
Advances, deposits and other receivable	3,374	3,374	3,522	3,522
	466,150	66,123	864,596	105,499

Difference in the balance as per statement of asset and liabilities and maximum exposure is due to the fact that investments in equity securities of Rs.400 million (2022: Rs.759 million) is not exposed to credit risk.

18.3.2 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 mark-up accrued thereon, dividend receivable and receivable against sale of units and against investments. The credit rating profile of balances with banks is as follows:

	2023	2022
	(Percentage)	
AAA	7.38	1.57
AA+	11.72	34.70
AA	0.08	0.03
AA-	15.09	-
A+	65.74	63.70
	100.00%	100.00%

18.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2023 & June 30, 2022 the Fund held the following financial instruments measured at fair values:

	2023		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	400,027	-	-

	2022		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Financial assets 'at fair value through profit or loss'			
Shares of listed companies - 'ordinary shares'	759,097	-	-

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total (%)	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total (%)
Individuals	1,105	308,597	67.97	1,331	465,705	54.78
Private Companies	2	5,743	1.27	5	26,347	3.10
Retirement Funds	9	104,975	23.12	21	315,362	37.09
Others	3	34,672	7.64	4	42,771	5.03
	1,119	453,987	100.00%	1,361	850,185	100.00%

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Standard Capital Sec (Pvt) Ltd	8.89%	Intermarket Securities Limited	6.55%
Ismail Iqbal Securities (Pvt) Ltd	6.13%	Arif Habib Limited	6.25%
Topline	5.07%	Ismail Iqbal Securities (Private) Limited	5.97%
Spectrum Securities (Private) Limit	4.58%	Spectrum Securities (Private) Limited	5.90%
Jsglobal	4.47%	Standard Capital Securities (Private) Limited	5.64%
Intermarket Securities Limited	4.34%	Topline Securities Limited	5.18%
Arif Habib Limited	3.85%	Vector Capital (Private) Limited	4.64%
Dalal Securities	3.77%	Alfalah Securities (Private) Limited	4.48%
Aba Ali Habib Securities Pvt Ltd	3.73%	BMA Capital Management Limited	4.16%
Optimus Capital Management Pvt Ltd	3.63%	Next Capital Limited	3.96%

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoab	Chief Executive Officer	CFA / MBA	Thirty Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Shariah Compliant Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA/ACCA	Nine years

23.1 The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund Manager are as follows:

- Meezan Balanced Fund;
- KSE Meezan Index Fund;
- Meezan Financial Planning Fund of Fund;
- Meezan Strategic Allocation Fund;
- Meezan Strategic Allocation Fund-II;
- Meezan Strategic Allocation Fund-III; and
- Meezan Dedicated Equity Fund.

24 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 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoab, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.



25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on August 7, 2023 by the Board of Directors of the Management Company.

26 GENERAL

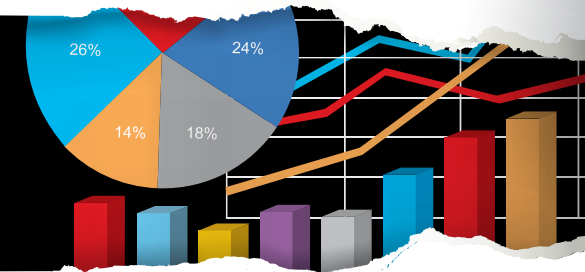
26.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



Compliance and Governance Evolution

Al Meezan's dedication to staying updated with changing regulatory standards and practicing strong corporate governance highlights its commitment to maintaining operational excellence.

Meezan Gold Fund

Meezan Gold Fund is Pakistan's first Shariah Compliant Gold Fund. It invests in gold instruments in the most efficient manner, to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner. This is done by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on the Pakistan Mercantile Index (PMEX).

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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

Bank Al Habib Limited- Islamic Banking
Faysal Bank Limited
Sindh Bank Limited
UBL Ameen - Islamic Banking
Dubai Islamic Bank Limited
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



Pure. Profit.



THE FUND MANAGER Meezan Gold Fund (MGF)

Type of Fund

Shariah compliant commodity fund that invests in physical gold to earn a return based on the commodity's price fluctuation, based on PMEX prices.

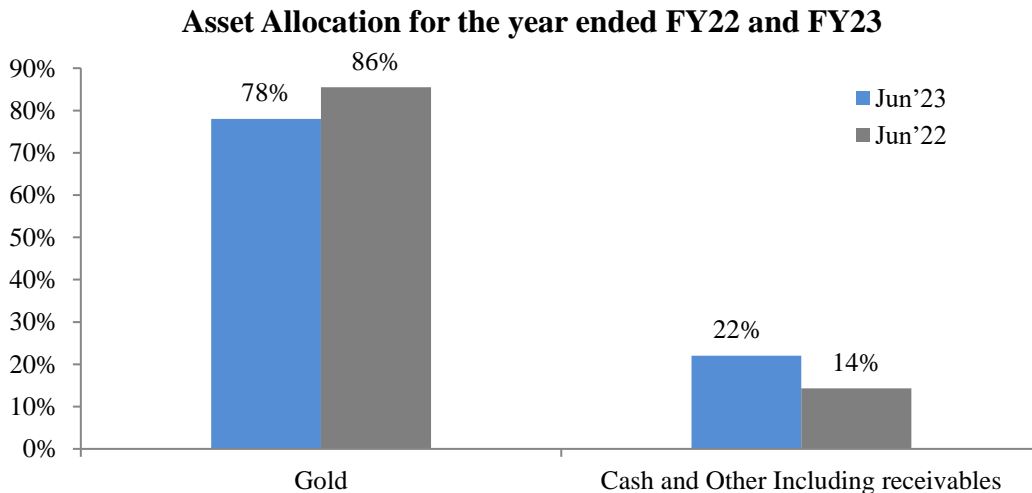
Investment Policy and Strategy

The objective of MGF is to provide maximum exposure to prices of Gold in a Shariah Compliant manner, by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange (PMEX). The fund has a long-term time horizon whereby the investors are advised to invest for a tenor of three to five years.

To meet the Fund's investment objective, at least seventy percent (70%) of Fund's net assets, will remain invested in deliverable gold based contracts, based on quarterly average investment calculated on daily basis, while the remaining net assets of the Fund shall be invested in cash and near cash instruments which include cash in bank accounts of Islamic banks and licensed Islamic banking windows of conventional banks (excluding TDR). However, at least 10% of the net assets of the Fund shall remain invested in cash and near cash instruments, based on monthly average calculated on daily basis.

Asset Allocation

As on June 30, 2023, the fund's gold exposure was 78.01%, while 21.99% of the Total Assets was invested in cash.



Performance Review

Meezan Gold Fund posted a total income of Rs. 380 million during FY23 as compared to total Income Rs. 135 million last year. Total income comprised of unrealized gains on investments in gold of Rs. 345 million, while profit on saving accounts with bank of Rs. 29 million. Price Adjustment Charges contributed 7 million in the net income. After accounting for expenses of Rs. 26 million, the fund posted a net income of Rs. 353 million. The net assets of the Fund as at June 30, 2023 were Rs. 1,346 million as compared to Rs. 604 million at the end of last year depicting an increase of 123%.



Pure. Profit.

During the fiscal year 2023, Meezan Gold Fund provided a return 52.45% to its investors due to rise in international gold prices and PKR depreciation.

	MGF	Benchmark
Net Asset Value as on June 30, 2022	103.91	
Net Asset Value as on June 30, 2023	157.42	
Change (Points)	53.51	
Return During the Period - Net	52.45%	48.39%
Outperformance - Net	4.07%	

Distribution: Benchmark: Combination of 70% PKR base closing price of physical gold and 30% 3 Month average deposit rates of 3 AA rated Islamic Banks

The interim Pay out by the Fund during the fiscal year ended June 30, 2023 was Rs. 1.00 per unit (2.00%). Total distribution made by the fund was Rs. 8.596 million.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size:

(As on June 30, 2023)

Range (Units)	No. of Investors
1 - 9,999	1,501
10,000 - 49,999	81
50,000 - 99,999	12
100,000 - 499,999	10
500,000 and above	2
Total	1,606

PERFORMANCE TABLE
MEEZAN GOLD FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	1,346,056	603,998	487,530
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	157.4219	103.9100	83.6357
Offer price per unit as at June 30, (Rs.) (ex-distribution)	162.5538	107.2975	86.3622
Highest offer price per unit (Rs.)	171.0690	112.6300	99.6179
Lowest offer price per unit (Rs.)	104.3957	84.5670	83.0565
Highest redemption price per unit (Rs.)	165.6683	109.0742	95.5082
Lowest redemption price per unit (Rs.)	101.0999	81.8972	79.6301
Distribution (%)			
Interim	2.00	1.00	N/A
Final			
Date of distribution			
Interim	June 19, 2023	June 24, 2022	N/A
Final			
Income distribution (Rupees in '000)	8,596	2,898	N/A
Growth distribution (Rupees in '000)	-	-	-
Total return (%)	52.45	24.83	(0.65)

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	52.45%	37.95%	23.65%

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor – Meezan Gold Fund (MGF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Eighth year of operations of Meezan Gold Fund (the “MGF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah 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



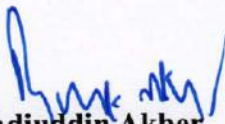
TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN GOLD FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Gold 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Gold Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Gold Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments in gold held by the Fund represent 97% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076xbrE1zA5M



MEEZAN GOLD FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	Note	2023	2022
		------(Rupees in '000)-----	
Assets			
Balances with banks	5	264,431	86,766
Investment in gold	6	1,059,065	518,611
Receivable against conversion of units		14	-
Advance and other receivables	7	34,100	1,044
Total assets		1,357,610	606,421
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	8	2,985	318
Payable to Central Depository Company of Pakistan Limited - Trustee	9	307	97
Payable to the Securities and Exchange Commission of Pakistan	10	175	112
Payable against conversion and redemption of units		1,652	17
Accrued expenses and other liabilities	11	5,061	1,879
Dividend payable		1,374	-
Total liabilities		11,554	2,423
Net assets		1,346,056	603,998
Unit holders' fund (as per statement attached)		1,346,056	603,998
Contingencies and commitments	13		
Number of units in issue		8,550,626	5,812,706
		------(Rupees)-----	
Net asset value per unit		157.4219	103.9100

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN GOLD FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
------(Rupees in '000)-----			
Income			
Profit on balances with banks		28,506	7,906
Price adjustment charges	12	6,691	4,980
		35,197	12,886
Net unrealised appreciation on re-measurement of investments in gold	6.1.3	344,576	122,339
Total income		379,773	135,225
Expenses			
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	9,864	5,623
Sindh Sales Tax on remuneration of the Management Company	8.2	1,282	731
Selling and marketing expenses	8.3	4,173	2,249
Allocated expenses	8.4	1,734	619
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,423	956
Sindh Sales Tax on remuneration of the Trustee	9.2	185	124
Annual fee to Securities and Exchange Commission of Pakistan	10	175	112
Auditors' remuneration	14	276	286
Fees and subscription		294	349
Legal and professional charges		-	184
Printing charges		1	-
Brokerage expense		90	-
Custodian fee		6,897	4,528
Bank and settlement charges		48	15
Reversal of provision for Sindh Workers' Welfare Fund		-	(5,067)
Total expenses		26,442	10,709
Net income for the year before taxation		353,331	124,516
Taxation	16	-	-
Net income for the year after taxation		353,331	124,516
Allocation of net income for the year			
Net income for the year after taxation		353,331	124,516
Income already paid on units redeemed		(18,686)	(15,109)
		334,645	109,407
Accounting income available for distribution			
- Relating to capital gains		334,645	109,407
- Excluding capital gains		-	-
		334,645	109,407

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For Al-Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



**MEEZAN GOLD FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	------(Rupees in '000)-----	
Net income for the year after taxation	353,331	124,516
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>353,331</u>	<u>124,516</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For AI-Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



MEEZAN GOLD FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at beginning of the year	377,392	226,606	603,998	367,432	120,098	487,530
Issue of 3,836,165 units (2022: 2,735,130 units)						
- Capital value (at net asset value per unit at the beginning of the year)	398,616	-	398,616	228,755	-	228,755
- Element of income	147,730	-	147,730	19,664	-	19,664
Total proceeds on issuance of units	546,346	-	546,346	248,419	-	248,419
Redemption of 1,098,245 units (2022: 2,751,632 units)						
- Capital value (at net asset value per unit at the beginning of the year)	114,119	-	114,119	230,135	-	230,135
- Element of loss	16,218	18,686	34,904	8,324	15,109	23,433
Total payments on redemption of units	130,337	18,686	149,023	238,459	15,109	253,568
Total comprehensive income for the year	-	353,331	353,331	-	124,516	124,516
Distribution during the year	-	(8,596)	(8,596)	-	(2,899)	(2,899)
Net income for the year less distribution	-	344,735	344,735	-	121,617	121,617
Net assets at end of the year	793,401	552,655	1,346,056	377,392	226,606	603,998
Undistributed income brought forward						
- Realised income		104,267			114,051	
- Unrealised income		<u>122,339</u>			<u>6,047</u>	
		226,606			120,098	
Accounting income available for distribution						
- Relating to capital gains		<u>334,645</u>			<u>109,407</u>	
- Excluding capital gains		<u>-</u>			<u>-</u>	
		334,645			109,407	
Distribution during the year ended June 30, 2023 at Re. 1.00 per unit i.e. 2.00% (June 30, 2022 Re. 0.5 per unit i.e. 1.00%) of the par value of Rs. 50/- each		<u>(8,596)</u>			(2,899)	
Undistributed income carried forward		<u>552,655</u>			<u>226,606</u>	
Undistributed income carried forward						
- Realised income		208,079			104,267	
- Unrealised income		<u>344,576</u>			<u>122,339</u>	
		<u>552,655</u>			<u>226,606</u>	
Net asset value per unit at beginning of the year			(Rupees) 103.9100			(Rupees) 83.6357
Net asset value per unit at end of the year			<u>157.4219</u>			<u>103.9100</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN GOLD FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		353,331	124,516
Adjustments for:			
Net unrealised appreciation on re-measurement of investment in gold	6.1.3	<u>(344,576)</u>	<u>(122,339)</u>
		8,755	2,177
(Increase) / decrease in assets			
Investments - net		<u>(195,878)</u>	-
Advance against investment		<u>(27,500)</u>	-
Profit receivable		<u>(5,556)</u>	1,277
		<u>(228,934)</u>	1,277
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		<u>2,667</u>	<u>(773)</u>
Payable to Central Depository Company of Pakistan Limited - Trustee		<u>210</u>	18
Payable to the Securities and Exchange Commission of Pakistan		<u>63</u>	11
Accrued expenses and other liabilities		<u>3,182</u>	<u>(7,771)</u>
		<u>6,122</u>	<u>(8,515)</u>
Net cash used in operating activities		<u>(214,057)</u>	<u>(5,061)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against conversion of units		<u>546,332</u>	249,035
Payment against redemption and conversion of units		<u>(147,387)</u>	(253,569)
Dividend paid		<u>(7,223)</u>	(2,899)
Net cash generated from / (used in) financing activities		<u>391,722</u>	<u>(7,433)</u>
Net increase / (decrease) in cash and cash equivalents during the year		<u>177,665</u>	<u>(12,494)</u>
Cash and cash equivalents at the beginning of the year		86,766	99,260
Cash and cash equivalents at the end of the year	5	<u><u>264,431</u></u>	<u><u>86,766</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For Al-Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN GOLD FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Gold Fund is an open ended mutual fund constituted under a Trust Deed entered into on October 15, 2014 between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). The Trust Deed was previously registered under The "Trust Act 1882" and now has been registered under "The Sindh Trust Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2** The Fund is an open-ended Shariah Compliant (Islamic) Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange Limited (PMEX). Furthermore, all investments of the Fund's property are in accordance with the Shariah as advised by the Shariah Advisor. The investments in Gold contracts listed at the Commodity Exchange are subject to the PMEX Regulations. 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 more fully explained in the Fund's Offering document.
- 1.3** The Fund has been categorised as a Shariah compliant Commodity Scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 13, 2015 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund. The fund is listed on Pakistan Stock Exchange Limited.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of 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, (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments	Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8 Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1 Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16 Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7 Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
IAS 12 International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards	IASB Effective date (annual periods beginning on or after)	
IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Company's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments in gold which is stated at its fair values.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Funds' functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

4.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial assets

4.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

4.3.2 Classification and subsequent measurement

IFRS 9 provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment as being managed as a group of assets and hence has classified them as FVPL.

4.3.3 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

4.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

4.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.6 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 Income Statement in the period of change.

4.7 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.8 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.9 Issuance 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 that day. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the management company / distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.12 Revenue recognition

- Gains / (losses) arising on sale of gold are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of gold are included in the Income Statement in the period in which they arise.
- Profit on balances with banks is recognised on accrual basis.
- Price adjustment charges added/ deducted to form NAV of the fund to determine offer / redemption price recognised on redemption or issuance of units.

4.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the condensed interim financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2023	2022
		------(Rupees in '000)-----	
5	BALANCES WITH BANKS		
Balances with banks in:			
	Savings accounts	5.1	264,431
		<u>264,431</u>	<u>86,766</u>
		<u>264,431</u>	<u>86,766</u>

5.1 These include a balance maintained with Meezan Bank Limited (a related party), that has last declared profit rate of 10% (2022: 6.01%) per annum. Other profit and loss sharing accounts of the Fund have, expected profit rates ranging from 6.74% to 20.20% per annum (2022: 3.00% to 15.50% per annum).

	Note	2023	2022
		------(Rupees in '000)-----	
6	INVESTMENT IN GOLD		
	Investment in gold	6.1	1,059,065
		<u>1,059,065</u>	<u>396,272</u>

6.1 Investment in gold

Commodity	As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation as at June 30, 2023	Percentage in relation to net assets of the fund on the basis of market value of investments
	-----Tola-----				------(Rupees in '000)-----			%
TOLAGOLD	3,675	837	-	4,512	712,381	1,055,556	343,175	78.42
MITOLA	15,000	-	-	15,000	2,108	3,509	1,401	0.26
Total as at June 30, 2023					<u>714,489</u>	<u>1,059,065</u>	<u>344,576</u>	
Total as at June 30, 2022					<u>396,272</u>	<u>518,611</u>	<u>122,339</u>	

6.1.1 The Pakistan Mercantile Exchange Limited (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX under their custody in the vaults of a commercial bank.

6.1.2 The investment in gold of Rs.1,059.065 million (2022: Rs.518.611 million) has been measured at fair value based on the quoted market price prevailing in the active markets.

	Note	2023	2022
		------(Rupees in '000)-----	
6.1.3	Net unrealised appreciation on re-measurement of investments in gold		
	Market value of investments	6.1	1,059,065
	Carrying value of investments	6.1	518,611
		<u>714,489</u>	<u>396,272</u>
		<u>344,576</u>	<u>122,339</u>



	Note	2023	2022
------(Rupees in '000)-----			
7	ADVANCE AND OTHER RECEIVABLES		
	Profit receivable on balances with banks	6,600	1,044
	Advance against investment	<u>27,500</u>	<u>-</u>
		<u>34,100</u>	<u>1,044</u>
8	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Management fee payable	8.1 413	101
	Sindh Sales Tax on remuneration of the Management Company	8.2 54	13
	Selling and marketing expenses payable	8.3 1,948	200
	Allocated expenses payable	8.4 503	4
	Sales load payable	59	-
	Sindh Sales Tax on sales load payable	8	-
		<u>2,985</u>	<u>318</u>

- 8.1** 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 following rate per annum of the average net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

Rate applicable from May 1, 2023 to June 30, 2023	Rate applicable from July 1, 2022 to April 30, 2023
1.5% of the average annual net assets of the Fund	1% of the average annual net assets of the Fund

- 8.2** During the year, an amount of Rs.1.282 million (2022: Rs.0.731 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011, and an amount of Rs.1.241 million (2022: Rs.0.771 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the following rates during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred:

Rate applicable from May 1, 2023 to June 30, 2023	Rate applicable from July 1, 2022 to April 30, 2023
0.7% of the average annual net assets of the Fund	0.4% of the average annual net assets of the Fund

- 8.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its own discretion, has charged such expenses at the following rates during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred:

Rate applicable from May 1, 2023 to June 30, 2023	Rate applicable from July 1, 2022 to April 30, 2023
0.45% of the average annual net assets of the Fund	0.11% of the average annual net assets of the Fund

	Note	2023	2022
------(Rupees in '000)-----			
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Trustee fee payable	9.1	272
	Sindh Sales Tax payable on trustee fee	9.2	86
		<u>35</u>	<u>11</u>
		<u>307</u>	<u>97</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs.1 billion 0.17% per annum of net assets
- from Rs.1 billion to Rs.5 billion Rs.1.7 million plus 0.085% per annum of net assets exceeding Rs.1 billion.
- exceeding Rs.5 billion Rs.5.1 million plus 0.07% per annum of net assets exceeding Rs.5 billion.

9.2 During the year, an amount of Rs.0.185 million (2022: Rs.0.124 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.0.161 million (2022: Rs.0.122 million) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2022: 0.02%) per annum of average annual net assets of the Fund.

	Note	2023	2022
------(Rupees in '000)-----			
11	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration payable	160	175
	Custodian fee payable	2,680	366
	Shariah advisor fee payable	101	159
	Withholding tax payable	1,154	371
	Capital gain tax payable	162	93
	Zakat payable	3	4
	Brokerage payable	90	-
	Provision for Federal Excise Duty and related		
	Sindh sales tax on management fee	11.1	414
	Provision for Federal Excise Duty and related		
	Sindh sales tax on sales load	11.1	297
		<u>297</u>	<u>297</u>
		<u>5,061</u>	<u>1,879</u>

11.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs.0.711 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re.0.08 (2022: Re.0.12) per unit.

12 PRICE ADJUSTMENT CHARGES

Securities and Exchange Commission of Pakistan (SECP) vide a circular no.40 SCD/AMCW/ MGF/63/2017 dated June 14, 2017, allowed the fund to charge price adjustment charges. Price adjustment charge is a difference between the offer price and the bid price from the closing price of the gold transactions (contract) available at PMEX, which is added to and deducted from the NAV to determine offer and redemption prices respectively. Such charges form part of Fund Property.

Currently, price adjustment charges added/ deducted to form NAV of the fund to determine offer / redemption price is 1% of NAV.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

14 AUDITORS' REMUNERATION

	2023	2022
	------(Rupees in '000)-----	
Annual audit fee	150	146
Half yearly review of condensed interim financial information	75	81
Fee for other certifications	40	43
Out of pocket expenses	11	16
	<u>276</u>	<u>286</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 3.00% (2022: 2.81%) which includes 0.19% (2022: 0.17%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 3% prescribed under the NBFC Regulations for a collective investment scheme categorised as Commodity Scheme.

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unitholders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

17.1 Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other collective investment schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

17.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

- 17.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, and the Trust Deed.
- 17.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 17.5 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:

	2023	2022
	------(Rupees in '000)-----	
Balances		
Al Meezan Investment Management Limited - Management Company		
Management fee payable	413	101
Sindh Sales Tax on remuneration of the Management Company	54	13
Allocated expenses payable	503	4
Selling and marketing expenses payable	1,948	200
Sales load payable	59	-
Sindh sales tax on sales load payable	8	-
Meezan Bank Limited		
Bank balance	291	491
Profit on balances with bank	29	141
Investment of 1,084,115 units (June 30, 2022: 1,084,115 units)	170,663	112,650
Shariah advisor fee payable	101	159
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	272	86
Sindh Sales Tax payable on trustee fee	35	11
Directors, their close family members and key management personnel of the Management Company		
Investment of 794,330 units (June 30, 2022: 468,253 units)	125,045	48,656
Unit Holders holding 10% or more units of the Fund		
Investment 1,104,468 units (2022: Nil units)	173,867	-
Transactions during the year	For the year ended June 30,	
	2023	2022
Al Meezan Investment Management Limited - Management Company		
Remuneration of Al Meezan Investment Management Limited - Management Company	9,864	5,623
Sindh Sales Tax on remuneration of the Management Company	1,282	731
Allocated expenses	1,734	619
Selling and marketing expenses	4,173	2,249
Meezan Bank Limited		
Profit on balances with bank	992	1,677
Shariah advisor fee	266	321
Units redeemed: nil (2022: 597 units)	-	50
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,423	956
Sindh Sales Tax on remuneration of the Trustee	185	124
Directors, their close family members and key management personnel of the Management Company		
Issue of 361,626 units (2022: 20,680 units)	53,368	1,881
Redemption of 35,549 units (2022: 86,856 units)	5,306	7,758
Unit Holders holding 10% or more units of the Fund		
Issue 572,794 units (2022: Nil units)	66,099	-

- 17.6 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

18 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Balances with banks
Receivable against conversion of units
Advance and other receivables

2023		
At amortised cost	At fair value through profit or loss	Total
------(Rupees in '000)-----		
264,431	-	264,431
14	-	14
<u>34,100</u>	<u>-</u>	<u>34,100</u>
<u>298,545</u>	<u>-</u>	<u>298,545</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company
Payable to the Central Depository Company of Pakistan Limited - Trustee
Payable against conversion and redemption of units
Accrued expenses and other liabilities

2023		
At fair value through profit or loss	At amortised cost	Total
------(Rupees in '000)-----		
-	2,985	2,985
-	307	307
-	1,652	1,652
-	<u>3,031</u>	<u>3,031</u>
-	<u>7,975</u>	<u>7,975</u>

Financial assets

Balances with banks
Advance and other receivables

2022		
At amortised cost	At fair value through profit or loss	Total
------(Rupees in '000)-----		
86,766	-	86,766
1,044	-	1,044
<u>87,810</u>	<u>-</u>	<u>87,810</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company
Payable to the Central Depository Company of Pakistan Limited - Trustee
Payable against conversion and redemption of units
Accrued expenses and other liabilities

2022		
At fair value through profit or loss	At amortised cost	Total
------(Rupees in '000)-----		
-	318	318
-	97	97
-	17	17
-	<u>700</u>	<u>700</u>
-	<u>1,132</u>	<u>1,132</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 the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

Risks managed and measured by the Fund are explained below:

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.

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, 2023, 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 variable rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 2.644 million (2022: Rs. 0.868 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund did not hold any fixed rate instrument that may expose the fund to fixed 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, 2023 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, 2023 can be determined as follows:

----- 2023 -----					
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	264,431	-	-	-	264,431
Receivable against conversion of units	-	-	-	14	14
Advance and other receivables	-	-	-	34,100	34,100
	264,431	-	-	34,114	298,545
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	2,985	2,985
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	307	307
Payable against conversion and redemption of units	-	-	-	1,652	1,652
Accrued expenses and other liabilities	-	-	-	3,031	3,031
	-	-	-	7,975	7,975
On-balance sheet gap (a)	264,431	-	-	26,139	290,570
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap (b)	-	-	-	-	-
Total profit rate sensitivity gap (a+b)	264,431	-	-	-	-
Cumulative profit rate sensitivity gap	264,431	264,431	264,431	-	-

----- 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	3.00% - 15.50%	86,766	-	-	86,766
Advance and other receivables		-	-	1,044	1,044
		86,766	-	1,044	87,810
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	318	318
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	97	97
Payable against conversion and redemption of units		-	-	17	17
Accrued expenses and other liabilities		-	-	700	700
		-	-	1,132	1,132
On-balance sheet gap (a)		86,766	-	(88)	86,678
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		86,766	-	-	
Cumulative profit rate sensitivity gap		86,766	86,766	86,766	

(ii) 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.

(iii) Price risk

The Fund'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 unitholders by investing a significant portion of the Fund's net assets in deliverable gold based contracts in a Shariah compliant manner available on Pakistan Mercantile Exchange Limited (PMEX). The Fund's price risk is managed on a daily basis by the investment committee in accordance with the policies and procedures laid down by the SECP. Further, it is managed by monitoring exposure to gold and by complying with the internal risk management policies and regulations laid down in NBFC Regulations.

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 redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

2023						
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	264,431	-	-	-	-	264,431
Receivable against conversion of units	14	-	-	-	-	14
Advance and other receivables	34,100	-	-	-	-	34,100
	298,545	-	-	-	-	298,545
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	2,985	-	-	-	-	2,985
Payable to the Central Depository Company of Pakistan Limited - Trustee	307	-	-	-	-	307
Payable against conversion and redemption of units	1,652	-	-	-	-	1,652
Accrued expenses and other liabilities	-	2,941	-	-	-	2,941
	4,944	2,941	-	-	-	7,885
Net assets / (liabilities)	293,601	(2,941)	-	-	-	290,660

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	86,766	-	-	-	-	86,766
Advance and other receivables	1,044	-	-	-	-	1,044
	87,810	-	-	-	-	87,810
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	318	-	-	-	-	318
Payable to the Central Depository Company of Pakistan Limited - Trustee	97	-	-	-	-	97
Payable against conversion and redemption of units	17	-	-	-	-	17
Accrued expenses and other liabilities	-	700	-	-	-	700
	432	700	-	-	-	1,132
Net assets / (liabilities)	87,378	(700)	-	-	-	86,678

19.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The Fund's significant credit risk arises from balances with banks and profit accrued thereon. The table below analyses the Fund's maximum exposure to credit risk:

	2023		2022	
	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
Balances with banks	264,431	264,431	86,766	86,766
Receivable against conversion of units	14	14	-	-
Advance and other receivable	34,100	34,100	1,044	1,044
	298,545	298,545	87,810	87,810

(Rupees in '000)

19.3.1 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
AAA	99.87%	99.04%
AA	0.13%	0.96%
	100.00%	100.00%

19.3.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial assets is mainly held with credit worthy counterparties and are within regulatory limits, therefore mitigating any significant concentration of credit risk.

20 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Investments in gold are non-financial assets and are recognised at fair value as disclosed in note 6.1 to these financial statements. Moreover, the Fund did not held any financial assets which are carried at fair value as at June 30, 2023.

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 COMMODITY RISK MANAGEMENT

Commodity risk

Commodity risk represent the accounting loss that would be recognised at the reporting date due to change in future market values and the size of the future income, caused by fluctuation in the prices of commodities.

Commodity risk arises on the fair value or future cash flows of a commodity which will fluctuate because of the decrease / increase in the price of the gold contract quoted on Pakistan Mercantile Exchange Limited (PMEX).

In case of 1% increase / decrease in the price of gold fixed by Pakistan Mercantile Exchange Limited (PMEX) as on June 30, 2023, with all other variables held constant, the total income of the Fund for the year would increase / decrease by Rs.10.591 million (2022: Rs.5.186 million) and the net assets of the Fund would increase / decrease by the same amount as a result of change in the fair value thereof.

23 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	1,599	1,047,868	77.85	1,179	421,143	69.73
Bank / DFIs	1	170,663	12.68	1	112,651	18.65
Private limited companies	5	112,308	8.34	5	60,214	9.97
Others	1	15,217	1.13	1	9,991	1.65
	1,606	1,346,056	100.00%	1,186	603,998	100.00%

24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Arif Habib Limited	44%	Not Applicable (No transactions during the year)	
AKD Securities Limited	19%		
Topline Securities Limited	17%		
Shajar Securities Limited	15%		
Fortune Securities Limited	4%		

25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA/ACCA	Nine years

The Fund Manager of the Fund is Mr. Ali Khan. Other Fund being managed by the Fund Manager is Meezan Pakistan Exchange Traded Fund.

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Position on the Board	Meeting held on			
		August 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive Director	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive Director	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive Director	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive Director	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive Director	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

28 GENERAL

28.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

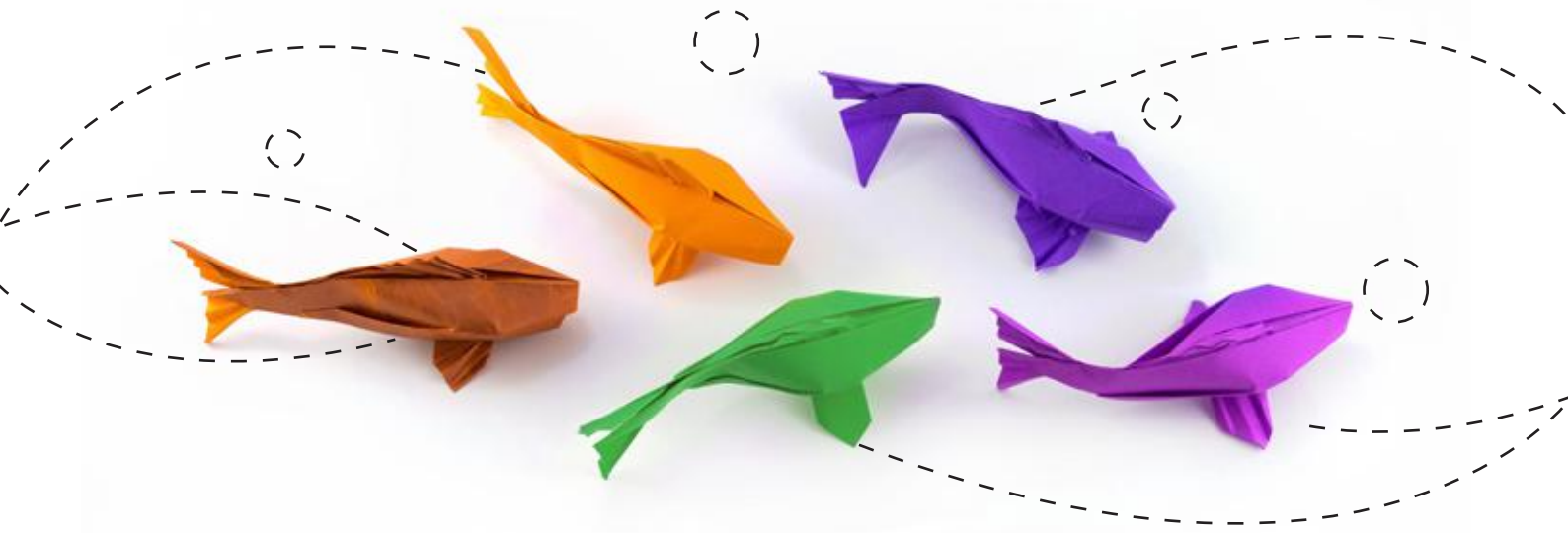
28.2 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

**For Al-Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



Performance Transparency

Al Meezan demonstrates excellence in its accountability to clients and stakeholders by promoting transparency in its investment performance.

Meezan Pakistan Exchange Traded Fund

Meezan Pakistan Exchange Traded Fund is a Shariah Compliant Exchange Traded Fund that aims to provide investors an opportunity to track the performance of Meezan Pakistan Index that has been constituted and is maintained by Al Meezan and comprises of Shariah Compliant equity securities selected with high consideration towards market capitalization and traded value.

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
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoab, CFA	Member

BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoab, 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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

Meezan Bank Limited

LEGAL ADVISER

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial
Area, Phase VI, DHA, Karachi.
Phone (+9221) 35156191-94 Fax: (+9221) 35156195
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Pakistan Exchange Traded Fund

Type of Fund

Open end Shariah Compliant Exchange Traded Scheme

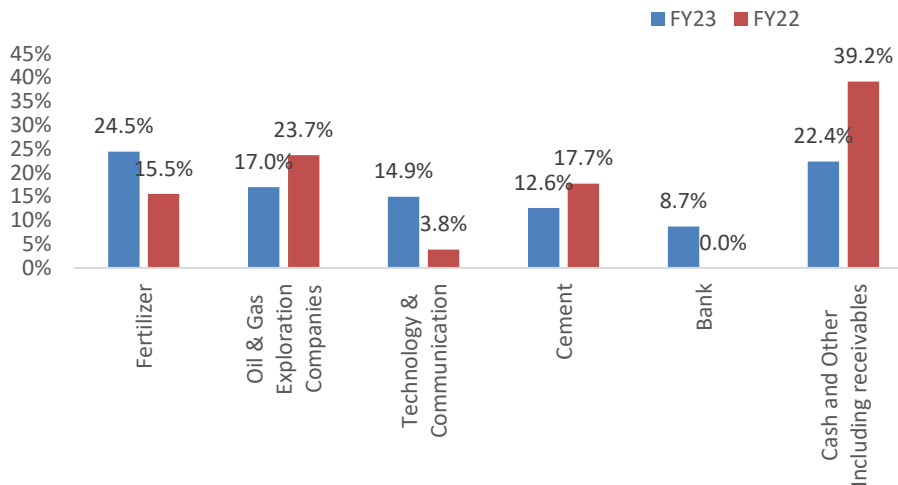
Objective

Meezan Pakistan Exchange Traded Fund is a Shariah Compliant Exchange Traded Fund that aims to provide investors an opportunity to track the performance of Meezan Pakistan Index that has been constituted and is maintained by the Management Company, and comprises of Shariah compliant equity securities selected with high consideration towards market capitalization and traded Value.

Strategy, Investment Policy and Asset Allocation

The Fund shall invest in a particular basket of shariah compliant securities with a view to track the performance of a representative shariah compliant securities index. The Benchmark Index is called “Meezan Pakistan Index” and shall be constituted and periodically maintained by the Management Company in close collaboration with the Shariah Advisor of the Fund.

Asset Allocation for the year ended FY22 and FY23



Performance Review

During FY23, Meezan Pakistan Exchange Traded Fund (MZNP-ETF) provided a negative return of 1.32% to its investors while Meezan Pakistan Index (MZNPI) depreciated 1.04% to close at 8,659 pts.

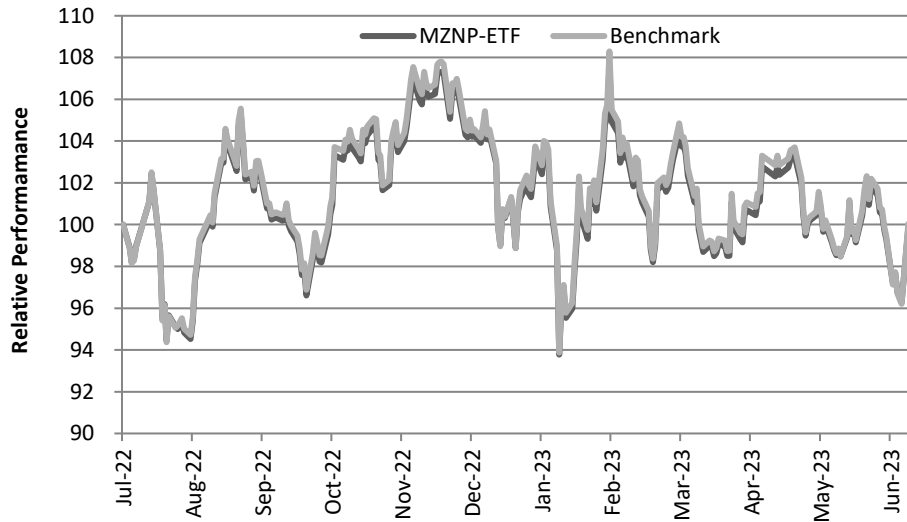


Pure. Profit.



	<u>MZNP-ETF</u>	<u>MZNPI (Benchmark)</u>
Net Asset Value (NAV) as on June 30, 2022	7.92	8,750
Net Asset Value (NAV) as on June 30, 2023	7.81	8,659
Change (Points)	-0.10	-91
Return During the Period	-1.32%	-1.04%

MP-ETF posted a total gain of Rs. 1 million during FY23 as compared to a total loss of Rs. 20 million last year. Total Income comprised of realized loss and unrealized capital loss on investments of Rs. 3 million and Rs. 5 million respectively. Dividend income contributed Rs. 9 million to income, while profit on saving accounts with banks amounted to Rs. 0.2 million. After accounting for expenses of Rs. 1 million, the Fund posted a net loss of Rs. 1 million. The net assets of the Fund as at June 30, 2023 were Rs. 69 million as compared to Rs. 94 million at the end of last year depicting an decrease of 26%. The net asset value per unit as at June 30, 2023 was Rs. 7.81.



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, 2023 an amount of Rs. 0.35 million was accrued as charity payable.

Distributions

There is NIL distribution by the Fund during the fiscal year ended June 30, 2023.

SWWF Disclosure

Not Applicable



Pure. Profit.



Breakdown of unit holdings by size:

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	833
10,000 - 49,999	106
50,000 - 99,999	17
100,000 - 499,999	9
500,000 and above	3
Total	968

Summary of Actual Proxy Voted by the Fund

	Resolutions	For	Against	Abstain
Number	0	0	0	0
Percentage	0%	0%	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
MEEZAN PAKISTAN EXCHANGE TRADED FUND

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	69,473	93,680	39,287
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	7.8147	7.9189	10.3387
Offer price per unit as at June 30, (Rs.) (ex-distribution)	7.8147	7.9189	10.3387
Highest offer price per unit (Rs.)	8.4643	10.5321	12.1170
Lowest offer price per unit (Rs.)	7.3740	7.5509	9.9137
Highest redemption price per unit (Rs.)	8.4643	10.5321	12.1170
Lowest redemption price per unit (Rs.)	7.3740	7.5509	9.9137
Distribution (%)			
Interim	N/A	N/A	12.5
Final	N/A	N/A	-
Date of distribution			
Interim	N/A	N/A	June 25, 2021
Final			
Income distribution (Rupees in '000)			
Growth distribution (Rupees in '000)			
Total return (%)	(1.32)	(23.41)	15.57

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	-1.32%	-13.06%	-4.41%

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Pakistan Exchange Traded Fund (MP-ETF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Third year of operations of Meezan Pakistan Exchange Traded Fund (the “MP-ETF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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 Shariah Advisor, we have prescribed six criteria for Shariah compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Investment in Shariah non-compliant activities to total assets (iv) Shariah 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 Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account which amounts to PKR 0.3 million and is available for disbursement.

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN PAKISTAN EXCHANGE TRADED FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 Pakistan Exchange Traded 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, 2023 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 issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Pakistan Exchange Traded Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Pakistan Exchange Traded Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of equity instruments) held by the Fund represent 99.6% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.



The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

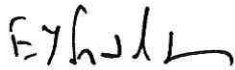
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076AyDTIBbQV



MEEZAN PAKISTAN EXCHANGE TRADED FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	2023	2022
Note	----- (Rupees in '000) -----	
Assets		
Balances with bank	5 4,444	2,621
Investments	6 65,303	91,324
Advance, deposits and other receivables	7 236	13
Total assets	69,983	93,958
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	8 10	9
Payable to Central Depository Company of Pakistan Limited - Trustee	9 7	8
Payable to the Securities and Exchange Commission of Pakistan	10 16	17
Accrued expenses and other liabilities	11 477	244
Total liabilities	510	278
NET ASSETS	69,473	93,680
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	69,473	93,680
CONTINGENCIES AND COMMITMENTS	12	
NUMBER OF UNITS IN ISSUE	8,890,000	11,830,000
NET ASSET VALUE PER UNIT	7.8147	7.9189

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN PAKISTAN EXCHANGE TRADED FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
Income		
Profit on balances with bank	185	64
Dividend income	8,858	4,963
	9,043	5,027
Net realised loss on sale of investments	(3,093)	(5,008)
Net unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	6.2 (4,577)	(20,076)
	(7,670)	(25,084)
Total income / (loss)	1,373	(20,057)
Expenses		
Remuneration of AI Meezan Investment Management Limited		
- Management Company	8.1 407	416
Sindh Sales Tax on remuneration of the Management Company	8.2 53	54
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 81	83
Sindh Sales Tax on remuneration of the Trustee	9.2 11	11
Annual fees to the Securities and Exchange Commission of Pakistan (SECP)	10 16	17
Auditors' remuneration	13 141	147
Charity expense	11.1 346	204
Fee and subscription	-	12
Brokerage expense	166	77
Legal and professional charges	-	184
Bank and settlement charges	45	6
Reversal of provision for Sindh Workers' Welfare Fund	-	(123)
Total expenses	1,266	1,088
Net income / (loss) from operating activities during the year	107	(21,145)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	(1,033)	(7,481)
Net loss for the year before taxation	(926)	(28,626)
Taxation	15 -	-
Net loss for the year after taxation	(926)	(28,626)
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	-	-
	-	-

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**MEEZAN PAKISTAN EXCHANGE TRADED FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**



Meezan
Pakistan Exchange
Traded Fund

	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
Net loss for the year before taxation	(926)	(28,626)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(926)</u>	<u>(28,626)</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



MEEZAN PAKISTAN EXCHANGE TRADED FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Accumulated loss	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	121,019	(27,339)	93,680	38,000	1,287	39,287
Issuance of 960,000 units (2022: 11,790,000 units)						
- Capital value (at par value)	7,602	-	7,602	121,893	-	121,893
- Element of loss	(288)	-	(288)	(12,906)	-	(12,906)
Total proceeds on issuance of units	7,314	-	7,314	108,987	-	108,987
Redemption of 3,900,000 units (2022: 3,760,000 units)						
- Capital value (at par value)	30,884	-	30,884	38,874	-	38,874
- Element of loss / (income)	744	-	744	(5,425)	-	(5,425)
Total payments on redemption of units	31,628	-	31,628	33,449	-	33,449
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	1,033	-	1,033	7,481	-	7,481
Total comprehensive loss for the year	-	(926)	(926)	-	(28,626)	(28,626)
Distribution during the year	-	-	-	-	-	-
Net loss for the year less distribution	-	(926)	(926)	-	(28,626)	(28,626)
Net assets at the end of the year	97,738	(28,265)	69,473	121,019	(27,339)	93,680
(Accumulated loss) / undistributed income brought forward						
- Realised (loss) / Income		(7,263)			101	
- Unrealised (loss) / Income		(20,076)			1,186	
		(27,339)			1,287	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
	-			-		
Net loss for the year after taxation		(926)			(28,626)	
Accumulated loss carried forward		(28,265)			(27,339)	
Accumulated loss carried forward						
- Realised loss		(23,688)			(7,263)	
- Unrealised loss		(4,577)			(20,076)	
		(28,265)			(27,339)	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year	7.9189			10.3387		
Net assets value per unit at the end of the year	7.8147			7.9189		

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN PAKISTAN EXCHANGE TRADED FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees in '000) -----	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss from operating activities during the year		(926)	(28,626)
Adjustments for			
Net unrealised diminution re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	4,577	20,076
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		1,033	7,481
		<u>4,684</u>	<u>(1,069)</u>
Decrease / (increase) in assets			
Investments - net		21,444	(72,573)
Dividend receivable		-	295
Advance, deposits and other receivables		(223)	44
		<u>21,221</u>	<u>(72,234)</u>
Increase / (decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		1	8
Payable to Central Depository Company of Pakistan Limited - Trustee		(1)	3
Payable to the Securities and Exchange Commission of Pakistan (SECP)		(1)	12
Accrued expenses and other liabilities		233	(845)
		<u>232</u>	<u>(822)</u>
Net cash generated from / (used in) operating activities		<u>26,137</u>	<u>(74,125)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		7,314	108,987
Payment against redemption of units		(31,628)	(33,449)
Net cash (used in) / generated from financing activities		<u>(24,314)</u>	<u>75,538</u>
Net increase in cash and cash equivalents during the year		<u>1,823</u>	<u>1,413</u>
Cash and cash equivalents at the beginning of the year		2,621	1,208
Cash and cash equivalents at the end of the year	5	<u>4,444</u>	<u>2,621</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director

MEEZAN PAKISTAN EXCHANGE TRADED FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Pakistan Exchange Traded Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on January 09, 2020 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations), 2008. The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is a Shariah Compliant Exchange Traded Fund that aims to provide investors an opportunity to track the performance of Meezan Pakistan Index (MZNPI) that has been constituted and is maintained by the Management Company, and comprises of 12 shariah compliant equity securities selected with high consideration towards market capitalisation and traded value. 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** The Fund is a hybrid type of fund having features of both open and closed end funds. A new concept of "Authorised Participants "APs" has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holder of the units keeps on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between AP and Management Company and cash will be paid / received if there is a difference in the applicable net asset value of a creation unit and the market value of the portfolio deposit.
- 1.4** The Fund is an Open Ended Exchange Traded Mutual Fund categorised as "Listed Index Tracking Fund" and is listed on Pakistan Stock Exchange (PSX) Limited.
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of 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 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Company has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

- IFRS 3 Reference to the Conceptual Framework (Amendments)
- IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
- IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

- IFRS 9 Fees in the '10 percent' test for the derecognition of financial liabilities
- IFRS 16 Leases: Lease incentives
- IAS 41 Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

		Effective date (annual periods beginning on or after)
Amendments		
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised

Amendments

IASB Effective date

- IFRS 1 First time adoption of IFRS January 01, 2004
- IFRS 17 Insurance Contracts January 01, 2023

3.3 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets.

3.4 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.

3.5 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

a) 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.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in equity securities as being managed as a group of assets and hence has classified them as FVPL.

4.2.3 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.2.4 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 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 values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

4.4 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

4.5 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 period end.

4.6 Issue and redemption of units

Authorised Participant can purchase the units at the offer price and redeem at the redemption price at any of the authorised distribution offices during business hours.

The offer price shall be equal to the sum of:

- The Net Asset Value (NAV) as of the close of the previous business day (historical pricing);
- Such amount as the Management Company may consider an appropriate provision for duties and charges

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof as mentioned in the Offering Document. Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund.

4.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.8 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.

As clarified by the SECP vide its letter no. SCD/AMCW/ETF/240/2020 dated March 2, 2020 that element of income in case of Exchange Traded Funds shall be taken to Income Statement both at the time of issuance and redemption of units to the extent it pertains to Income Statement.

4.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement, on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company / institution declaring the dividend.
- Profit on balances with banks is recognised on a 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 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Provided that, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015, is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

4.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net profit / loss of the period after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / loss per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2023	2022
		----- (Rupees in '000) -----	
5 BALANCES WITH BANK			
Balances with bank in:			
Savings accounts	5.1	4,191	2,505
Current account		253	116
		<u>4,444</u>	<u>2,621</u>

5.1 This represents balances maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 10.00% (June 30, 2022: 6.01%) per annum.



Note 2023 2022
----- (Rupees in '000) -----

6 INVESTMENTS

At fair value through profit or loss

Shares of listed companies - 'ordinary shares'

6.1 65,303 91,324

6.1 Investment at fair value through profit or loss - Listed equity securities

Name of the investee company	As at July 1, 2022	Purchases during the year	Bonus / right shares	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution) as at June 30, 2023	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)			-----%-----		
Sectors / companies													
Commercial Bank													
Meezan Bank Limited	-	89,052	7,240	26,061	70,231	7,336	6,066	(1,270)	-	9.29	-		
									-	9.29	-		
Cement													
D.G. Khan Cement Company Limited	50,869	602	-	51,471	-	-	-	-	-	-	-		
Lucky Cement Limited	22,477	3,610	-	9,196	16,891	7,672	8,819	1,147	12.69	13.50	0.01		
Maple Leaf Cement Limited	114,751	1,358	-	116,109	-	-	-	-	-	-	-		
									12.69	13.50	0.01		
Chemical													
Engro Polymer and Chemicals Limited	-	76,272	-	19,376	56,896	3,379	2,404	(975)	3.46	3.68	0.01		
Ghani Global holdings limited	-	205,159	16,977	222,136	-	-	-	-	-	-	-		
									3.46	3.68	0.01		
Fertilizer													
Engro Fertilizers Limited	-	121,560	-	34,438	87,122	7,398	7,190	(208)	10.35	11.01	0.01		
Engro Corporation Limited	56,784	7,855	-	26,412	38,227	9,748	9,936	188	14.30	15.22	0.01		
									24.65	26.23	0.02		
Food and Personal Care Products													
Unity Foods Limited	161,583	82,372	-	73,267	170,688	3,064	2,668	(396)	3.84	4.09	0.02		
									3.84	4.09	0.02		
Oil and Gas Exploration Companies													
Oil and Gas Development Company Limited*	150,241	13,650	-	74,991	88,900	7,019	6,934	(85)	9.98	10.62	-		
Pakistan Petroleum Limited *	154,973	93,484	-	164,891	83,566	6,658	4,942	(1,716)	7.11	7.56	-		
									17.09	18.18	-		
Oil and Gas Marketing Companies													
Pakistan State Oil Company Limited*	48,503	7,067	-	24,455	31,115	5,212	3,454	(1,758)	4.97	5.29	0.01		
									4.97	5.29	0.01		
Power Generation and Distribution													
The Hub Power Company Limited	216,489	11,860	-	228,349	-	-	-	-	-	-	-		
									-	-	-		
Technology and Communication													
Avanceon Limited	46,344	10,261	5,430	20,156	41,879	2,767	1,844	(923)	2.65	2.82	0.01		
Systems Limited	-	31,581	-	10,245	21,336	7,295	8,605	1,310	12.39	13.18	0.01		
									15.04	16.00	0.02		
Refinery													
Attock Refinery Limited	26,026	15,908	-	27,710	14,224	2,332	2,441	109	3.51	3.74	0.01		
National Refinery Limited	13,013	154	-	13,167	-	-	-	-	-	-	-		
									3.51	3.74	0.01		
Total as at June 30, 2023						69,880	65,303	-4,577	85.25	100.00			
Total as at June 30, 2022						111,400	91,324	(20,076)	97.47	100.00			

* Nil figures due to rounding off

6.1.1 All shares have a nominal value of Rs 10 each.

	Note	2023	2022
6.2 Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		----- (Rupees in '000) -----	
Market value of investments	6.1	65,303	91,324
Carrying value of investments	6.1	69,880	111,400
		<u>(4,577)</u>	<u>(20,076)</u>
7 ADVANCE, DEPOSIT AND OTHER RECEIVABLES			
Profit receivable on saving accounts		36	13
Advances & Deposits		200	-
		<u>236</u>	<u>13</u>
8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT - MANAGEMENT COMPANY			
Remuneration payable	8.1	9	8
Sindh Sales Tax on remuneration payable	8.2	1	1
		<u>10</u>	<u>9</u>

8.1 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 0.50% per annum of the average net assets of the Fund during the year June 30, 2023 (2022: 0.50%). The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year an amount of Rs. 0.053 million (2022: 0.054 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.053 million has been paid to the Management Company which acts as a collecting agent.

	Note	2023	2022
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		----- (Rupees in '000) -----	
Remuneration payable	9.1	6	7
Sindh Sales Tax on remuneration payable to the Trustee	9.2	1	1
		<u>7</u>	<u>8</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, with effect from October 1, 2021, the Trustee has revised its tariff as follows:

Previous Tariff		Revised Tariff
Net assets (Rs.)	Fee	(Flat Rate)
- up to Rs. 1 billion	0.2% per annum of net assets	0.10% per annum of net assets
- exceeding Rs 1 billion	Rupees 2.0 million plus 0.10% per annum of net assets, exceeding Rs.1,000 million	

Accordingly, the Fund has charged trustee fee at the rate 0.10 percent per annum of net assets during the year with effect from October 1, 2021.

9.2 During the year June an amount of Rs. 0.011 million (2022: 0.011 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. 0.011 million (2022: 0.011 million) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

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% (2022: 0.02%) of the average annual net assets of the Fund.

	Note	2023	2022
----- (Rupees in '000) -----			
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		125	100
Charity payable	11.1	346	144
Others		6	-
		<u>477</u>	<u>244</u>

- 11.1** 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, 2023, Non-Shariah Compliant income amounting to Rs 0.346 million (2022: Rs 0.204 million) was charged as an expense in the books of the Fund, and Rs 0.144 million was disbursed to following charitable welfare organisations respectively:

S. No.	Charitable organisation	Amount
1	The Patients' Behbud Society for AKUH	144

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022
----- (Rupees in '000) -----		
13 AUDITORS' REMUNERATION		
Annual audit fee	105	107
Half year review fee	34	33
Out of pocket expenses	2	7
	<u>141</u>	<u>147</u>

14 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund based on the current year results is 1.56% (2022: 1.46%) which includes 0.12% (2022: 0.11%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Index Tracking Fund.

15 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Fund has incurred net loss during the current year, therefore no provision for taxation has been made in these condensed interim 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.

16 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 / related parties during year June 30, 2023 and balances with them as at year end are as follows:

Balances	2023	2022
	----- (Rupees in '000) -----	
AI Meezan Investment Management Company Limited - Management Company		
Remuneration payable to the Management Company	9	8
Sindh Sales Tax payable on remuneration of the Management Company	1	1
Investment of 1,000,000 units (June 30, 2022: 1,000,000 units)	7,815	7,919
Meezan Bank Limited		
Balances with bank	4,444	2,621
Profit receivable on saving accounts	36	13
Investment of 70,231 shares (June 30, 2022: nil)	6,066	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	6	7
Sindh Sales Tax on remuneration of the Trustee	1	1
Transactions during the year		
	2023	2022
	----- (Rupees in '000) -----	
AI Meezan Investment Management Limited - Management Company		
Remuneration to the Management Company	407	416
Sindh Sales Tax on remuneration of the Management Company	53	54
Meezan Bank Limited		
Profit on savings account	185	64
Shares purchased: 88,997 shares (June 30, 2022: nil)	10,125	-
Shares Sold: 26,061 shares (June 30, 2022: nil)	2,841	-
Bonus Issue : 7,240 shares (June 30, 2022: nil)	-	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	81	83
Sindh Sales Tax on remuneration of the Trustee	11	11
CDS charges	7	6

Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

17 FINANCIAL INSTRUMENTS BY CATEGORY

----- June 30, 2023 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Financial assets		
Balances with bank	4,444	-
Investments	-	65,303
Advance, deposits and other receivables	236	-
	4,680	65,303
	-	69,983
Financial liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	10	-
Payable to Central Depository Company of Pakistan Limited - Trustee	7	-
Accrued expenses and other liabilities	477	-
	494	-
	-	494

June 30, 2022		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Balances with bank	2,621	2,621
Investments	-	-
Dividend receivable	91,324	91,324
Advance, deposits and other receivables	-	-
	13	13
	<u>2,634</u>	<u>93,958</u>

Financial assets

Balances with bank
Investments
Dividend receivable
Advance, deposits and other receivables

June 30, 2022		
At fair value through profit or loss	At amortised cost	Total
----- (Rupees in '000) -----		
Payable to Al Meezan Investment Management Limited - Management Company	9	9
Payable to Central Depository Company of Pakistan Limited - Trustee	8	8
Accrued expenses and other liabilities	100	100
	<u>117</u>	<u>117</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Accrued expenses and other liabilities

18 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.

18.1 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 the 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, 2023, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year June 30, 2023 and net assets of the Fund would have been higher / lower by Rs. 0.042 million (2022: 0.025 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023 the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 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, 2023 can be determined as follows:

2023					
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 bank	10%	4,191	-	-	253	4,444
Investments		-	-	-	65,303	65,303
Dividend receivable		-	-	-	-	-
Advance, deposits and other receivables		-	-	-	236	236
		4,191	-	-	65,792	69,983

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	10	10
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	7	7
Accrued expenses and other liabilities		-	-	-	477	477
		-	-	-	494	494

On-balance sheet gap (a)

	4,191	-	-	65,298	69,489
--	-------	---	---	--------	--------

Off-balance sheet financial instruments

	-	-	-	-	-
--	---	---	---	---	---

Off-balance sheet gap (b)

	-	-	-	-	-
--	---	---	---	---	---

Total profit rate sensitivity gap (a+b)

	4,191	-	-		
--	-------	---	---	--	--

Cumulative profit rate sensitivity gap

	4,191	4,191	4,191		
--	-------	-------	-------	--	--

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 bank	6.01%	2,505	-	-	116	2,621
Investments		-	-	-	91,324	91,324
Dividend receivable		-	-	-	-	-
Advance, deposits and other receivables		-	-	-	13	13
		2,505	-	-	91,453	93,958

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	9	9
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	8	8
Accrued expenses and other liabilities		-	-	-	100	100
		-	-	-	117	117

On-balance sheet gap (a)

	2,505	-	-	91,336	93,841
--	-------	---	---	--------	--------

Off-balance sheet financial instruments

	-	-	-	-	-
--	---	---	---	---	---

Off-balance sheet gap (b)

	-	-	-	-	-
--	---	---	---	---	---

Total profit rate sensitivity gap (a+b)

	2,505	-	-		
--	-------	---	---	--	--

Cumulative profit rate sensitivity gap

	2,505	2,505	2,505		
--	-------	-------	-------	--	--

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by the SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the period end are concentrated in the sectors given in note 6.1.

In case of 1% increase / decrease in MZNPFI on June 30, 2023, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 0.653 million (2022: 0.913 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 MZNPFI, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the MZNPFI, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the MZNPFI.

18.2 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 settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year June 30, 2023.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

2023						
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	4,444	-	-	-	-	4,444
Investments	-	-	-	-	65,303	65,303
Dividend receivable	-	-	-	-	-	-
Advance, deposits and other receivables	236	-	-	-	-	236
	4,680	-	-	-	65,303	69,983

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	10	-	-	-	-	10
Payable to Central Depository Company of Pakistan Limited - Trustee	7	-	-	-	-	7
Accrued expenses and other liabilities	477	-	-	-	-	477
	494	-	-	-	-	494

Net assets / (liabilities)

	4,186	-	-	-	65,303	69,489
--	--------------	---	---	---	---------------	---------------

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	2,621	-	-	-	-	2,621
Investments	-	-	-	-	91,324	91,324
Dividend receivable	-	-	-	-	-	-
Advance, deposits and other receivables	13	-	-	-	-	13
	2,634	-	-	-	91,324	93,958

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	9	-	-	-	-	9
Payable to Central Depository Company of Pakistan Limited - Trustee	8	-	-	-	-	8
Accrued expenses and other liabilities	-	100	-	-	-	100
	17	100	-	-	-	117

Net assets / (liabilities)

	2,617	(100)	-	-	91,324	93,841
--	--------------	--------------	---	---	---------------	---------------

18.3 Credit risk

18.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Balances with bank	4,444	4,444	2,621	2,621
Investments	65,303	-	91,324	-
Advance, deposits and other receivables	236	236	13	13
	69,983	4,680	93,958	2,634

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 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.

18.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and related profit receivable thereon. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
AAA	<u>100.00%</u>	<u>100.00%</u>

18.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

ASSETS	2023			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	65,303	-	-	65,303
	<u>65,303</u>	<u>-</u>	<u>-</u>	<u>65,303</u>
ASSETS	2022			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	91,324	-	-	91,324
	<u>91,324</u>	<u>-</u>	<u>-</u>	<u>91,324</u>

20 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
		(Rupees in '000)	%		(Rupees in '000)	%
Individuals	960	49,295	70.96%	1,092	73,887	78.87%
Associated companies /						
Directors	1	7,815	11.25%	1	7,919	8.45%
Joint stock companies	4	7,483	10.77%	3	7,285	0
Others	2	4,880	7.02%	2	4,589	4.90%
Total	967	69,473	100.00%	1,098	93,680	100.00%

22 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
JS Global Capital Limited	100.00	JS Global Capital Limited	69.89
		Adam Securities Limited	30.11

23 INVESTMENT COMMITTEE MEMBERS

23.1 Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoab	Chief Executive Officer	CFA / MBA	Thirty three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty seven years
Mr. Taha Javed	Head of Equity	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA / ACCA	Nine years

The Fund Manager of the Fund is Mr. Ali Khan. Other Fund being managed by the Fund Manager is Meezan Gold Fund.

24 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

24.1 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 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	Yes	Yes	Yes
Mr. Mohammad Shoab, CFA	Chief Executive Officer	Yes	No	No	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

25 GENERAL

25.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



Evolving Talent Pool

Al Meezan's commitment to hiring quality individuals goes beyond immediate needs, aiming to secure individuals who can adapt, innovate, and contribute effectively to our mission. By nurturing continuous learning, we empower our workforce to excel in today's dynamic financial landscape.

Meezan Financial Planning Fund of Funds

Meezan Financial Planning Fund of Funds invests in Shariah Compliant Fixed Income and Equity Mutual Funds in line with the risk tolerance of the investor and in doing so, it strives to generate returns on investment aligned with respective allocation plans.

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial
Area, Phase VI, DHA, Karachi.
Phone (+9221) 35156191-94 Fax: (+9221) 35156195
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Financial Planning Fund of Funds (MFPF)

Type of Fund

Open-end Shariah Compliant (Islamic) Fund of Funds Scheme.

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

MFPF has sixteen Allocation Plans which allow investors to invest according to their risk tolerance levels.

The Aggressive Allocation Plan

This Allocation Plan is suitable for Investors having a relatively higher risk tolerance and/or wish to save for long term. It shall invest at least 65% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

The Moderate Allocation Plan

This Allocation Plan is suitable for Investors having a relatively moderate risk tolerance and/or wish to save for medium to long term. It shall invest at least 45% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds

The Conservative Allocation Plan

This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term. It shall invest at least 20% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

Meezan Asset Allocation Plan - I - IV (MAAP I-IV)

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a combination of KSE Meezan Index 30's performance and average 6 month Islamic bank deposits as per the following detail:

Aggressive Allocation Plan	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Moderate Allocation Plan	
Conservative Allocation Plan	
Meezan Asset Allocation Plan - I	



Pure. Profit.



Performance Table with Benchmark

Returns - FY23	
MFPF - Aggressive Benchmark	1.13% 3.72%
MFPF - Moderate Benchmark	5.29% 4.64%
MFPF - Conservative Benchmark	9.81% 5.59%
MFPF - MAAP I Benchmark	3.20% 3.74%

Aggressive Allocation Plan

The Aggressive Allocation Plan posted a total income of Rs. 1 million in FY23 as compared to a total loss of Rs. 21 million last year. Total income comprised of realized gain on investments of Rs. 2 million while the unrealized loss on investments of Rs. 0.63 million. Dividend income and profit on saving account with banks amounted nil and Rs. 6 million respectively. After accounting for expenses of Rs. 0.9 million, the Fund posted a net income of Rs. 0.59 million. The net assets of the Fund as at June 30, 2023 were Rs. 64 million as compared to Rs. 290 million at the end of last year depicting a decrease of 78%.

Moderate Allocation Plan

The Moderate Allocation Plan posted a total income of Rs. 4 million in FY23 as compared to a total Income of Rs. 18 million last year. Total income comprised of realized gain on investments of Rs. 5 million while the unrealized loss on investments of Rs. 0.11 million. Dividend income and profit on saving account with banks amounted nil and Rs. 4 million. After accounting for expenses of Rs. 0.4 million, the Fund posted a net Income of Rs. 4 million. The net assets of the Fund as at June 30, 2023 were Rs. 62 million as compared to Rs. 100 million at the end of last year depicting a decrease of 38%.

Conservative Allocation Plan

The Conservative Allocation Plan posted a total Income of Rs. 8 million in FY23 as compared to a total Income of Rs. 9 million last year. Total income comprised of realized gain on investments of Rs. 9 million while the realized gain on investments of Rs. 3 million. Dividend income and profit on saving account with banks amounted nil and Rs. 8 million respectively. After accounting for expenses of Rs. 0.4 million, the Fund posted a net Income of Rs. 8 million. The net assets of the Fund as at June 30, 2023 were Rs. 59 million as compared to Rs. 141 million at the end of last year depicting a decrease of 58%.

Meezan Asset Allocation Plan - I (MAAP-I)

Meezan Asset Allocation Plan-I posted a total income of Rs. 3 million during FY23 as compared to a total loss of Rs. 1 million last year. Total income comprised of realized gain on investments of Rs. 0.14 million while the realized loss on investments of Rs. 1 million. Dividend income and profit on saving account with banks amounted to Rs. 3 million and Rs. 2 million respectively. After accounting for expenses of Rs. 0.4 million, the Fund posted a net income of Rs. 3 million. The net assets of the Fund as at June 30, 2023 were Rs. 71 million as compared to Rs. 84 million at the end of last year depicting a decrease of 15%.

Distributions

The Interim Pay out by the Fund during the fiscal year ended June 30, 2023 was Rs. 2.20 per unit (4.40%) in Meezan Asset Allocation Plan I. Total distribution made by the fund was Rs. 2.5 million in Meezan Asset Allocation Plan I.



Pure. Profit.



SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size

(As on June 30, 2023)

Breakdown of unit holdings by size				
Range (Units)	Aggressive	Moderate	Conservative	MAAP-I
1 - 9,999	589	392	411	37
10,000 - 49,999	22	25	14	9
50,000 - 99,999	-	-	1	2
100,000 - 499,999	-	-	1	2
500,000 and above	-	-	-	2
Total	611	417	427	52

PERFORMANCE TABLE**MEEZAN FINANCIAL PLANNING FUND OF FUNDS**

	As at June 30, 2023			
	Aggressive	Moderate	Conservative	MAAP-I
	----- (Rupees in '000) -----			
Net assets (Rs. '000)	64067	62,197	59,135	71,100
Net assets value / redemption price per unit as at June 30 (Rs.)	75.108	75.1618	75.2744	61.2238
Offer price per unit as at June 30 (Rs.)	76.8054	76.4357	76.125	-
Highest offer price per unit (Rs.)	79.8345	76.9478	76.1584	-
Lowest offer price per unit (Rs.)	71.8594	71.4383	69.0776	-
Highest redemption price per unit (Rs.)	78.0702	75.6653	75.3075	65.1087
Lowest redemption price per unit (Rs.)	70.2713	70.2477	68.3058	58.0119
Distribution (%)	-	-	-	4.40
Dates of distribution (Interim)	-	-	-	June 30, 2022
Average return (%)	0.0113	0.0529	0.0981	0.032

	As at June 30, 2022			
	Aggressive	Moderate	Conservative	MAAP-I
	----- (Rupees in '000) -----			
Net assets (Rs. '000)	290,366	100,059	140,839	83,519
Net assets value / redemption price per unit as at June 30 (Rs.)	74.2699	71.3832	68.5516	61.4585
Offer price per unit as at June 30 (Rs.)	75.9484	72.5931	69.3263	0
Highest offer price per unit (Rs.)	84.8404	76.5763	72.9469	0
Lowest offer price per unit (Rs.)	74.5431	71.8251	69.3211	0
Highest redemption price per unit (Rs.)	82.9654	75.3000	72.1319	69.7230
Lowest redemption price per unit (Rs.)	72.8957	70.6280	68.5466	60.0864
Distribution (%)	-	0.40	2.67	-
Dates of distribution (Interim)	-	June 30, 2022	June 30, 2022	-
Average return (%)	-0.0535	0.0044	0.0408	-0.0336

	As at June 30, 2021			
	Aggressive	Moderate	Conservative	MAAP-I
	----- (Rupees in '000) -----			
Net assets (Rs. '000)	347,903	145,984	224,352	156,245
Net assets value / redemption price per unit as at June 30 (Rs.)	78.4701	71.4694	68.4368	63.5964
Offer price per unit as at June 30 (Rs.)	80.2435	72.6808	69.2102	0
Highest offer price per unit (Rs.)	82.1541	73.7594	69.6694	0
Lowest offer price per unit (Rs.)	63.0773	60.1512	61.2858	0
Highest redemption price per unit (Rs.)	80.3385	72.5301	68.891	65.3557
Lowest redemption price per unit (Rs.)	61.6833	59.1487	60.6011	50.3438
Distribution (%)	-	-	-	-
Dates of distribution (Interim)	-	-	-	-
Average return (%)	0.2721	0.2083	0.1293	0.2725

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Dr. Muhammad Imran Usmani

Address:

Jamia Darul Uloom Karachi

Korangi Industrial Area Karachi

Pakistan

Postal Code 75180

Tel: +92 21 3 5047770

Fax: +92 21 5040234

Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Financial Planning Fund of Funds (MFPPF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Tenth year of operations of Meezan Financial Planning Fund of Funds (the “MFPPF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN FINANCIAL PLANNING FUND OF FUNDS

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Financial Planning Fund of Funds (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Financial Planning Fund of Funds

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Financial Planning Fund of Funds** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of units of open ended mutual funds) held by the Fund represent 99.9% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.



Building a better
working world

-: 2 :-

Key audit matter	How our audit addressed the key audit matter
In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.	<ul style="list-style-type: none">- We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4.- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations).- We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.- We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

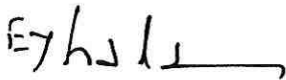
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076o5WvVSjFG



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023**

		As at June 30, 2023				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----						
Assets						
Balances with banks	5	759	1,088	755	292	2,894
Investments	6	63,892	61,768	59,132	74,578	259,370
Receivable against conversion of units		130	-	-	-	130
Profit receivable on saving accounts with banks		10	20	9	3	42
Total assets		64,791	62,876	59,896	74,873	262,436
Liabilities						
Payable to AI Meezan Investment Management Limited - Management Company	7	24	10	27	6	67
Payable to Central Depository Company of Pakistan Limited - Trustee	8	9	4	11	4	28
Payable to Meezan Bank Limited		1	-	2	-	3
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	38	15	18	15	86
Payable on redemption and conversion of units		-	-	-	-	-
Payable against purchase of investments		-	-	-	29	29
Accrued expenses and other liabilities	10	652	650	703	3,719	5,724
Total liabilities		724	679	761	3,773	5,937
Net assets		64,067	62,197	59,135	71,100	256,499
Unit holders' fund (as per statement attached)		64,067	62,197	59,135	71,100	256,499
Contingencies and commitments	11	----- (Number of units) -----				
Number of units in issue		852,995	827,511	785,598	1,161,315	
		----- (Rupees) -----				
Net asset value per unit		75.1080	75.1618	75.2744	61.2238	

The annexed notes from 1 to 24 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

		As at June 30, 2022				
Note	Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----						
Assets						
Balances with banks	5	1,703	4,639	834	584	7,760
Investments	6	291,075	96,280	142,740	86,359	616,454
Receivable against conversion of units		-	-	1	-	1
Profit receivable on saving accounts with banks		7	7	11	4	29
Total assets		<u>292,785</u>	<u>100,926</u>	<u>143,586</u>	<u>86,947</u>	<u>624,244</u>
Liabilities						
Payable to AI Meezan Investment Management Limited - Management Company	7	24	61	31	7	123
Payable to Central Depository Company of Pakistan Limited - Trustee	8	23	5	17	6	51
Payable to Meezan Bank Limited		1	-	-	-	1
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	66	27	42	25	160
Payable on redemption and conversion of units		1,640	35	1,260	-	2,935
Payable against purchase of investments		-	-	-	7	7
Dividend payable		-	22	149	-	171
Accrued expenses and other liabilities	10	665	717	1,248	3,383	6,013
Total liabilities		<u>2,419</u>	<u>867</u>	<u>2,747</u>	<u>3,428</u>	<u>9,461</u>
Net assets		<u>290,366</u>	<u>100,059</u>	<u>140,839</u>	<u>83,519</u>	<u>614,783</u>
Unit holders' fund (as per statement attached)		<u>290,366</u>	<u>100,059</u>	<u>140,839</u>	<u>83,519</u>	<u>614,783</u>
Contingencies and commitments						
	11	----- (Number of units) -----				
Number of units in issue		<u>3,909,604</u>	<u>1,401,721</u>	<u>2,054,496</u>	<u>1,358,950</u>	
----- (Rupees) -----						
Net asset value per unit		<u>74.2699</u>	<u>71.3832</u>	<u>68.5516</u>	<u>61.4585</u>	

The annexed notes from 1 to 24 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

 Chief Executive

 Chief Financial Officer

 Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

Note	For the year ended June 30, 2023					
	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
Income						
Dividend income	-	-	-	2,906	2,906	
Profit on saving accounts with banks	126	131	117	53	427	
Net realised gain on sale of investments	2,493	4,995	9,014	142	16,644	
	2,619	5,126	9,131	3,101	19,977	
Net unrealised diminution on re-measurement of 'investments classified as financial assets at fair value through profit or loss'	6.1	(1,176)	(667)	(321)	(108)	(2,272)
Total income	1,443	4,459	8,810	2,993	17,705	
Expenses						
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	17	12	10	6	45
Sindh Sales Tax on remuneration of the Management Company	7.2	2	2	1	1	6
Allocated expenses	7.3	216	84	98	82	480
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	131	53	62	52	298
Sindh Sales Tax on remuneration of the Trustee	8.2	17	7	8	7	39
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9	38	15	18	15	86
Auditors' remuneration	12	287	119	142	124	672
Fees and subscription		121	55	63	56	295
Bank and settlement charges		28	26	27	25	106
Total expenses		857	373	429	368	2,027
Net income for the year before taxation		586	4,086	8,381	2,625	15,678
Taxation	14	-	-	-	-	-
Net income for the year after taxation		586	4,086	8,381	2,625	15,678
Allocation of net income for the year						
Net income for the year after taxation		586	4,086	8,381	2,625	15,678
Income already paid on units redeemed		-	-	(4,162)	(8)	(4,170)
		586	4,086	4,219	2,617	11,508
Accounting income available for distribution						
- Relating to capital gains		586	4,086	4,219	34	8,925
- Excluding capital gains		-	-	-	2,583	2,583
		586	4,086	4,219	2,617	11,508

The annexed notes from 1 to 24 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

Note	For the year ended June 30, 2022					
	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
Income						
Dividend income	5,987	3,520	7,607	1,731	18,845	
Profit on saving accounts with banks	87	96	114	22	319	
Net realised (loss) / gain on sale of investments	(627)	(106)	2,610	(864)	1,013	
Other income	1	64	50	155	270	
	<u>5,448</u>	<u>3,574</u>	<u>10,381</u>	<u>1,044</u>	<u>20,447</u>	
Net unrealised (diminution) / appreciation on re-measurement of 'investments classified as financial assets at fair value through profit or loss'	6.1	(26,170)	(5,421)	(3,321)	(10,652)	(45,564)
Total income	<u>(20,722)</u>	<u>(1,847)</u>	<u>7,060</u>	<u>(9,608)</u>	<u>(25,117)</u>	
Expenses						
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	31	26	37	9	103
Sindh Sales Tax on remuneration of the Management Company	7.2	4	3	5	1	13
Allocated expenses	7.3	364	150	233	137	884
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	232	95	148	87	562
Sindh Sales Tax on remuneration of the Trustee	8.2	30	12	19	11	72
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9	66	27	42	25	160
Auditors' remuneration	12	236	100	150	96	582
Fees and subscription		123	50	78	46	297
Bank and settlement charges		7	6	3	5	21
Legal and professional charges		72	41	39	33	185
Reversal of provision for Sindh Workers' Welfare Fund		(5,233)	(2,673)	(1,963)	(8,530)	(18,399)
Total expenses		<u>(4,068)</u>	<u>(2,163)</u>	<u>(1,209)</u>	<u>(8,080)</u>	<u>(15,520)</u>
Net (loss) / income for the year before taxation		<u>(16,654)</u>	<u>316</u>	<u>8,269</u>	<u>(1,528)</u>	<u>(9,597)</u>
Taxation	14	-	-	-	-	-
Net (loss) / income for the year after taxation		<u>(16,654)</u>	<u>316</u>	<u>8,269</u>	<u>(1,528)</u>	<u>(9,597)</u>
Allocation of net income for the year						
Net income for the year after taxation		-	316	8,269	-	-
Income already paid on units redeemed		-	-	(3,401)	-	-
		<u>-</u>	<u>316</u>	<u>4,868</u>	<u>-</u>	<u>-</u>
Accounting income available for distribution						
- Relating to capital gains		-	-	-	-	-
- Excluding capital gains		-	316	4,868	-	5,184
		<u>-</u>	<u>316</u>	<u>4,868</u>	<u>-</u>	<u>-</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



**MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	For the year ended June 30, 2023				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Net income for the year after taxation	586	4,086	8,381	2,625	15,678
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	586	4,086	8,381	2,625	15,678

	For the year ended June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Net (loss) / income for the year after taxation	(16,654)	316	8,269	(1,528)	(9,597)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive (loss) / income for the year	(16,654)	316	8,269	(1,528)	(9,597)

The annexed notes from 1 to 24 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023			June 30, 2023			June 30, 2023			June 30, 2023			June 30, 2023		
	Aggressive			Moderate			Conservative			MAAP-I			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	209,030	81,336	290,366	35,748	64,311	100,059	67,877	72,962	140,839	(8,899)	92,418	83,519	303,756	311,027	614,783
Issuance of units:															
Aggressive: 2,148,521 units / Moderate: 101,684 units /															
Conservative: 437,743 units / MAAP I: 35,602 units															
- Capital value (at net asset value per unit at the beginning of the year)	159,571	-	159,571	7,259	-	7,259	30,009	-	30,009	2,179	-	2,179	199,018	-	199,018
- Element of income	(613)	-	(613)	218	-	218	1,359	-	1,359	-	-	-	964	-	964
Total proceeds on issuance of units	158,958	-	158,958	7,477	-	7,477	31,368	-	31,368	2,179	-	2,179	199,982	-	199,982
Redemption of units:															
Aggressive: 5,205,130 units / Moderate: 675,894 units															
Conservative: 1,706,641 units / MAAP I: 233,237 units															
- Capital value (at net asset value per unit at the beginning of the year)	386,585	-	386,585	48,248	-	48,248	116,993	-	116,993	14,334	-	14,334	566,160	-	566,160
- Element of income	(742)	-	(742)	1,177	-	1,177	297	4,162	4,459	405	8	413	1,137	4,170	5,307
Total payments on redemption of units	385,843	-	385,843	49,425	-	49,425	117,290	4,162	121,452	14,739	8	14,747	567,297	4,170	571,467
Total comprehensive income for the year	-	586	586	-	4,086	4,086	-	8,381	8,381	-	2,625	2,625	-	15,678	15,678
Interim distribution for the year ended June 30, 2023	-	-	-	-	-	-	-	-	-	-	(2,476)	(2,476)	-	(2,476)	(2,476)
Net income for the year less distribution	-	586	586	-	4,086	4,086	-	8,381	8,381	-	149	149	-	13,202	13,202
Net assets at the end of the year	(17,855)	81,922	64,067	(6,200)	68,397	62,197	(18,045)	77,181	59,135	(21,459)	92,559	71,100	(63,559)	320,059	256,499
Undistributed income brought forward															
- Realised income		107,506			69,732			76,283			103,070			356,591	
- Unrealised loss		(26,170)			(5,421)			(3,321)			(10,652)			(45,564)	
		81,336			64,311			72,962			92,418			311,027	
Accounting income available for distribution															
- Relating to capital gains		586			4,086			4,219			34			8,925	
- Excluding capital gains		-			-			-			2,583			2,583	
		586			4,086			4,219			2,617			11,508	
Net loss for the year after taxation		-			-			-			-			-	
Distribution during the year ended June 30, 2023		-			-			-			(2,476)			(2,476)	
Undistributed income carried forward		81,922			68,397			77,181			92,559			320,059	
Undistributed income carried forward															
- Realised income		83,098			69,064			77,502			92,667			322,331	
- Unrealised loss		(1,176)			(667)			(321)			(108)			(2,272)	
		81,922			68,397			77,181			92,559			320,059	
	Rupees			Rupees			Rupees		Rupees				Rupees		
Net asset value per unit as at the beginning of the year		74.2699			71.3832			68.5516			61.4585			61.2238	
Net asset value per unit as at the end of the year		75.1080			75.1618			75.2744			61.2238			61.2238	

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2022			June 30, 2022			June 30, 2022			June 30, 2022			June 30, 2022		
	Aggressive			Moderate			Conservative			MAAP-I			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees in '000)															
Net assets at the beginning of the year	249,913	97,990	347,903	81,431	64,553	145,984	151,433	72,919	224,352	62,299	93,946	156,245	545,076	329,408	874,484
Issuance of units:															
Aggressive: 769,503 units / Moderate: 1,088,928 units /															
Conservative: 1,401,714 units / MAAP I: nil															
- Capital value (at net asset value per unit at the beginning of the year)	60,383	-	60,383	77,825	-	77,825	95,929	-	95,929	-	-	-	234,137	-	234,137
- Element of income	445	-	445	1,528	-	1,528	2,672	-	2,672	-	-	-	4,645	-	4,645
Total proceeds on issuance of units	60,828	-	60,828	79,353	-	79,353	98,601	-	98,601	-	-	-	238,782	-	238,782
Redemption of units:															
Aggressive: 1,293,475 units / Moderate: 1,729,817 units															
Conservative: 2,625,450 units / MAAP I: 1,097,868 units															
- Capital value (at net asset value per unit at the beginning of the year)	101,499	-	101,499	123,629	-	123,629	179,677	-	179,677	69,820	-	69,820	474,625	-	474,625
- Element of income	212	-	212	1,407	-	1,407	1,992	3,401	5,393	1,378	-	1,378	4,989	3,401	8,390
Total payments on redemption of units	101,711	-	101,711	125,036	-	125,036	181,669	3,401	185,070	71,198	-	71,198	479,614	3,401	483,015
Total comprehensive (loss) / income for the year	-	(16,654)	(16,654)	-	316	316	-	8,269	8,269	-	(1,528)	(1,528)	-	(9,597)	(9,597)
Interim distribution for the year ended June 30, 2022	-	-	-	-	(558)	(558)	(488)	(4,825)	(5,313)	-	-	-	(488)	(5,383)	(5,871)
Net (loss) / income for the year less distribution	-	(16,654)	(16,654)	-	(242)	(242)	(488)	3,444	2,956	-	(1,528)	(1,528)	(488)	(14,980)	(15,468)
Net assets at the end of the year	209,030	81,336	290,366	35,748	64,311	100,059	67,877	72,962	140,839	(8,899)	92,418	83,519	303,756	311,027	614,783
Undistributed income brought forward															
- Realised income		102,556			65,862			73,890			79,635			321,943	
- Unrealised (loss) / income		(4,566)			(1,309)			(971)			14,311			7,465	
		97,990			64,553			72,919			93,946			329,408	
Accounting income available for distribution															
- Relating to capital gains		-			-			-			-			-	
- Excluding capital gains		-			316			4,868			-			5,184	
		-			316			4,868			-			5,184	
Net loss for the year after taxation		(16,654)			-			-			(1,528)			(18,182)	
Distribution during the year ended June 30, 2022		-			(558)			(4,825)			-			(5,383)	
Undistributed income carried forward		81,336			64,311			72,962			92,418			311,027	
Undistributed income carried forward															
- Realised income		107,506			69,732			76,283			103,070			356,591	
- Unrealised (loss) / income		(26,170)			(5,421)			(3,321)			(10,652)			(45,564)	
		81,336			64,311			72,962			92,418			311,027	
		Rupees			Rupees			Rupees			Rupees			Rupees	
Net asset value per unit as at the beginning of the year		78.4701			71.4694			68.4368			63.5964			61.4585	
Net asset value per unit as at the end of the year		74.2699			71.3832			68.5516			61.4585			61.4585	

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

Note	For the year ended June 30, 2023					
	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the year before taxation	586	4,086	8,381	2,625	15,678	
Adjustments for						
Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'	6.1	1,176	667	321	108	2,272
	1,762	4,753	8,702	2,733	17,950	
Decrease / (increase) in assets						
Investments - net	226,007	33,845	83,287	11,673	354,812	
Profit receivable on saving accounts with banks	(3)	(13)	2	1	(13)	
	226,004	33,832	83,289	11,674	354,799	
(Decrease) / increase in liabilities						
Payable to AI Meezan Investment Management Limited - Management Company	-	(51)	(4)	(1)	(56)	
Payable to Central Depository Company of Pakistan Limited - Trustee	(14)	(1)	(6)	(2)	(23)	
Payable to Meezan Bank Limited	-	-	2	-	2	
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(28)	(12)	(24)	(10)	(74)	
Payable against purchase of investments				22	22	
Accrued expenses and other liabilities	(13)	(67)	(545)	336	(289)	
	(55)	(131)	(577)	345	(418)	
Net cash generated from operating activities	227,711	38,454	91,414	14,752	372,331	
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	158,828	7,477	31,369	2,179	199,853	
Payments against redemption and conversion of units	(387,483)	(49,460)	(122,712)	(14,747)	(574,402)	
Dividend paid	-	(22)	(150)	(2,476)	(2,648)	
Net cash used in financing activities	(228,655)	(42,005)	(91,493)	(15,044)	(377,197)	
Net increase / (decrease) in cash and cash equivalents during the year	(944)	(3,551)	(79)	(292)	(4,866)	
Cash and cash equivalents at the beginning of the year	1,703	4,639	834	584	7,760	
Cash and cash equivalents at the end of the year	5	1,088	755	292	2,894	

The annexed notes from 1 to 24 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



MEEZAN FINANCIAL PLANNING FUND OF FUNDS
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

Note	For the year ended June 30, 2022					
	Aggressive	Moderate	Conservative	MAAP-I	Total	
(Rupees in '000)						
CASH FLOWS FROM OPERATING ACTIVITIES						
Net (loss) / income for the year before taxation	(16,654)	316	8,269	(1,528)	(9,597)	
Adjustments for						
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	6.1	26,170	5,421	3,321	10,652	45,564
		9,516	5,737	11,590	9,124	35,967
Decrease / (increase) in assets						
Investments - net	30,540	48,336	80,583	71,363	230,822	
Profit receivable on saving accounts with banks	(3)	10	21	-	28	
	30,537	48,346	80,604	71,363	230,850	
(Decrease) / increase in liabilities						
Payable to AI Meezan Investment Management Limited - Management Company	(30)	5	(12)	(9)	(46)	
Payable to Central Depository Company of Pakistan Limited - Trustee	(3)	(3)	(6)	(5)	(17)	
Payable to Meezan Bank Limited	(15)	(11)	(5)	-	(31)	
Payable to the Securities and Exchange Commission of Pakistan (SECP)	2	-	9	(27)	(16)	
Accrued expenses and other liabilities	(5,417)	(3,114)	(1,441)	(9,174)	(19,146)	
	(5,463)	(3,123)	(1,455)	(9,215)	(19,256)	
Net cash generated from operating activities	34,590	50,960	90,739	71,272	247,561	
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	60,847	79,469	98,353	-	238,669	
Payments against redemption and conversion of units	(100,449)	(125,519)	(184,740)	(71,191)	(481,899)	
Dividend paid	-	(536)	(4,676)	-	(5,212)	
Net cash used in financing activities	(39,602)	(46,586)	(91,063)	(71,191)	(248,442)	
Net increase / (decrease) in cash and cash equivalents during the year	(5,012)	4,374	(324)	81	(881)	
Cash and cash equivalents at the beginning of the year	6,715	265	1,158	503	8,641	
Cash and cash equivalents at the end of the year	5	1,703	4,639	834	584	7,760

The annexed notes from 1 to 24 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN FINANCIAL PLANNING FUND OF FUNDS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Financial Planning Fund of Funds (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on July 27, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Fund is registered as a Notified entity under the NBFC Regulations issued through S.R.O.1203(I)/2008 on November 21, 2008. The registered office of the Management Company of the Fund, is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

1.2 The investment objective of the Fund is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

1.3 The Fund is an open-end Shariah Compliant Money Market Scheme and has the following specific features:

- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day); and
- (b) Daily dividend received by the unit holders shall be reinvested.

By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.

1.4 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of A+(f) by VIS Credit Rating Company Limited dated January 03, 2023 (2021: A+(f) dated December 27, 2021).

1.6 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

1.7 The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and Meezan Asset Allocation Plan - I by investing in Shariah compliant income, money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of the SECP. A brief description of the plans are as follows:

Aggressive Allocation Plan (Aggressive)	High risk - Long term investor This plan invests at least 65 percent of its net assets in Shariah Compliant Equity Funds and at least 25 percent in Shariah Compliant Fixed Income Funds.
Moderate Allocation Plan (Moderate)	Moderate risk - Medium and long term investor This plan invests at least 45 percent of its net assets in Shariah Compliant Equity Funds and at least 45 percent in Shariah Compliant Fixed Income Funds.
Conservative Allocation Plan (Conservative)	Moderate risk - Medium and short term investor This plan invests at least 20 percent of its net assets in Shariah Compliant Equity Funds and the remaining portion in Shariah Compliant Fixed Income Funds.
Meezan Asset Allocation Plan I (MAAP-I)	High risk - High return through asset allocation The allocation plan can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 20, 2015). Units shall be subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. During the year ended June 30, 2018, Meezan Asset Allocation Plan-I (MAAP-I) was reopened for investment, after completion of two years. The plan had a revised maturity date of two years from the close of the re-subscription period (i.e. November 24, 2017). During the current year, the SECP approved the extension of the plan by one year vide its letter No. SCD / AMCW / MFPEF / 137 / 2019 dated November 13, 2019. Further, after the expiry of first extension, during the current year, the SECP again approved the extension of the plan further by one year vide its letter dated November 24, 2020. Now the Management Company has decided to extend the duration of the Plan for indefinite period upon completion of initial maturity period i.e. November 24, 2022 vide its letter No. SCD / AMCW / MFPEF / 118 / 2022 dated November 01, 2022.

Each allocation plan announces separate Net Asset Value which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in conformity with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Company has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

- IFRS 3 Reference to the Conceptual Framework (Amendments)
- IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
- IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

- IFRS 9 Fees in the '10 percent' test for the derecognition of financial liabilities
- IFRS 16 Leases: Lease incentives
- IAS 41 Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
Amendments		IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

3.3 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6).

3.4 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as at fair value through profit or loss' which are measured at their respective fair values.

3.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

4.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial assets

4.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

4.3.2 Classification

4.3.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

Financial assets at fair value through profit or loss'

Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

4.3.4 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.3.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

4.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

4.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

4.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.8 Unit holders' Fund

Unit holders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net

4.9 Issuance and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the applications are received. The offer price of each allocation plan represents the net assets value (NAV) of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the net assets value (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redee

Element of income represents the difference between net assets value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the net assets value (NAV) per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' Fund. However, to maintain the same ex-dividend net asset value (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders Fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.12 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place;
- (ii) Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the date of book closure of the investee Fund declaring the dividend;
- (iii) Profit on balances with banks is recognised on a time proportion basis using the effective yield method; and
- (iv) Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

4.13 Expenses

All expenses including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2022 is also not applicable on Funds (Section 4C of the Income Tax Ordinance, 2001).

4.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

		As at June 30, 2023					
Note		Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----							
5	BALANCES WITH BANKS						
	Saving accounts	5.1	759	1,088	755	292	2,894

		As at June 30, 2022					
Note		Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----							
	Saving accounts	5.1	1,703	4,639	834	584	7,760
			1,703	4,639	834	584	7,760

- 5.1 These include balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 10.00% (2022: 6.01%) per annum. Other profit and loss sharing accounts of the Fund have expected profit rates ranging from 7.14% to 20.25% per annum (2022: 4.00% to 15.25% per annum).

6 INVESTMENTS

		As at June 30, 2023					
Note		Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----							
	Investments - 'at fair value through profit or loss'	6.1	63,892	61,768	59,132	74,578	259,370

		As at June 30, 2022					
Note		Aggressive	Moderate	Conservative	MAAP-I	Total	
----- (Rupees in '000) -----							
	Investments - 'at fair value through profit or loss'	6.1	291,075	96,280	142,740	86,359	616,454

6.1 At fair value through profit or loss - Units of mutual Funds

Name of investee Funds (related parties)	As at July 1, 2022	Purchases during the year	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/(diminution) as at June 30, 2023	Percentage in relation to	
								Market value on the basis of Net Assets of the Fund	Total market value of investments
				(Number of units)	(Rupees in '000)			(Percentage)	
Aggressive Allocation Plan									
Meezan Islamic Fund	3,876,671	109,004	3,112,315	873,360	49,050	47,874	(1,176)	74.73	74.93
Meezan Islamic Income Fund	1,418,226	-	1,418,226	-	-	-	-	-	-
Meezan Sovereign Fund	-	312,778	312,778	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	320,358	-	320,358	16,018	16,018	-	25.00	25.07
Total as at June 30, 2023					65,068	63,892	(1,176)	99.73	100.00
Total as at June 30, 2022					317,245	291,075	(26,170)		
Moderate Allocation Plan									
Meezan Islamic Fund	853,646	118,091	409,381	562,357	31,493	30,826	(667)	49.56	49.91
Meezan Islamic Income Fund	936,853	64,772	1,001,625	-	-	-	-	-	-
Meezan Sovereign Fund	-	598,357	598,356	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	618,835	-	618,835	30,942	30,942	-	49.75	50.09
Total as at June 30, 2023					62,435	61,768	(667)	99.31	100.00
Total as at June 30, 2022					101,701	96,280	(5,421)		
Conservative Allocation Plan									
Meezan Islamic Fund	631,840	45,192	408,103	268,929	15,063	14,742	(321)	24.93	24.93
Meezan Islamic Income Fund	2,080,458	-	2,080,458	-	-	-	-	-	-
Meezan Sovereign Fund	-	862,999	862,999	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	887,813	-	887,813	44,391	44,391	-	75.07	75.07
Total as at June 30, 2023					59,454	59,132	(321)	100.00	100.00
Total as at June 30, 2022					146,061	142,740	(3,321)		
Meezan Asset Allocation Plan I									
Al Meezan Mutual Fund	1,280,478	-	939,511	340,967	5,360	5,346	(14)	7.52	7.17
Meezan Daily Income Fund	340,490	438,107	99,000	679,597	33,980	33,980	-	47.79	45.56
Meezan Dedicated Equity Fund	1,223,499	-	344,585	878,914	35,346	35,252	(94)	49.58	47.27
Total as at June 30, 2023					74,686	74,578	(108)	104.89	100.00
Total as at June 30, 2022					97,010	86,359	(10,652)		
Total investments in units of mutual Funds									
Al Meezan Mutual Fund	1,280,478	-	939,511	340,967	5,360	5,346	(14)	2.08	2.06
Meezan Islamic Fund	5,362,157	272,287	3,929,798	1,704,646	95,606	93,442	(2,164)	36.43	36.03
Meezan Islamic Income Fund	4,435,537	64,772	4,500,309	-	-	-	-	-	-
Meezan Daily Income Fund	340,490	438,107	99,000	679,597	33,980	33,980	-	13.25	13.10
Meezan Sovereign Fund	-	1,774,133	1,774,133	-	-	-	-	-	-
Meezan Rozana Amdani Fund	-	1,827,005	-	1,827,006	91,350	91,350	-	35.61	35.22
Meezan Dedicated Equity Fund	1,223,499	-	344,585	878,914	35,346	35,252	(94)	13.74	13.59
Total as at June 30, 2023					261,642	259,370	(2,272)	101.11	100.00
Total as at June 30, 2022					662,015	616,453	(45,564)		

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Note	As at June 30, 2023				
	Aggressive	Moderate	Conservative	MAAP-I	Total
(Rupees in '000)					
Remuneration payable	1	-	1	-	2
Sindh Sales Tax payable on remuneration of Management Company	-	-	-	-	-
Sales load payable	15	4	6	-	25
Sindh Sales Tax payable on sales load	2	1	1	-	4
Allocated expenses payable	6	5	19	6	36
	24	10	27	6	67

Note	As at June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Remuneration payable	1	1	1	-	3
Sindh Sales Tax payable on remuneration of Management Company	-	-	-	-	-
Sales load payable	10	46	3	-	59
Sindh Sales Tax payable on sales load	1	6	-	-	7
Allocated expenses payable	12	8	27	7	54
	<u>24</u>	<u>61</u>	<u>31</u>	<u>7</u>	<u>123</u>

7.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2022: 1%) per annum of the daily bank balance of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

7.2 During the year, an amount of Rs 0.006 million (2022: Rs 0.013 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%) and an amount of Rs. 0.006 million (2022: Rs. 0.015 million) has been paid to the Management Company which acts as a collecting agent.

7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses for registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.11% (2022: 0.11%) of the average annual net assets of the respective plans of the Fund during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	As at June 30, 2023				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Remuneration payable	7	2	10	4	23
Sindh Sales Tax payable on remuneration of the Trustee	2	2	1	-	5
	<u>9</u>	<u>4</u>	<u>11</u>	<u>4</u>	<u>28</u>

Note	As at June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Remuneration payable	20	4	15	5	44
Sindh Sales Tax payable on remuneration of the Trustee	3	1	2	1	7
	<u>23</u>	<u>5</u>	<u>17</u>	<u>6</u>	<u>51</u>

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at 0.07% (2022: 0.07%) per annum based on the daily net assets of the Fund.

8.2 During the current year, an amount of Rs 0.039 million (2022: Rs. 0.072 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%) and an amount of Rs. 0.041 million (2022: Rs. 0.073 million) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% (2022: 0.02%) of net assets during the current year.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	As at June 30, 2023				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Withholding tax payable	-	-	-	297	297
Capital gain tax payable	11	5	23	-	39
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	72	40	36	16	164
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	368	497	528	3,295	4,688
Shariah advisor fee payable	38	31	30	33	132
Auditors' remuneration payable	163	77	86	78	404
	652	650	703	3,719	5,724

Note	As at June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Withholding tax payable	-	89	483	-	572
Capital gain tax payable	9	8	66	1	84
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	72	40	36	16	164
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	368	497	528	3,295	4,688
Shariah advisor fee payable	64	22	37	22	145
Auditors' remuneration payable	152	61	98	49	360
Printing charges payable	-	-	-	-	-
	665	717	1,248	3,383	6,013

- 10.1** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2022. Had the provision of FED not been made, the Net Asset Value of the Fund as at June 30, 2023 would have been higher by Re.0.52, Re.0.65, Re.0.72 and Rs.2.85 per unit in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan and MAAP-I (June 30, 2022: Re.0.11, Re.0.38, Re.0.27 and Rs.2.44 per unit) respectively.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

12 AUDITORS' REMUNERATION

	For the year ended June 30, 2023				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Annual audit fee	186	88	100	95	469
Half year review fee	87	26	34	24	171
Out of pocket expenses	14	5	8	5	32
	287	119	142	124	672

	For the year ended June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
	(Rupees in '000)				
Annual audit fee	162	65	103	60	390
Half year review fee	63	30	41	28	162
Out of pocket expenses	11	5	6	8	30
	236	100	150	96	582

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2023 are:

	As at June 30, 2023			
	Aggressive	Moderate	Conservative	MAAP-I
Total Expense Ratio (TER)	0.46%	0.49%	0.48%	0.49%
Government levies	0.03%	0.03%	0.03%	0.03%

	As at June 30, 2022			
	Aggressive	Moderate	Conservative	MAAP-I
Total Expense Ratio (TER)	0.35%	0.37%	0.36%	0.36%
Government levies	0.03%	0.03%	0.03%	0.03%

The above calculated ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Fund scheme.

14 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. No provision for taxation has been made in these financial statements for aggressive, moderate and conservative plans during the year since the income of the Plans mostly pertains to capital gains (realised and unrealised), for MAAP-I the management has distributed atleast

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2022 is also not applicable on funds (section 4C of the Income Tax Ordinance, 2001).

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

15.1 Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Collective Investment Schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

15.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

15.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.

15.4 Detail of transactions with connected persons / related parties and balances with them are as follows:

Balances	As at June 30, 2023				
	Aggressive	Moderate	Conservative	MAAP-I	Total
Al Meezan Investment Management Limited - Management Company					
Remuneration payable to the Management Company (Rs in '000)	1	-	1	-	2
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	-
Sales load payable (Rs in '000)	15	4	6	-	25
Sindh Sales Tax on sales load payable (Rs in '000)	2	1	1	-	4
Allocated expenses payable (Rs in '000)	6	5	19	6	36
Investment (Rs in '000)	-	-	9,754	-	9,754
Investment (Units)	-	-	129,573	-	129,573
Meezan Bank Limited					
Bank balance (Rs in '000)	486	831	527	281	2,125
Profit receivable (Rs in '000)	7	18	7	2	34
Sales load payable (Rs in '000)	1	-	2	-	3
Shariah advisory fee payable (Rs in '000)	38	31	30	33	132
Central Depository Company of Pakistan Limited - Trustee					
Remuneration payable to the Trustee (Rs in '000)	7	2	10	4	23
Sindh Sales Tax payable on remuneration of the Trustee (Rs in '000)	2	2	1	-	5
Meezan Islamic Fund					
Investment (Rs in '000)	47,874	30,826	14,742	-	93,442
Investment (Units)	873,360	562,357	268,929	-	1,704,646
Al Meezan Mutual Fund					
Investment (Rs in '000)	-	-	-	5,346	5,346
Investment (Units)	-	-	-	340,967	340,967
Meezan Daily Income Fund					
Investment (Rs in '000)	-	-	-	33,980	33,980
Investment (Units)	-	-	-	679,597	679,597
Meezan Rozana Amdani Fund					
Investment (Rs in '000)	16,018	30,942	44,391	-	91,351
Investment (Units)	320,358	618,835	887,813	-	1,827,006
Meezan Dedicated Equity Fund					
Investment (Rs in '000)	-	-	-	35,252	35,252
Investment (Units)	-	-	-	878,914	878,914



	As at June 30, 2023				
	Aggressive	Moderate	Conservative	MAAP-I	Total
Unit Holders holding 10% or more units of the Fund					
Investment (Rs in '000)	-	-	9,754	47,825	57,579
Investment (Units)	-	-	129,573	781,151	910,724
Directors and Executives of the Management Company					
Investment	1,370	25	15	-	1,410
Investment (Units)	18,240	335	195	-	18,770
Balances					
	As at June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
AI Meezan Investment Management Limited - Management Company					
Remuneration payable to the Management Company (Rs in '000)	1	1	1	-	3
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	-
Sales load payable (Rs in '000)	10	46	3	-	59
Sindh Sales Tax payable on sales load payable (Rs in '000)	1	6	-	-	7
Allocated expenses payable (Rs in '000)	12	8	27	7	54
Investment (Rs in '000)	-	-	8,882	-	8,882
Investment (Units)	-	-	129,573	-	129,573
Dividend Reinvest during the year (Rs in '000)	-	-	335	-	335
Meezan Bank Limited					
Bank balance (Rs in '000)	1,440	4,396	618	574	7,028
Profit receivable (Rs in '000)	5	6	10	3	24
Sales load payable (Rs in '000)	1	-	-	-	1
Central Depository Company of Pakistan Limited - Trustee					
Remuneration payable to the Trustee (Rs in '000)	20	4	15	5	44
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	3	1	2	1	7
Meezan Islamic Fund					
Investment (Rs in '000)	217,991	48,002	35,529	-	301,522
Investment (Units)	3,876,671	853,646	631,840	-	5,362,157
AI Meezan Mutual Fund					
Investment (Rs in '000)	-	-	-	20,130	20,130
Investment (Units)	-	-	-	1,280,478	1,280,478
Meezan Daily Income Fund					
Investment (Rs in '000)	-	-	-	17,024	17,024
Investment (Units)	-	-	-	340,490	340,490
Meezan Islamic Income Fund					
Investment (Rs in '000)	73,084	48,278	107,211	-	228,573
Investment (Units)	1,418,226	936,853	2,080,458	-	4,435,537
Meezan Dedicated Equity Fund					
Investment (Rs in '000)	-	-	-	49,204	49,204
Investment (Units)	-	-	-	1,223,499	1,223,499
Unit Holders holding 10% or more units of the Fund					
Investment (Rs in '000)	187,592	-	36,365	46,477	270,434
Investment (Units)	2,525,819	-	530,483	756,229	3,812,531



Transactions

AI Meezan Investment Management Limited - Management Company

Remuneration to the Management Company (Rs in '000)	17	12	10	6	45
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	2	2	1	1	6
Allocated expenses (Rs in '000)	216	84	98	82	480

Meezan Bank Limited

Profit on saving account (Rs in '000)	114	115	104	53	386
Shariah advisory fee (Rs in '000)	108	51	57	52	268

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee (Rs in '000)	131	53	62	52	298
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	17	7	8	7	39

Unit holders holding 10% or more units of the Fund

Redeemed during the period (Rs. in '000)	142,440	-	37,354	-	179,794
Redeemed during the period (Units)	2,525,819	-	530,482	-	3,056,301

Directors and Executives of the Management Company

Invested during the year (Rs in '000)	5,030	24	3,828	-	8,882
Invested during the year (Units)	68,180	326	54,199	-	122,705
Redeemed during the year (Rs in '000)	3,843	31	5,715	-	9,589
Redeemed during the year (Units)	51,599	416	80,371	-	132,386

Meezan Islamic Fund

Invested during the year (Rs in '000)	5,924	6,481	2,467		14,872
Invested during the year (Units)	109,004	118,091	45,192		272,288
Redeemed during the year (Rs in '000)	171,372	22,920	23,099		217,391
Redeemed during the year (Units)	3,112,315	409,381	408,103		3,929,799

Meezan Sovereign Fund

Invested during the year (Rs in '000)	16,211	31,013	44,729		91,953
Invested during the year (Units)	312,778	598,357	862,999		1,774,134
Redeemed during the year (Rs in '000)	16,276	31,138	44,909		92,323
Redeemed during the year (Units)	312,778	598,357	862,999		1,774,134

Meezan Daily Income Fund

Invested during the year (Rs in '000)	-	-	-	21,905	21,905
Invested during the year (Units)	-	-	-	438,107	438,107
Redeemed during the year (Rs in '000)	-	-	-	4,950	4,950
Redeemed during the year (Units)	-	-	-	99,000	99,000
Dividend received during the period (Rs. in '000)				2,906	2,906

Meezan Rozana Amdani Fund

Invested during the year (Rs in '000)	16,018	30,942	44,391	-	91,351
Invested during the year (Units)	320,358	618,835	887,813	-	1,827,006

AI Meezan Mutual Fund

Redeemed during the year (Rs in '000)	-	-	-	14,620	14,620
Redeemed during the year (Units)	-	-	-	939,511	939,511

For the year ended June 30, 2023					
	Aggressive	Moderate	Conservative	MAAP-I	Total
AI Meezan Investment Management Limited - Management Company					
Remuneration to the Management Company (Rs in '000)	17	12	10	6	45
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	2	2	1	1	6
Allocated expenses (Rs in '000)	216	84	98	82	480
Meezan Bank Limited					
Profit on saving account (Rs in '000)	114	115	104	53	386
Shariah advisory fee (Rs in '000)	108	51	57	52	268
Central Depository Company of Pakistan Limited - Trustee					
Remuneration of the Trustee (Rs in '000)	131	53	62	52	298
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	17	7	8	7	39
Unit holders holding 10% or more units of the Fund					
Redeemed during the period (Rs. in '000)	142,440	-	37,354	-	179,794
Redeemed during the period (Units)	2,525,819	-	530,482	-	3,056,301
Directors and Executives of the Management Company					
Invested during the year (Rs in '000)	5,030	24	3,828	-	8,882
Invested during the year (Units)	68,180	326	54,199	-	122,705
Redeemed during the year (Rs in '000)	3,843	31	5,715	-	9,589
Redeemed during the year (Units)	51,599	416	80,371	-	132,386
Meezan Islamic Fund					
Invested during the year (Rs in '000)	5,924	6,481	2,467		14,872
Invested during the year (Units)	109,004	118,091	45,192		272,288
Redeemed during the year (Rs in '000)	171,372	22,920	23,099		217,391
Redeemed during the year (Units)	3,112,315	409,381	408,103		3,929,799
Meezan Sovereign Fund					
Invested during the year (Rs in '000)	16,211	31,013	44,729		91,953
Invested during the year (Units)	312,778	598,357	862,999		1,774,134
Redeemed during the year (Rs in '000)	16,276	31,138	44,909		92,323
Redeemed during the year (Units)	312,778	598,357	862,999		1,774,134
Meezan Daily Income Fund					
Invested during the year (Rs in '000)	-	-	-	21,905	21,905
Invested during the year (Units)	-	-	-	438,107	438,107
Redeemed during the year (Rs in '000)	-	-	-	4,950	4,950
Redeemed during the year (Units)	-	-	-	99,000	99,000
Dividend received during the period (Rs. in '000)				2,906	2,906
Meezan Rozana Amdani Fund					
Invested during the year (Rs in '000)	16,018	30,942	44,391	-	91,351
Invested during the year (Units)	320,358	618,835	887,813	-	1,827,006
AI Meezan Mutual Fund					
Redeemed during the year (Rs in '000)	-	-	-	14,620	14,620
Redeemed during the year (Units)	-	-	-	939,511	939,511



	For the year ended June 30, 2023				
	Aggressive	Moderate	Conservative	MAAP-I	Total
Meezan Islamic Income Fund					
Invested during the year (Rs in '000)	-	3,500	-	-	3,500
Invested during the year (Units)	-	64,770	-	-	64,770
Redeemed during the year (Rs in '000)	79,002	56,717	115,878	-	251,597
Redeemed during the year (Units)	1,418,226	1,001,623	2,080,458	-	4,500,307
Meezan Dedicated Equity Fund					
Redeemed during the year (Rs in '000)	-	-	-	14,150	14,150
Redeemed during the year (Units)	-	-	-	344,586	344,586
Transactions					
	For the year ended June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
AI Meezan Investment Management Limited - Management Company					
Remuneration for the year (Rs in '000)	31	26	37	9	103
Sindh Sales Tax on management fee (Rs in '000)	4	3	5	1	13
Allocated expense (Rs in '000)	364	150	233	137	884
Meezan Bank Limited					
Profit on saving account (Rs in '000)	78	86	107	22	293
Central Depository Company of Pakistan Limited - Trustee					
Remuneration of the Trustee for the year (Rs in '000)	232	95	148	87	562
Sindh Sales Tax on trustee fee (Rs in '000)	30	12	19	11	72
Unit holders holding 10% or more units of the Fund					
Redeemed during the period (Rs. in '000)	-	-	60,331	48,743	109,073
Redeemed during the period (Units)	-	-	853,715	754,449	1,608,164
Directors and Executives of the Management Company					
Invested during the year (Rs in '000)	6,990	237	9,233	-	16,459
Invested during the year (Units)	89,067	3,275	131,075	-	223,416
Amount redeemed during the year (Rs in '000)	8,430	208	7,285	-	15,923
Redeemed during the year (Units)	106,567	2,824	104,122	-	213,513
Meezan Islamic Fund					
Invested during the year (Rs. in '000)	30,639	27,756	18,543	3,000	79,938
Invested during the year (Units)	506,155	444,917	305,731	47,581	1,304,384
Redeemed during the year (Rs. in '000)	46,275	47,575	34,025	2,844	130,719
Redeemed during the year (Units)	751,688	778,713	572,170	47,581	2,150,152
Meezan Daily Income Fund					
Invested during the year (Rs in '000)	-	-	-	99,339	99,339
Invested during the year (Units)	-	-	-	1,986,772	1,986,772
Redeemed during the year (Rs in '000)	-	-	-	82,314	82,314
Redeemed during the year (Units)	-	-	-	1,646,282	1,646,282
Dividend received during the period (Rs. in '000)	-	-	-	1,731	1,731
AI Meezan Mutual Fund					
Redeemed during the year (Rs. in '000)	-	-	-	41,990	41,990
Redeemed during the year (Units)	-	-	-	2,477,784	2,477,784

	For the year ended June 30, 2022				
	Aggressive	Moderate	Conservative	MAAP-I	Total
Meezan Islamic Income Fund					
Invested during the year (Rs. in '000)	12,615	25,671	42,684	52,304	133,275
Invested during the year (Units)	241,624	489,959	807,839	989,214	2,528,636
Redeemed during the year (Rs. in '000)	26,714	53,631	109,293	96,664	286,302
Redeemed during the year (Units)	504,568	1,005,937	2,024,508	1,829,642	5,364,655
Dividend received during the year (Rs. in '000)	5,987	3,520	7,607	-	17,114
Refund of capital during the year (Rs. in '000)	178	451	1,101	-	1,731
Dividend Reinvest during the year (Units)	5,987	3,520	7,607	-	17,115
	-	-	-	-	-
Meezan Dedicated Equity Fund					
Redeemed during the year (Rs. in '000)	-	-	-	1,330	1,330
Redeemed during the year (Units)	-	-	-	29,915	29,915

15.5 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

16 FINANCIAL INSTRUMENTS BY CATEGORY

	2023			2022		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000			Rupees in '000		
Financial assets						
Balances with banks	2,894	-	2,894	7,760	-	7,760
Investments	-	259,370	259,370	-	616,454	616,454
Receivable against conversion of units	130	-	130	1	-	1
Profit receivable on saving accounts with banks	42	-	42	29	-	29
	3,066	259,370	262,436	7,790	616,454	624,244
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	67	-	67	123	-	123
Payable to Central Depository Company of Pakistan Limited - Trustee	28	-	28	51	-	51
Payable to Meezan Bank Limited	3	-	3	1	-	1
Payable to the Securities and Exchange Commission of Pakistan (SECP)	86	-	86	-	-	-
Payable against purchase of investments	29	-	29	-	-	-
Payable on redemption and conversion of units	-	-	-	2,935	-	2,935
Dividend payable	-	-	-	171	-	171
Accrued expenses and other liabilities	536	-	536	505	-	505
	749	-	720	3,786	-	3,786
Net financial assets / (liabilities)	2,317	259,370	261,716	4,004	616,454	620,458

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

17.1 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2022, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.029 million (2022: Rs. 0.078 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 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, 2023 can be determined as follows:

----- As at June 30, 2023 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial assets					
Balance with banks	7.14% to 20.25%	2,894	-	-	2,894
Investments		-	-	259,370	259,370
Receivable against conversion of units		-	-	130	130
Profit receivable on saving accounts with banks		-	-	42	42
		<u>2,894</u>	<u>-</u>	<u>259,542</u>	<u>262,436</u>
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	67	67
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	28	28
Payable to Meezan Bank Limited		-	-	3	3
Payable to the Securities and Exchange Commission of Pakistan (SECP)		86	-	-	86
Payable against purchase of investments		29	-	-	29
Accrued expenses and other liabilities		-	-	536	536
		<u>115</u>	<u>-</u>	<u>634</u>	<u>749</u>
On-balance sheet gap (a)		<u>2,779</u>	<u>-</u>	<u>258,908</u>	<u>261,687</u>
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		<u>2,779</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative profit rate sensitivity gap		<u>2,779</u>	<u>2,779</u>	<u>2,779</u>	<u>-</u>

----- As at June 30, 2022 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial assets					
Balance with banks	4.00% to 15.25%	7,760	-	-	7,760
Investments		-	-	616,454	616,454
Receivable against conversion of units		-	-	1	1
Profit receivable on saving accounts with banks		-	-	29	29
		<u>7,760</u>	<u>-</u>	<u>616,484</u>	<u>624,244</u>
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	123	123
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	51	51
Payable to Meezan Bank Limited		-	-	1	1
Payable on redemption and conversion of units		-	-	2,935	2,935
Dividend payable		-	-	171	171
Accrued expenses and other liabilities		-	-	505	505
		<u>-</u>	<u>-</u>	<u>3,786</u>	<u>3,786</u>
On-balance sheet gap (a)		<u>7,760</u>	<u>-</u>	<u>612,698</u>	<u>620,458</u>
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		<u>7,760</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative profit rate sensitivity gap		<u>7,760</u>	<u>7,760</u>	<u>7,760</u>	<u>-</u>

17.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

17.1.2 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by the SECP from time to time.

In case of 1% increase / decrease in equity prices as at June 30, 2023 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 2.5937 million (2022: Rs. 6.1645 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

17.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions requests during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

	Maturity up to						2023
	One month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- (Rupees in '000) -----							
Financial assets							
Balances with banks	2,894	-	-	-	-	-	2,894
Investments	-	-	-	-	-	259,370	259,370
Receivable against conversion of units	130	-	-	-	-	-	130
Profit receivable on saving accounts with banks	42	-	-	-	-	-	42
	3,066	-	-	-	-	259,370	262,436
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	67	-	-	-	-	-	67
Payable to Central Depository Company of Pakistan Limited - Trustee	28	-	-	-	-	-	28
Payable to Meezan Bank Limited	3	-	-	-	-	-	3
Payable to the Securities and Exchange Commission of Pakistan (SECP)	86	-	-	-	-	-	86
Payable against purchase of investments	29	-	-	-	-	-	29
Accrued expenses and other liabilities	-	536	-	-	-	-	536
	213	536	-	-	-	-	749
	2,853	(536)	-	-	-	259,370	261,687
----- (Rupees in '000) -----							
	Maturity up to						2022
	One month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- (Rupees in '000) -----							
Financial assets							
Balances with banks	7,760	-	-	-	-	-	7,760
Investments	-	-	-	-	-	616,454	616,454
Receivable against conversion of units	1	-	-	-	-	-	1
Profit receivable on saving accounts with banks	29	-	-	-	-	-	29
	7,790	-	-	-	-	616,454	624,244
Financial liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	123	-	-	-	-	-	123
Payable to Central Depository Company of Pakistan Limited - Trustee	51	-	-	-	-	-	51
Payable to Meezan Bank Limited	1	-	-	-	-	-	1
Payable on redemption and conversion of units	2,935	-	-	-	-	-	2,935
Dividend payable	171	-	-	-	-	-	171
Accrued expenses and other liabilities	-	505	-	-	-	-	505
	3,281	505	-	-	-	-	3,786
	4,509	(505)	-	-	-	616,454	620,458

17.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2023		2022	
	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) -----				
Financial assets				
Balances with banks	2,894	2,894	7,760	7,760
Investments	259,370	-	616,454	-
Receivable against conversion of units	130	130	1	1
Profit receivable on saving accounts	42	42	29	29
	262,436	3,066	624,244	7,790

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in units of mutual funds are not exposed to credit risk.

17.3.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit accrued thereon, receivable against sale of units and receivable against sale of investments. The credit rating profile of balances with banks is as follows:

	As at June 30, 2023		As at June 30, 2022	
	(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
AAA	2,125	73.43	7,028	90.5670103
AA+	275	9.50	253	3.26
AA	490	16.93	475	6.12
AA-	4	0.14	-	-
A+	-	-	4	0.05
	2,894	100.00	7,760	100.00

None of the financial assets were considered to be past due or impaired as on June 30, 2023.

The Fund does not have any collateral against any of the aforementioned assets.

18 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum Fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 17, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

	2023			2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees in '000)			(Rupees in '000)		
Financial assets						
At fair value through profit or loss	-	259,370	-	-	616,454	-
	-	259,370	-	-	616,454	-

20 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Shariah Compliant Incom	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA/ACCA	Nine years

20.1 The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund Manager are as follows:

- KSE-Meezan Index Fund;
- Meezan Balanced Fund;
- Meezan Asset Allocation Fund;
- Meezan Strategic Allocation Fund;
- Meezan Strategic Allocation Fund-II;
- Meezan Strategic Allocation Fund-III; and
- Meezan Dedicated Equity Fund.

21 DETAILS OF MEETINGS OF BOARD OF DIRECTORS

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on			
		Aug 16, 2022	Oct 13, 2022	Feb 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

22 UNIT HOLDING PATTERN OF THE FUND

	AGGRESSIVE					
	----- As at June 30, 2023 -----			----- As at June 30, 2022 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	564	63,504	99.12	676	85,234	29.35
Retirement Funds	2	553	0.86	3	144,177	49.65
Others	45	10	0.02	2	60,955	20.99
Total	611	64,067	100.00	681	290,366	100.00

	MODERATE					
	----- As at June 30, 2023 -----			----- As at June 30, 2022 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	384	55,563	89.34	446	90,364	90.31
Retirement Funds	2	138	0.22	2	3,525	3.52
Others	31	6,496	10.44	4	6,170	6.17
Total	417	62,197	100.00	452	100,059	100.00

	CONSERVATIVE					
	----- As at June 30, 2023 -----			----- As at June 30, 2022 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	400	48,534	82.08	412	78,703	55.88
Associated company	1	9,754	16.49	1	8,883	6.31
Retirement Funds	2	729	1.23	4	53,145	37.72
Others	24	118	0.20	1	108	0.08
Total	427	59,135	100.00	418	140,839	100.00

	MAAP-I					
	----- As at June 30, 2023 -----			----- As at June 30, 2022 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Individual	50	23,275	32.74	78	37,042	44.35
Retirement Funds	-	-	-	-	-	-
Others	2	47,825	67.26	2	46,477	55.65
Total	52	71,100	100.00	80	83,519	100.00



23 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 7, 2023.

24 GENERAL

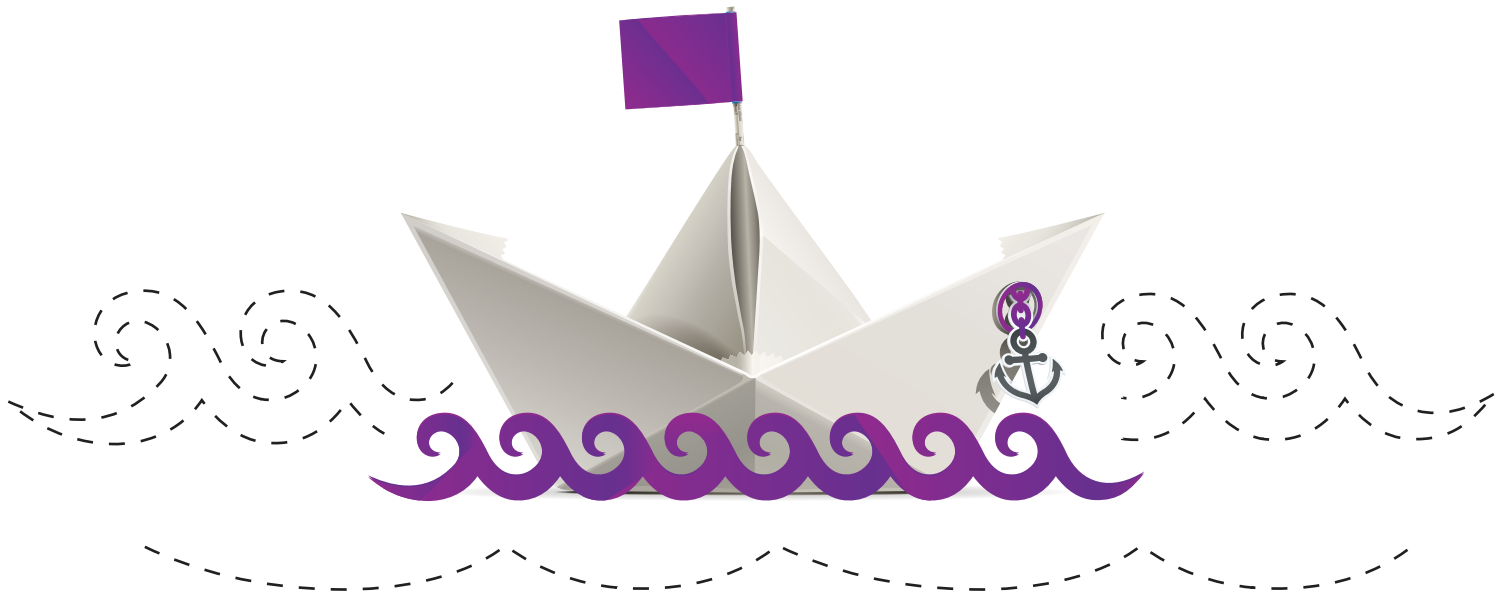
24.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



Crisis Preparedness and Adaptation

Al Meezan's ability to evolve its strategies during market crisis demonstrates its dedication to maintaining investment excellence even in challenging times.

Meezan Strategic Allocation Fund

Meezan Strategic Allocation Fund is a Shariah Compliant scheme which uses active asset allocation strategy for providing competitive returns on investment. It is a unique asset allocation fund for investors who wish to benefit from the equity market and want an actively managed investment portfolio with diversification.

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoab, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoab, CFA	Member

BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoab, 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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

Bank Al Habib Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial
Area, Phase VI, DHA, Karachi.
Phone (+9221) 35156191-94 Fax: (+9221) 35156195
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Strategic Allocation Fund (MSAF)

Type of Fund

MSAF is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

MSAF has six Allocation Plans which allow investors to invest according to their risk tolerance levels.

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan - I	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Meezan Strategic Allocation Plan - II	
Meezan Strategic Allocation Plan - III	
Meezan Strategic Allocation Plan - IV	
Meezan Strategic Allocation Plan - V	
Meezan Strategic Allocation Plan - MCPP-III	



Pure. Profit.



Performance Table with Benchmark

Returns - FY23	
MSAP I	3.30%
Benchmark	3.60%
MSAPII	3.37%
Benchmark	3.51%
MSAP III	3.26%
Benchmark	3.66%
MSAP IV	2.87%
Benchmark	3.60%
MSAP V	2.65%
Benchmark	3.72%
MCPPIII	11.95%
Benchmark	5.36%

Meezan Strategic Allocation Plan - I

The Meezan Strategic Allocation Plan – I posted a total income of Rs. 4.1 million in FY23 as compared to total loss of Rs. 37 million last year. Total income comprised of realized and unrealized loss on investments of Rs. 4 million and Rs. 0.41 million respectively. Dividend income comprised of Rs. 8.4 million. After accounting for expenses of Rs. 0.78 million, the Fund posted a net income of Rs. 3.4 million. The net assets of the Fund as at June 30, 2023 were Rs. 188.4 million as compared to Rs. 382.8 million at the end of last year depicting a decline of 50.78%.

Meezan Strategic Allocation Plan - II

The Meezan Strategic Allocation Plan – II posted a total Income of Rs. 3.4 million in FY23 as compared to total loss of Rs. 25 million last year. Total income comprised of realized loss and unrealized gain on investments of Rs. 4 million and Rs. 0.21 million respectively. Dividend income comprised of Rs. 7 million. After accounting for expenses of Rs. 0.70 million, the Fund posted a net income of Rs. 2.7 million. The net assets of the Fund as at June 30, 2023 were Rs. 159.8 million as compared to Rs. 321.5 million at the end of last year depicting a decline of 50.27%.

Meezan Strategic Allocation Plan - III

The Meezan Strategic Allocation Plan – III posted a total income of Rs. 5.5 million in FY23 as compared to total loss of Rs. 21.3 million last year. Total income comprised of realized and unrealized loss on investments of Rs. million and Rs. 0.48 million respectively. Dividend income comprised of Rs. 6.6 million. After accounting for expenses of Rs. 0.60 million, the Fund posted a net income of Rs. 5 million. The net assets of the Fund as at June 30, 2023 were Rs. 130.5 million as compared to Rs. 214.3 million at the end of last year depicting a decline of 39.06%.

Meezan Strategic Allocation Plan - IV

The Meezan Strategic Allocation Plan – IV posted a total income of Rs. 2.6 million in FY2 as compared to total loss of Rs. 10.9 million last year. Total income comprised of realized and unrealized loss on investments of Rs. 0.06 million and Rs. 0.11 million respectively. Dividend income comprised of Rs. 2.7 million. After accounting for expenses of Rs. 0.31 million, the Fund posted a net income of Rs. 2.3 million.



Pure. Profit.

The net assets of the Fund as at June 30, 2023 were Rs. 76.6 million as compared to Rs. 104.9 million at the end of last year depicting a decline of 26.97%

Meezan Strategic Allocation Plan - V

The Meezan Strategic Allocation Plan – V posted a total Income of Rs. 1.2 million in FY23 as compared to total loss of Rs. 4.8 million last year. Total Income comprised of realized gain and unrealized loss on investments of Rs. 0.93 million and Rs. 0.13 million respectively. Dividend income comprised of Rs. 1.19 million. After accounting for expenses of Rs. 0.15 million, the Fund posted a net gain of Rs. 1.05 million. The net assets of the Fund as at June 30, 2023 were Rs. 33.6 million as compared to Rs. 49 million at the end of last year depicting a decline of 31.30%.

Meezan Capital Preservation Plan – III

The Meezan Capital Preservation Plan – III posted a total income of Rs. 20.5 million in FY23 as compared to total income of Rs. 10.5 million last year. Total income comprised of realized gain and unrealized loss on investments and Rs. 0.33 million and Rs. 0.43 million respectively. Dividend income and profit on saving account with banks comprised of Rs. 20.5 million and 0.08 million respectively. After accounting for expenses of Rs. 0.58 million, the Fund posted a net income of Rs. 19.8 million. The net assets of the Fund as at June 30, 2023 were Rs. 154.8 million as compared to Rs.195.9 million at the end of last year depicting a decline of 20.98%.

Distributions

The Final Pay out by the Fund during the fiscal year ended June 30, 2023 was 0.80, 0.72, 1.50, 1.30, 1.45, 6.40 per unit in MSAP-I, MSAP-II, MSAP-III, MSAP-IV, MSAP-V and MCPP-III.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size

As on June 30, 2023)

Range (Units)	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III
	No. of investo	No. of investors	No. of investors	No. of investors	No. of investors	No. of investors
1 - 9,999	64	97	42	30	20	103
10,000 - 49,999	26	25	36	27	6	24
50,000 - 99,999	6	4	7	6	1	4
100,000 - 499,999	10	2	8	4	3	8
500,000 and above	2	3	0	0	0	0
Total	108	131	93	67	30	139

PERFORMANCE TABLE
MEEZAN STRATEGIC ALLOCATION FUND

	As at June 30, 2023					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III
Net assets (Rs. in '000) (ex-distribution)	188,439	159,882	130,595	76,656	33,698	154,839
Net assets value per unit as at 30 June (Rs.) (ex-distribution)	44.5357	44.1354	41.7970	43.0782	49.8873	54.4219
Highest redemption price per unit (Rs.)	46.3590	45.8149	44.3587	45.6604	52.8860	60.8454
Lowest redemption price per unit (Rs.)	41.5982	41.0236	39.7378	40.5815	47.0949	54.3252
Distribution (%)						
-Interim	1.60	1.44	3.00	2.60	2.90	12.80
Date of distribution						
-Interim	27-Jun-23	27-Jun-23	27-Jun-23	27-Jun-23	27-Jun-23	27-Jun-23
Income distribution (Rupees in '000)	3,338	2,572	4,560	2,263	956	16,603
Growth distribution (Rupees in '000)	-	-	-	-	-	-
Total return (%)	3.30%	3.37%	3.26%	2.87%	2.65%	11.95%
Average annual return as at June 30, 2023 (%) - One Year	3.30%	3.37%	3.26%	2.87%	2.65%	11.95%

	As at June 30, 2022					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III
Net assets (Rs. in '000) (ex-distribution)	382,872	321,520	214,306	104,968	49,057	195,967
Net assets value per unit as at 30 June (Rs.) (ex-distribution)	43.8853	43.3940	41.9282	43.1405	50.0124	54.3250
Highest redemption price per unit (Rs.)	49.3794	48.6618	47.4530	49.0453	56.8817	57.6128
Lowest redemption price per unit (Rs.)	42.9719	42.5360	41.0363	42.2073	48.9751	54.3250
Distribution (%)						
-Interim	-	-	-	-	-	3.25
Date of distribution						
-Interim	-	-	-	-	-	June 30, 2022
Income distribution (Rupees in '000)	-	-	-	-	-	11,241
Growth distribution (Rupees in '000)	-	-	-	-	-	-
Total return (%)	-6.25%	-6.61%	-7.41%	-6.78%	-7.52%	5.13%
Average annual return as at June 30, 2022 (%) - One Year	-1.48%	-1.62%	-2.08%	-1.96%	-2.44%	8.54%

	As at June 30, 2021					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III
Net assets (Rs. in '000) (ex-distribution)	673,664	452,203	500,785	212,669	62,873	264,770
Net assets value per unit as at 30 June (Rs.) (ex-distribution)	46.8129	46.4631	45.2827	46.2775	54.0799	54.7709
Highest redemption price per unit (Rs.)	47.9702	47.5974	46.4176	47.5009	55.5351	55.0157
Lowest redemption price per unit (Rs.)	37.0938	36.8264	35.7533	36.4283	42.3562	50.8474
Distribution (%)						
-Interim	-	-	-	-	-	-
Date of distribution						
-Interim	-	-	-	-	-	-
Income distribution (Rupees in '000)	-	-	-	-	-	-
Growth distribution (Rupees in '000)	-	-	-	-	-	-
Total return (%)	26.96%	26.29%	27.13%	27.49%	28.25%	7.72%
Average annual return as at June 30, 2021 (%) - Two Year	8.00%	7.68%	7.66%	7.86%	7.79%	8.27%

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Strategic Allocation Fund (MSAF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Seventh year of operations of Meezan Strategic Allocation Fund (the “MSAF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah 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 STRATEGIC ALLOCATION FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Strategic Allocation Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Strategic Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Strategic Allocation Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of units of open ended mutual funds) held by the Fund represent 99.9% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

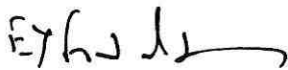
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076wjmsx31cq



**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023**

		June 30, 2023						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total	
(Rupees in '000)								
Assets								
Balances with banks	5	2,158	540	276	3,749	981	4,688	12,392
Investments	6	187,339	159,861	131,495	74,088	32,889	153,294	738,966
Profit receivable on savings account with banks		3	15	16	16	11	18	79
Total assets		189,500	160,416	131,787	77,853	33,881	158,000	751,437
Liabilities								
Payable to AI Meezan Investment Management Limited - Management Company	7	16	14	12	11	3	19	75
Payable to Central Depository Company of Pakistan Limited - Trustee	8	13	11	8	5	2	10	49
Payable to the Securities and Exchange Commission of Pakistan	9	46	38	36	17	8	35	180
Payable against redemption and conversion of units		74	-	-	498	-	-	572
Payable against purchase of investments		-	-	-	-	-	-	-
Dividend payable		80	66	197	201	1	393	938
Accrued expenses and other liabilities	10	832	405	939	465	169	2,704	5,514
Total liabilities		1,061	534	1,192	1,197	183	3,161	7,328
Net assets		188,439	159,882	130,595	76,656	33,698	154,839	744,109
Unit holders' fund (as per statement attached)		188,439	159,882	130,595	76,656	33,698	154,839	744,109
Contingencies and commitments	11							
----- (Number of units) -----								
Number of units in issue		4,231,192	3,622,538	3,124,507	1,779,484	675,483	2,845,161	
----- (Rupees) -----								
Net asset value per unit		44.5357	44.1354	41.7970	43.0782	49.8873	54.4219	

The annexed notes 1 to 24 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023**

		June 30, 2022						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total	
(Rupees in '000)								
Assets								
Balances with banks	5	807	4,682	2,917	538	560	620	10,124
Investments	6	382,426	317,108	211,612	104,527	48,535	198,745	1,262,953
Profit receivable on savings account with banks		2	25	8	4	3	5	47
Total assets		<u>383,235</u>	<u>321,815</u>	<u>214,537</u>	<u>105,069</u>	<u>49,098</u>	<u>199,370</u>	<u>1,273,124</u>
Liabilities								
Payable to AI Meezan Investment Management Limited - Management Company	7	34	30	20	10	4	18	116
Payable to Central Depository Company of Pakistan Limited - Trustee	8	25	21	14	7	3	13	83
Payable to the Securities and Exchange Commission of Pakistan	9	108	78	71	30	11	46	344
Payable against purchase of investment Dividend Payable		33	29	18	8	5	75	
Accrued expenses and other liabilities	10	-	-	-	-	-	1,675	1,675
Total liabilities		<u>163</u>	<u>137</u>	<u>108</u>	<u>46</u>	<u>18</u>	<u>1,576</u>	<u>2,048</u>
		<u>363</u>	<u>295</u>	<u>231</u>	<u>101</u>	<u>41</u>	<u>3,403</u>	<u>4,434</u>
Net assets		<u>382,872</u>	<u>321,520</u>	<u>214,306</u>	<u>104,968</u>	<u>49,057</u>	<u>195,967</u>	<u>1,268,690</u>
Unit holders' fund (as per statement attached)		<u>382,872</u>	<u>321,520</u>	<u>214,306</u>	<u>104,968</u>	<u>49,057</u>	<u>195,967</u>	<u>1,268,690</u>
Contingencies and commitments	11							
----- (Number of units) -----								
Number of units in issue		<u>8,724,383</u>	<u>7,409,321</u>	<u>5,111,265</u>	<u>2,433,165</u>	<u>980,896</u>	<u>3,607,311</u>	
----- (Rupees) -----								
Net asset value per unit		<u>43.8853</u>	<u>43.3940</u>	<u>41.9282</u>	<u>43.1405</u>	<u>50.0124</u>	<u>54.3250</u>	

The annexed notes 1 to 24 form an integral part of these financial statements.

**For AI-Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2023							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
(Rupees in '000)							
Income							
Net realised (loss) / gain on sale of investments	(4,043)	(4,038)	(621)	(56)	73	327	(8,358)
Profit on savings accounts with banks	172	242	86	104	65	81	750
Dividend income	8,484	7,064	6,610	2,715	1,189	20,528	46,590
	4,613	3,268	6,075	2,763	1,327	20,936	38,982
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1	(414)	206	(476)	(109)	(430)	(1,350)
Total (loss) / income	4,199	3,474	5,599	2,654	1,200	20,506	37,632
Expenses							
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	21	31	12	16	9	100
Sindh Sales Tax on remuneration of the Management Company	7.2	3	4	1	2	1	12
Allocated expenses	7.3	255	207	196	95	41	987
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	162	132	125	61	27	631
Sindh Sales Tax on remuneration of the Trustee	8.2	21	17	16	8	3	81
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	46	38	36	17	8	180
Auditors' remuneration	12	168	134	128	62	27	639
Fees and subscription		78	64	59	28	12	338
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	-	-	-	-	-
Bank and settlement charges		27	72	23	25	22	223
Total expenses		781	699	596	314	150	3,191
Net income for the year before taxation		3,418	2,775	5,003	2,340	1,050	34,441
Taxation	14	-	-	-	-	-	-
Net income for the year after taxation		3,418	2,775	5,003	2,340	1,050	34,441
Allocation of net income for the year							
Net income for the year after taxation		3,418	2,775	5,003	2,340	1,050	34,441
Income already paid on units redeemed		-	-	(444)	(62)	(12)	(3,008)
		3,418	2,775	4,559	2,278	1,038	30,915
Accounting income available for distribution							
- Relating to capital gains		-	-	-	-	-	-
- Excluding capital gains		3,418	2,775	4,559	2,278	1,038	30,915
		3,418	2,775	4,559	2,278	1,038	30,915

The annexed notes 1 to 24 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2022								
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
(Rupees in '000)								
Income								
Net realised gain on sale of investments	(11,715)	(5,669)	(3,960)	(3,361)	(937)	(945)	(26,587)	
Profit on savings accounts with banks	69	56	69	31	21	29	275	
Dividend income	11,056	7,635	7,235	2,814	1,079	13,392	43,211	
Other income	156	106	118	132	47	110	669	
	(434)	2,128	3,462	(384)	210	12,586	17,568	
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1	(36,961)	(27,219)	(24,806)	(10,544)	(5,061)	(2,028)	(106,619)
Total (loss) / income		(37,395)	(25,091)	(21,344)	(10,928)	(4,851)	10,558	(89,051)
Expenses								
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	13	8	15	6	6	8	56
Sindh Sales Tax on remuneration of the Management Company	7.2	2	1	2	1	1	1	8
Allocated expenses	7.3	595	431	392	167	63	252	1,900
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	379	274	250	106	40	161	1,210
Sindh Sales Tax on remuneration of the Trustee	8.2	49	36	32	14	5	21	157
Annual fee to the Securities and Exchange Commission of Pakistan	9	108	78	71	30	11	46	344
Auditors' remuneration	12	191	150	136	44	16	76	613
Fees and subscription		156	103	108	43	16	60	486
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		(9,818)	(2,806)	(4,253)	(3,804)	(940)	(1,525)	(23,146)
Bank and settlement charges		9	89	23	8	1	5	135
Total expenses		(8,316)	(1,636)	(3,224)	(3,385)	(781)	(895)	(18,237)
Net (loss) / income for the year before taxation		(29,079)	(23,455)	(18,120)	(7,543)	(4,070)	11,453	(70,814)
Taxation	14	-	-	-	-	-	-	-
Net (loss) / income for the year after taxation		(29,079)	(23,455)	(18,120)	(7,543)	(4,070)	11,453	(70,814)
Allocation of net income for the year								
Net income for the year after taxation		-	-	-	-	-	11,453	-
Income already paid on units redeemed		-	-	-	-	-	(1,751)	-
		-	-	-	-	-	9,702	-
Accounting income available for distribution								
- Relating to capital gains		-	-	-	-	-	-	-
- Excluding capital gains		-	-	-	-	-	9,702	-
		-	-	-	-	-	9,702	-

The annexed notes 1 to 24 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2023							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
----- (Rupees in '000) -----							
Net income for the year after taxation	3,418	2,775	5,003	2,340	1,050	19,855	34,441
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	3,418	2,775	5,003	2,340	1,050	19,855	34,441

For the year ended June 30, 2022							
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total	
----- (Rupees in '000) -----							
Net (loss) / income for the year after taxation	(29,079)	(23,455)	(18,120)	(7,543)	(4,070)	11,453	(70,814)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	(29,079)	(23,455)	(18,120)	(7,543)	(4,070)	11,453	(70,814)

The annexed notes 1 to 24 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023			June 30, 2023			June 30, 2023			June 30, 2023		
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
----- (Rupees in '000) -----												
Net assets at the beginning of the year	825,205	(442,333)	382,872	645,787	(324,267)	321,520	600,847	(386,541)	214,306	560,671	(455,703)	104,968
Issuance of units:												
MSAP - I: 97,967 units / MSAP - II: 50,150 units												
MSAP - III: 97,320 units / MSAP - IV: 40,893 units												
MSAP - V: 16,208 units / MCPP - III: 259,026 units												
- Capital value (at net asset value per unit at the beginning of the year)	4,299	-	4,299	2,176	-	2,176	4,080	-	4,080	1,764	-	1,764
- Element of Income	52	-	52	38	-	38	14	-	14	-	-	-
Total proceeds on issuance of units	4,351	-	4,351	2,214	-	2,214	4,094	-	4,094	1,764	-	1,764
Redemption of units:												
MSAP - I: 4,591,158 units / MSAP - II: 3,836,933 units												
MSAP - III: 2,084,078 units / MSAP - IV: 694,573 units												
MSAP - V: 321,621 units / MCPP - III: 1,021,176 units												
- Capital value (at net asset value per unit at the beginning of the year)	201,484	-	201,484	166,500	-	166,500	87,382	-	87,382	29,964	-	29,964
- Element of (loss) / income	(2,620)	-	(2,620)	(2,445)	-	(2,445)	422	444	866	127	62	189
Total payments on redemption of units	198,864	-	198,864	164,055	-	164,055	87,804	444	88,248	30,091	62	30,153
Total comprehensive income for the year	-	3,418	3,418	-	2,775	2,775	-	5,003	5,003	-	2,340	2,340
Distribution during the year	-	(3,338)	(3,338)	-	(2,572)	(2,572)	-	(4,560)	(4,560)	-	(2,263)	(2,263)
Net income for the year less distribution	-	80	80	-	203	203	-	443	443	-	77	77
Net assets at the end of the year	630,692	(442,253)	188,439	483,946	(324,064)	159,882	517,137	(386,542)	130,595	532,344	(455,688)	76,656
(Accumulated loss) / undistributed income brought forward												
- Realised (loss) / income		(405,372)			(297,048)			(361,735)			(445,159)	
- Unrealised loss		(36,961)			(27,219)			(24,806)			(10,544)	
		(442,333)			(324,267)			(386,541)			(455,703)	
Accounting income available for distribution												
- Relating to capital gains		-			-			-			-	
- Excluding capital gains		3,418			2,775			4,559			2,278	
		3,418			2,775			4,559			2,278	
Net loss for the year after taxation		-			-			-			-	
Distribution during the year		(3,338)			(2,572)			(4,560)			(2,263)	
(Accumulated loss) / undistributed income carried forward		(442,253)			(324,064)			(386,542)			(455,688)	
(Accumulated loss) / undistributed income carried forward												
- Realised (loss) / income		(441,839)			(324,270)			(386,066)			(455,579)	
- Unrealised (loss) / gain		(414)			206			(476)			(109)	
		(442,253)			(324,064)			(386,542)			(455,688)	
		Rupees			Rupees			Rupees			Rupees	
Net asset value per unit at the beginning of the year		43.8853			43.3940			41.9282			43.1405	
Net asset value per unit at the end of the year		44.5357			44.1354			41.7970			43.0782	

The annexed notes 1 to 24 form an integral part of these financial statements.

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023			June 30, 2023			June 30, 2023		
	MSAP-V			MCPPIII			Total		
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	115,187	(66,130)	49,057	157,456	38,511	195,967	2,905,153	(1,636,463)	1,268,690
Issuance of units:									
MSAP - I: 97,967 units / MSAP - II: 50,150 units									
MSAP - III: 97,320 units / MSAP - IV: 40,893 units									
MSAP - V: 16,208 units / MCPPIII: 259,026 units									
- Capital value (at net asset value per unit at the beginning of the year)	811	-	811	14,072	-	14,072	27,202	-	27,202
- Element of Income	(2)	-	(2)	34	-	34	136	-	136
Total proceeds on issuance of units	809	-	809	14,106	-	14,106	27,338	-	27,338
Redemption of units:									
MSAP - I: 4,591,158 units / MSAP - II: 3,836,933 units									
MSAP - III: 2,084,078 units / MSAP - IV: 694,573 units									
MSAP - V: 321,621 units / MCPPIII: 1,021,176 units									
- Capital value (at net asset value per unit at the beginning of the year)	16,085	-	16,085	55,475	-	55,475	556,890	-	556,890
- Element of (loss) / income	165	12	177	3	3,008	3,011	(4,348)	3,526	(822)
Total payments on redemption of units	16,250	12	16,262	55,478	3,008	58,486	552,542	3,526	556,068
Total comprehensive income for the year	-	1,050	1,050	-	19,855	19,855	-	34,441	34,441
Distribution during the year	-	(956)	(956)	-	(16,603)	(16,603)	-	(30,292)	(30,292)
Net income for the year less distribution	-	94	94	-	3,252	3,252	-	4,149	4,149
Net assets at the end of the year	99,746	(66,048)	33,698	116,084	38,755	154,839	2,379,949	(1,635,840)	744,109
(Accumulated loss) / undistributed income brought forward									
- Realised (loss) / income		(61,069)			40,539			(1,529,844)	
- Unrealised loss		(5,061)			(2,028)			(106,619)	
		(66,130)			38,511			(1,636,463)	
Accounting income available for distribution									
- Relating to capital gains		-			-			-	
- Excluding capital gains		1,038			16,847			30,915	
		1,038			16,847			30,915	
Net loss for the year after taxation		-			-			-	
Distribution during the year		(956)			(16,603)			(30,292)	
(Accumulated loss) / undistributed income carried forward		(66,048)			38,755			(1,635,840)	
(Accumulated loss) / undistributed income carried forward									
- Realised (loss) / income		(65,921)			39,185			(1,634,490)	
- Unrealised (loss) / gain		(127)			(430)			(1,350)	
		(66,048)			38,755			(1,635,840)	
		Rupees			Rupees				
Net asset value per unit at the beginning of the year		50.0124			54.3250				
Net asset value per unit at the end of the year		49.8873			54.4219				

The annexed notes 1 to 24 form an integral part of these financial statements.

**For AI-Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2022			June 30, 2022			June 30, 2022			June 30, 2022		
	MSAP-I			MSAP-II			MSAP-III			MSAP-IV		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	1,086,918	(413,254)	673,664	753,015	(300,812)	452,203	869,206	(368,421)	500,785	660,829	(448,160)	212,669
Issuance of units:												
MSAP - I: nil units / MSAP - II: nil units	-	-	-	-	-	-	-	-	-	-	-	-
MSAP - III: nil units / MSAP - IV: nil units	-	-	-	-	-	-	-	-	-	-	-	-
MSAP - V: nil units / MCPP - III: 148,548 units	-	-	-	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	-	-	-	-	-	-	-
- Element of loss	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of units:												
MSAP - I: 5,666,188 units / MSAP - II: 2,323,206 units	265,251	-	265,251	107,943	-	107,943	269,333	-	269,333	100,068	-	100,068
MSAP - III: 5,947,818 units / MSAP - IV: 2,162,343 units	(3,538)	-	(3,538)	(715)	-	(715)	(974)	-	(974)	90	-	90
MSAP - V: 181,696 units / MCPP - III: 1,375,374 units	-	-	-	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	-	-	-	-	-	-	-
- Element of (income) / loss	-	-	-	-	-	-	-	-	-	-	-	-
Total payments on redemption of units	261,713	-	261,713	107,228	-	107,228	268,359	-	268,359	100,158	-	100,158
Total comprehensive income for the year	-	(29,079)	(29,079)	-	(23,455)	(23,455)	-	(18,120)	(18,120)	-	(7,543)	(7,543)
Distribution during the year	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year less distribution	-	(29,079)	(29,079)	-	(23,455)	(23,455)	-	(18,120)	(18,120)	-	(7,543)	(7,543)
Net assets at the end of the year	825,205	(442,333)	382,872	645,787	(324,267)	321,520	600,847	(386,541)	214,306	560,671	(455,703)	104,968
(Accumulated loss) / undistributed income brought forward												
- Realised (loss) / income		(449,348)			(300,107)			(400,602)			(476,520)	
- Unrealised income / (loss)		36,094			(705)			32,181			28,360	
		(413,254)			(300,812)			(368,421)			(448,160)	
Accounting income available for distribution												
- Relating to capital gains		-			-			-			-	
- Excluding capital gains		-			-			-			-	
Net loss for the year after taxation		(29,079)			(23,455)			(18,120)			(7,543)	
Distribution during the year		-			-			-			-	
(Accumulated loss) / undistributed income carried forward		(442,333)			(324,267)			(386,541)			(455,703)	
(Accumulated loss) / undistributed income carried forward												
- Realised (loss) / income		(405,372)			(297,048)			(361,735)			(445,159)	
- Unrealised income / (loss)		(36,961)			(27,219)			(24,806)			(10,544)	
		(442,333)			(324,267)			(386,541)			(455,703)	
			(Rupees)			(Rupees)			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			46.8129			46.4631			45.2827			46.2775
Net asset value per unit at the end of the year			43.8853			43.3940			41.9282			43.1405

The annexed notes 1 to 24 form an integral part of these financial statements.

**For AI-Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2022			June 30, 2022			June 30, 2022		
	MSAP-V			MCPPIII			Total		
	Capital Value	Accumulated loss	Total	Capital Value	(Accumulated loss) / undistributed income	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	124,933	(62,060)	62,873	224,720	40,050	264,770	3,719,621	(1,552,657)	2,166,964
Issuance of units:									
MSAP - I: nil units / MSAP - II: nil units	-	-	-	8,062	-	8,062	8,062	-	8,062
MSAP - III: nil units / MSAP - IV: nil units	-	-	-	(75)	-	(75)	(75)	-	(75)
MSAP - V: nil units / MCPPIII - III: 148,548 units	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	7,987	-	7,987	7,987	-	7,987
- Element of loss	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	7,987	-	7,987	7,987	-	7,987
Redemption of units:									
MSAP - I: 5,666,188 units / MSAP - II: 2,323,206 units	9,826	-	9,826	75,330	-	75,330	827,751	-	827,751
MSAP - III: 5,947,818 units / MSAP - IV: 2,162,343 units	(80)	-	(80)	(79)	1,751	1,672	(5,296)	1,751	(3,545)
MSAP - V: 181,696 units / MCPPIII - III: 1,375,374 units	-	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year)	9,746	-	9,746	75,251	1,751	77,002	822,455	1,751	824,206
- Element of (income) / loss	-	-	-	-	-	-	-	-	-
Total payments on redemption of units	9,746	-	9,746	75,251	1,751	77,002	822,455	1,751	824,206
Total comprehensive income for the year	-	(4,070)	(4,070)	-	11,453	11,453	-	(70,814)	(70,814)
Distribution during the year	-	-	-	-	(11,241)	(11,241)	-	(11,241)	(11,241)
Net income for the year less distribution	-	(4,070)	(4,070)	-	212	212	-	(82,055)	(82,055)
Net assets at the end of the year	115,187	(66,130)	49,057	157,456	38,511	195,967	2,905,153	(1,636,463)	1,268,690
(Accumulated loss) / undistributed income brought forward									
- Realised (loss) / income		(73,107)			38,639			(1,661,045)	
- Unrealised income / (loss)		11,047			1,411			108,388	
		(62,060)			40,050			(1,552,657)	
Accounting income available for distribution									
- Relating to capital gains		-			-			-	
- Excluding capital gains		-			9,702			9,702	
		-			9,702			9,702	
Net loss for the year after taxation		(4,070)						(82,267)	
Distribution during the year		-			(11,241)			(11,241)	
(Accumulated loss) / undistributed income carried forward		(66,130)			38,511			(1,554,196)	
(Accumulated loss) / undistributed income carried forward									
- Realised (loss) / income		(61,069)			40,539			(1,529,844)	
- Unrealised income / (loss)		(5,061)			(2,028)			(106,619)	
		(66,130)			38,511			(1,636,463)	
				Rupees		Rupees			
Net asset value per unit at the beginning of the year				54.0799		54.7709			
Net asset value per unit at the end of the year				50.0124		54.3250			

The annexed notes 1 to 24 form an integral part of these financial statements.

**For AI-Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN STRATEGIC ALLOCATION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2023							
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
Note -----(Rupees in '000)-----							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation	3,418	2,775	5,003	2,340	1,050	19,855	34,441
Adjustments for:							
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	6.1 414	(206)	476	109	127	430	1,350
	3,832	2,569	5,479	2,449	1,177	20,285	35,791
Decrease / (increase) in assets							
Investments - net	194,673	157,453	79,641	30,330	15,519	45,021	522,637
Receivable against investment	-	-	-	-	-	-	-
Profit receivable on savings account with banks	(1)	10	(8)	(12)	(8)	(13)	(32)
	194,672	157,463	79,633	30,318	15,511	45,008	522,605
(Decrease) / increase in liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	(18)	(16)	(8)	1	(1)	1	(41)
Payable to Central Depository Company of Pakistan Limited - Trustee	(12)	(10)	(6)	(2)	(1)	(3)	(34)
Payable to the Securities and Exchange Commission of Pakistan	(62)	(40)	(35)	(13)	(3)	(11)	(164)
Payable against purchase of investments	(33)	(29)	(18)	(8)	(5)	(75)	(168)
Payable against redemption and conversion of units	74	-	-	498	-	-	572
Accrued expenses and other liabilities	669	268	831	419	151	1,128	3,466
	618	173	764	895	141	1,040	3,631
Net cash generated from operating activities	199,122	160,205	85,876	33,662	16,829	66,333	562,027
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units	4,351	2,214	4,094	1,764	809	14,106	27,338
Payments against redemption and conversion of units	(198,864)	(164,055)	(88,248)	(30,153)	(16,262)	(58,486)	(556,068)
Dividend paid	(3,258)	(2,506)	(4,363)	(2,062)	(955)	(17,885)	(31,029)
Net cash used in financing activities	(197,771)	(164,347)	(88,517)	(30,451)	(16,408)	(62,265)	(559,759)
Net increase / (decrease) in cash and cash equivalents during the year	1,351	(4,142)	(2,641)	3,211	421	4,068	2,268
Cash and cash equivalents at the beginning of the year	807	4,682	2,917	538	560	620	10,124
Cash and cash equivalents at the end of the year	2,158	540	276	3,749	981	4,688	12,392

The annexed notes 1 to 24 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2022							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
------(Rupees in '000)-----							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation	(29,079)	(23,455)	(18,120)	(7,543)	(4,070)	11,453	(70,814)
Adjustments for:							
Net unrealised diminution on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	36,961	27,219	24,806	10,544	5,061	2,028	106,619
	7,882	3,764	6,686	3,001	991	13,481	35,805
Decrease / (increase) in assets							
Investments - net	263,790	110,841	268,982	101,647	9,678	64,953	819,891
Profit receivable on savings account with banks	3	(24)	(8)	(3)	-	(3)	(35)
	263,793	110,817	268,974	101,644	9,678	64,950	819,856
(Decrease) / increase in liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	(35)	(12)	(26)	(9)	(3)	(7)	(92)
Payable to Central Depository Company of Pakistan Limited - Trustee	(24)	(10)	(19)	(8)	(1)	(4)	(66)
Payable to the Securities and Exchange Commission of Pakistan	(58)	(13)	(42)	(40)	(10)	(25)	(188)
Payable against purchase of investments	33	29	18	8	(705)	75	(542)
Accrued expenses and other liabilities	(10,207)	(2,866)	(4,366)	(3,956)	(1,033)	(128)	(22,556)
	(10,291)	(2,872)	(4,435)	(4,005)	(1,752)	(89)	(23,444)
Net cash generated from operating activities	261,384	111,709	271,225	100,640	8,917	78,342	832,217
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance and conversion of units	-	-	-	-	-	7,987	7,987
Payments against redemption and conversion of units	(261,713)	(107,228)	(268,359)	(100,158)	(9,746)	(77,002)	(824,206)
Dividend paid	-	-	-	-	-	(9,566)	(9,566)
Net cash used in financing activities	(261,713)	(107,228)	(268,359)	(100,158)	(9,746)	(78,581)	(825,785)
Net (decrease) / increase in cash and cash equivalents during the year							
	(329)	4,481	2,866	482	(829)	(239)	6,432
Cash and cash equivalents at beginning of the year	1,136	201	51	56	1,389	859	3,692
Cash and cash equivalents at end of the year	807	4,682	2,917	538	560	620	10,124

The annexed notes 1 to 24 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on September 08, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (the NBFC Rules). The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations). The Trust Deed was previously registered under The "Trust Act 1882" and now has been registered under "The Sindh Trust Act 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of Equity Schemes and Fixed Income / Money Market Schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. The subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the SECP after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. However, subscription hasn't been re-opened during the current year. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Strategic Allocation Plan-I (MSAP-I), Meezan Strategic Allocation Plan-II (MSAPII), Meezan Strategic Allocation Plan-III (MSAP-III), Meezan Strategic Allocation Plan-IV (MSAP-IV), Meezan Strategic Allocation Plan-V (MSAP-V) and Meezan Capital Preservation Plan-III (MCPPIII) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans.

Meezan Strategic Allocation Plan-I (MSAP-I)	<p>Medium to high risk - High return through asset allocation</p> <p>The allocation plan commenced its operations from October 19, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. Units are subject to front end load. An early exit fee has also been charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. December 2, 2016). However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no SCD/AMCW/MSAP-1/23/2022 dated November 21, 2022, the Management Company has decided to extend the duration of the Plan for indefinite period upon completion of initial maturity period i.e. December 2, 2022.</p>
---	---

Meezan Strategic Allocation Plan-II (MSAP-II)	<p>Medium to high risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from December 22, 2016 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. Units are subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. January 31, 2017). However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. SCD/AMCW/MSAF/224/2022 dated January 19, 2022, the Management Company has decided to extend the duration of the Plan for indefinite period upon completion of initial maturity period i.e. January 01, 2022.</p>
Meezan Strategic Allocation Plan-III (MSAP-III)	<p>Medium to high risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from February 20, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 95 percent. The initial maturity of this plan was two years from the close of the subscription period (i.e. April 3, 2017). Units are subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. SCD/AMCW/MSAF/281/2022 dated March 18, 2022, the Management Company has decided to extend the duration of the Plan for indefinite period upon completion of initial maturity period i.e. April 03, 2022.</p>
Meezan Strategic Allocation Plan-IV (MSAP-IV)	<p>Medium to high risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from April 24, 2017 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 95 percent. The initial maturity of this plan was two years from the close of the subscription period (i.e. June 30, 2017). Units are subject to front end load. An early exit fee has also been charged in case of redemption before the completion of the initial maturity of the plan. However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. SCD/AMCW/MSAF/339/2022 dated May 14, 2022, the duration of the plan shall be for an indefinite period upon completion of initial maturity period i.e. June 30, 2022.</p>
Meezan Strategic Allocation Plan-V (MSAP-V)	<p>Medium to high risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from August 15, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 95 percent. Units are subject to front end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. October 19, 2017). However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. SCD/AMCW/MSAP/82/2022 dated September 27, 2022, the Management Company has decided to extend the duration of the Plan for indefinite period upon completion of initial maturity period i.e. October 19, 2022.</p>
Meezan Capital Preservation Plan-III (MCPPIII)	<p>Medium risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from December 19, 2017 and can invest its portfolio between the Equity asset classes / schemes and Fixed Income or Money Market asset classes / schemes based on the macroeconomic view and outlook of such asset classes up to 50 percent in equity schemes and up to 100 percent in money market schemes. Units are subject to front end load. An early exit fee has also been charged in case of redemption before the completion of the initial maturity of the plan. The initial maturity of this plan was two years from the close of the subscription period (i.e. February 16, 2018). However, the SECP has approved multiple extensions and in accordance with the last such extension granted vide letter no. SCD/AMCW/MSAF/210/2023 dated January 31, 2023, the plan shall mature on February 16, 2024 upon completion of initial maturity period i.e. February 16, 2023</p>

Each allocation plan announces separate Net Asset Values which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the approved accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIII A of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments	Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8 January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising - from a Single Transaction - Amendments to IAS 12 January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants - Amendments to IAS 1 January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its - Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 Not yet finalised

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

**IASB Effective date
(annual periods
beginning on or after)**

Standards

IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

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).

3.4 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. 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.

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

4.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

4.2.2 Classification and subsequent measurement

4.2.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

The investments of the Fund includes investment in units of mutual funds which are categorised as puttable instruments and are mandatorily required to be classified as 'financial assets at fair value through profit or loss'.

4.2.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net asset value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in units of mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

4.2.4 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.2.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

4.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss arising on derecognition of financial assets is taken to the Income Statement.

4.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

4.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.7 Unit holders' fund

Unit holders' fund of each allocation plan representing the units issued by each respective allocation plan separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective allocation plan's net assets.

4.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of any duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.9 Distribution to unit holders

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the commencement of book closure of the investee fund declaring the dividend; and
- Profit on savings account with banks is recognised on time proportion basis using the effective yield method.

4.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5 BALANCES WITH BANKS

		June 30, 2023						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
Savings accounts	5.1	2,158	540	276	3,749	981	4,688	12,392

		June 30, 2022						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
Savings accounts	5.1	807	4,682	2,917	538	560	620	10,124
		807	4,682	2,917	538	560	620	10,124

5.1 These include balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10% (June 30, 2022: 6.01%) per annum. Other profit and loss sharing accounts of the Fund have an expected profit ranging from 7.14% to 19.75% per annum (June 30, 2022: 3.41% to 5.26%) per annum.

6 INVESTMENTS

		June 30, 2023						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
At fair value through profit or loss								
Units of open ended mutual funds	6.1	187,339	159,861	131,495	74,088	32,889	153,294	738,966

		June 30, 2022						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
At fair value through profit or loss								
Units of open ended mutual funds	6.1	382,426	317,108	211,612	104,527	48,535	198,745	1,262,953

6.1 Units of open ended mutual funds

Name of the investee funds	As at July 1, 2022	Purchased / reinvested during the year	Redeemed during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised diminution as at June 30, 2023	Percentage in relation to	
								Net assets of the Plan	Total market value of investments
	(Number of units)				(Rupees in '000)			%	
Meezan Strategic Allocation Plan - I									
Al Meezan Mutual Fund	7,821,801	-	7,160,002	661,799	10,404	10,377	(27)	6.00	5.54
Meezan Dedicated Equity Fund	3,203,303	-	1,049,872	2,153,431	86,603	86,371	(232)	46.00	46.10
Meezan Islamic Fund	840,905	-	731,083	109,822	6,175	6,020	(155)	3.00	3.21
Meezan Daily Income Fund	1,667,032	1,149,681	1,125,300	1,691,413	84,571	84,571	-	45.00	45.14
Total as at June 30, 2023					187,753	187,339	(414)	100.00	99.99
Total as at June 30, 2022					336,035	299,074	(36,961)		
Meezan Strategic Allocation Plan - II									
Al Meezan Mutual Fund	3,453,209	1,256,795	3,110,005	1,599,999	25,236	25,089	(147)	16.00	15.69
KSE Meezan Index Fund	382,268	334,172	382,342	334,098	21,447	22,090	643	14.00	13.82
Meezan Dedicated Equity Fund	918,504	-	133,987	784,517	31,550	31,466	(84)	21.00	19.68
Meezan Islamic Fund	2,283,024	87,437	2,227,231	143,230	8,057	7,851	(206)	5.00	4.91
Meezan Daily Income Fund	1,452,522	1,101,295	1,086,511	1,467,306	73,365	73,365	-	46.00	45.89
Total as at June 30, 2023					159,655	159,861	206	102.00	99.99
Total as at June 30, 2022					344,327	317,108	(27,219)		

Name of the investee funds	As at July 1, 2022	Purchased / reinvested during the year	Redeemed during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised diminution as at June 30, 2023	Percentage in relation to	
								Net assets of the Plan	Total market value of investments
				(Number of units)			(Rupees in '000)		
								%	
Meezan Strategic Allocation Plan - III									
Al Meezan Mutual Fund	2,682,179	-	1,768,991	913,188	14,356	14,319	(37)	11.00	10.89
KSE Meezan Index Fund	106,250	-	106,250	-	-	-	-	-	-
Meezan Dedicated Equity Fund	2,439,439	-	1,278,544	1,160,895	46,687	46,561	(126)	36.00	35.41
Meezan Islamic Fund	324,450	122,059	249,072	197,437	11,136	10,823	(313)	8.00	8.23
Meezan Daily Income Fund	923,648	962,181	690,000	1,195,829	59,791	59,791	-	46.00	45.47
Total as at June 30, 2022					131,970	131,494	(476)	101.00	100.00
Total as at June 30, 2022					236,418	211,612	(24,806)		
Meezan Strategic Allocation Plan - IV									
Al Meezan Mutual Fund	518,355	-	26,058	492,297	7,739	7,719	(20)	10.00	10.42
KSE Meezan Index Fund	13,634	-	13,634	-	-	-	-	-	-
Meezan Dedicated Equity Fund	1,864,866	27,350	1,063,856	828,360	33,314	33,225	(89)	43.00	44.84
Meezan Islamic Fund	-	15,663	15,663	-	-	-	-	-	-
Meezan Daily Income Fund	409,853	597,628	344,600	662,881	33,144	33,144	-	43.00	44.74
Total as at June 30, 2023					74,197	74,088	(109)	96.00	100.00
Total as at June 30, 2022					115,071	104,527	(10,544)		
Meezan Strategic Allocation Plan - V									
Al Meezan Mutual Fund	1,273,911	-	734,137	539,774	8,486	8,464	(22)	25.00	25.74
KSE Meezan Index Fund	28,295	-	28,295	-	-	-	-	-	-
Meezan Dedicated Equity Fund	368,712	-	204,970	163,742	6,585	6,567	(18)	20.00	19.96
Meezan Islamic Fund	14,423	32,505	-	46,928	2,659	2,572	(87)	8.00	7.82
Meezan Daily Income Fund	220,550	254,168	169,000	305,718	15,286	15,286	-	45.00	46.48
Total as at June 30, 2023					33,016	32,889	(127)	98.00	100.00
Total as at June 30, 2022					53,596	48,535	(5,061)		
Meezan Capital Preservation Plan - MCPP - III									
Meezan Dedicated Equity Fund	585,643	584,040	380,747	788,936	32,073	31,643	(430)	20.00	20.64
Meezan Rozana Amdani Fund	3,503,860	2,843,601	3,914,435	2,433,026	121,651	121,651	-	78.00	79.36
Meezan Sovereign Fund	-	2,347,330	2,347,330	-	-	-	-	-	-
Total as at June 30, 2023					153,724	153,294	(430)	98.00	100.00
Total as at June 30, 2022					200,773	198,745	(2,028)		
Total investments in units of mutual funds									
Al Meezan Mutual Fund	15,749,455	1,256,795	12,799,193	4,207,057	66,221	65,968	(253)	68.00	68.28
KSE Meezan Index Fund	530,447	334,172	530,521	334,098	21,447	22,090	643	14.00	13.82
Meezan Dedicated Equity Fund	9,380,467	611,390	4,111,977	5,879,880	236,812	235,833	(979)	186.00	186.63
Meezan Islamic Fund	3,462,802	257,664	3,223,049	497,417	28,027	27,266	(761)	24.00	24.17
Meezan Daily Income Fund	4,673,605	4,064,952	3,415,411	5,323,146	266,157	266,157	-	225.00	227.72
Meezan Rozana Amdani Fund	3,503,860	2,843,601	3,914,435	2,433,026	121,651	121,651	-	78.00	79.36
Meezan Sovereign Fund	-	2,347,330	2,347,330	-	-	-	-	-	-
Total as at June 30, 2023					740,315	738,965	(1,350)	595.00	599.98
Total as at June 30, 2022					2,081,075	2,189,463	108,388		

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

		June 30, 2023						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
Note		(Rupees in '000)						
Remuneration payable	7.1	1	-	-	4	-	5	10
Sindh Sales Tax payable on remuneration of the Management Company	7.2	-	-	-	-	-	1	1
Allocated expenses payable	7.3	15	14	12	7	3	13	64
		16	14	12	11	3	19	75
		June 30, 2022						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPP-III	Total
		(Rupees in '000)						
Remuneration payable	7.1	-	1	-	-	-	-	1
Sindh Sales Tax payable on remuneration of the Management Company	7.2	-	-	-	-	-	-	-
Allocated expenses payable	7.3	34	29	20	10	4	18	115
		34	30	20	10	4	18	116

- 7.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2022: 1%) per annum of the daily bank balances of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.
- 7.2 During the year, an amount of Rs 0.012 million (2022: Rs 0.008 million) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.011 million (2022: Rs 0.008 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses for registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its own discretion, has charged such expenses at the following rates of the respective plans of the Fund during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY

		June 30, 2023						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
Remuneration payable	8.1	12	10	6	4	2	9	43
Sindh Sales Tax payable on remuneration of the Trustee	8.2	1	1	2	1	-	1	6
		<u>13</u>	<u>11</u>	<u>8</u>	<u>5</u>	<u>2</u>	<u>10</u>	<u>49</u>

		June 30, 2022						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
Remuneration payable	8.1	22	19	12	6	3	11	73
Sindh Sales Tax payable on remuneration of the Trustee	8.2	3	2	2	1	-	2	10
		<u>25</u>	<u>21</u>	<u>14</u>	<u>7</u>	<u>3</u>	<u>13</u>	<u>83</u>

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.070% (2022: 0.070%) of the average annual net assets of the Fund.
- 8.2 During the year, an amount of Rs 0.081 million (2022: Rs 0.157 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 0.085 million (2022: Rs 0.165 million) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

- 9.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% (2022: 0.02%) of the average annual net assets of the Fund.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

		June 30, 2023						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
Auditors' remuneration payable		102	85	78	39	17	79	400
Shariah advisor fee payable		33	28	27	13	6	27	134
Zakat payable		-	-	-	5	-	-	5
Withholding tax payable		697	292	824	406	146	2,543	4,908
Capital gain tax payable		-	-	10	2	-	55	67
		<u>832</u>	<u>405</u>	<u>939</u>	<u>465</u>	<u>169</u>	<u>2,704</u>	<u>5,514</u>

		June 30, 2022						
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Note		(Rupees in '000)						
Auditors' remuneration payable		122	90	79	34	13	52	390
Shariah advisor fee payable		41	33	24	11	5	20	134
Zakat payable		-	14	5	1	-	-	20
Printing charges payable		-	-	-	-	-	1,504	1,504
Capital gain tax payable		-	-	-	-	-	-	-
		<u>163</u>	<u>137</u>	<u>108</u>	<u>46</u>	<u>18</u>	<u>1,576</u>	<u>2,048</u>

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

12 AUDITORS' REMUNERATION

June 30, 2023						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)						
Annual audit fee	113	91	87	43	19	83
Fee for half yearly review of condensed interim financial statements	45	36	34	16	7	32
Out of pocket expenses	10	7	7	3	1	5
	168	134	128	62	27	120
						639

June 30, 2022						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
(Rupees in '000)						
Annual audit fee	136	113	98	29	11	55
Fee for half yearly review of condensed interim financial statements	52	35	36	14	5	20
Out of pocket expenses	3	2	2	1	0	1
	191	150	136	44	16	76
						613

13 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 and June 30, 2022 is as follows:

June 30, 2023						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
Total Expense Ratio (TER)	0.34%	0.37%	0.33%	0.36%	0.40%	0.37%
Government levies (included in TER)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%

June 30, 2022						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII
Total Expense Ratio (TER)	0.28%	0.30%	0.29%	0.28%	0.28%	0.27%
Government levies (included in TER)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%

The above ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Fund of Funds' Scheme.

14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unitholders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15 TRANSACTIONS 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:



June 30, 2023							
Balances	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
AI Meezan Investment Management Limited - Management Company							
Remuneration payable (Rs in '000)	1	-	-	4	-	5	10
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	-	1	1
Allocated expenses payable (Rs in '000)	15	14	12	7	3	13	64
Meezan Bank Limited							
Balances with bank (Rs in '000)	2,082	540	276	3,749	981	4,676	12,304
Profit receivable on savings account (Rs in '000)	3	15	16	16	11	18	79
Shariah advisor fee payable (Rs in '000)	33	28	27	13	6	27	134
Central Depository Company of Pakistan Limited - Trustee							
Remuneration payable (Rs in '000)	12	10	6	4	2	9	43
Sindh Sales Tax payable on remuneration of the Trustee (Rs in '000)	1	1	2	1	-	1	6
Directors and Executives of the Management Company							
Investment (Rs in '000)	-	-	15,914	-	-	-	15,914
Investment (Units)	-	-	380,740	-	-	-	380,740
AI Meezan Mutual Fund							
Investment (Rs in '000)	10,377	25,089	14,319	7,719	8,464	-	65,968
Investment (Units)	661,799	1,599,999	913,188	492,297	539,774	-	4,207,057
KSE Meezan Index Fund							
Investment (Rs in '000)	86,371	22,090	-	-	-	-	108,461
Investment (Units)	2,153,431	334,098	-	-	-	-	2,487,529
Meezan Dedicated Equity Fund							
Investment (Rs in '000)	6,020	31,466	46,561	33,225	6,567	31,643	155,482
Investment (Units)	109,822	784,517	1,160,895	828,360	163,742	788,936	3,836,272

June 30, 2023							
Balances	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
Meezan Islamic Fund							
Investment (Rs in '000)	84,571	7,851	10,823	-	2,572	-	105,817
Investment (Units)	1,691,413	143,230	197,437	-	46,928	-	2,079,008
Meezan Daily Income Fund							
Investment (Rs in '000)	84,571	73,365	59,791	33,144	15,286	-	266,157
Investment (Units)	1,691,413	1,467,306	1,195,829	662,881	305,718	-	5,323,147
Meezan Rozana Amdani Fund							
Investment (Rs in '000)	-	-	-	-	-	121,651	121,651
Investment (Units)	-	-	-	-	-	2,433,026	2,433,026
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	53,854	98,012	36,670	29,342	21,839	26,291	266,008
Investment (Units)	1,209,241	2,220,718	877,328	681,137	437,757	483,091	5,909,272

June 30, 2022							
Balances	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCCP-III	Total
AI Meezan Investment Management Limited - Management Company							
Remuneration payable (Rs in '000)	-	1	-	-	-	-	1
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	-	-	-
Allocated expenses payable (Rs in '000)	34	29	20	10	4	18	115



	June 30, 2022						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Meezan Bank Limited							
Balances with bank (Rs in '000)	735	4,682	2,917	538	560	608	10,040
Profit receivable on savings account (Rs in '000)	2	25	8	4	3	5	47
Shariah advisor fee payable (Rs in '000)	41	33	24	11	5	20	134
Central Depository Company of Pakistan Limited - Trustee							
Remuneration payable (Rs in '000)	22	19	12	6	3	11	73
Sindh Sales Tax payable on remuneration of the Trustee (Rs. in '000)	3	2	2	1	-	2	10
Directors and Executives of the Management Company							
Investment (Rs in '000)	-	-	15,491	-	-	-	15,491
Investment (Units)	-	-	369,471	-	-	-	369,471
AI Meezan Mutual Fund							
Investment (Rs in '000)	122,965	54,287	42,166	8,149	20,027	-	247,594
Investment (Units)	7,821,801	3,453,209	2,682,179	518,355	1,273,911	-	15,749,455
KSE Meezan Index Fund							
Investment (Rs in '000)	-	24,878	6,915	887	1,842	-	34,522
Investment (Units)	-	382,268	106,249	13,635	28,294	-	530,446
Meezan Dedicated Equity Fund							
Investment (Rs in '000)	128,824	36,939	98,105	74,998	14,828	23,552	377,246
Investment (Units)	3,203,303	918,504	2,439,439	1,864,866	368,712	585,643	9,380,467
Meezan Islamic Fund							
Investment (Rs in '000)	47,285	128,378	18,244	-	811	-	194,718
Investment (Units)	840,905	2,283,024	324,450	-	14,423	-	3,462,802
Meezan Daily Income Fund							
Investment (Rs in '000)	83,352	72,626	46,182	20,493	11,027	-	233,680
Investment (Units)	1,667,032	1,452,522	923,648	409,853	220,550	-	4,673,605
Meezan Rozana Amdani Fund							
Investment (Rs in '000)	-	-	-	-	-	175,193	175,193
Investment (Units)	-	-	-	-	-	3,503,860	3,503,860
Unitholders holding 10% or more units of the Fund							
Investment (Rs in '000)	120,794	168,235	-	10,765	21,344	23,860	344,998
Investment (Units)	2,752,499	3,876,917	-	249,543	426,776	439,207	7,744,943

	For the year ended June 30, 2023						
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
Transactions during the year							
AI Meezan Investment Management Limited - Management Company							
Remuneration of the Management Company (Rs in '000)	21	31	12	16	9	11	100
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	3	4	1	2	1	1	12
Allocated expenses (Rs in '000)	255	207	196	95	41	193	987
Meezan Bank Limited							
Profit on savings accounts (Rs in '000)	172	242	86	104	65	81	750
Shariah advisor fee (Rs in '000)	69	56	54	26	11	53	269
Central Depository Company of Pakistan Limited - Trustee							
Remuneration of the Trustee (Rs in '000)	162	132	125	61	27	124	631
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	21	17	16	8	3	16	81
AI Meezan Mutual Fund							
Invested during the year (Rs in '000)	-	19,996	-	-	-	-	19,996
Invested during the year (Units)	-	1,256,795	-	-	-	-	1,256,795
Redeemed during the year (Rs in '000)	110,525	48,870	27,660	400	11,521	-	198,976
Redeemed during the year (Units)	7,160,002	3,110,005	1,768,991	26,058	734,137	-	12,799,193

For the year ended June 30, 2023						
MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total
Transactions during the year						
KSE Meezan Index Fund						
Invested during the year (Rs in '000)	-	21,452	-	-	-	21,452
Invested during the year (Units)	-	334,172	-	-	-	334,172
Redeemed during the year (Rs in '000)	-	24,978	6,941	891	1,849	34,659
Redeemed during the year (Units)	-	382,342	106,250	13,634	28,295	530,521
Meezan Dedicated Equity Fund						
Invested during the year (Rs in '000)	-	-	-	1,100	-	25,100
Invested during the year (Units)	-	-	-	27,350	-	611,390
Redeemed during the year (Rs in '000)	41,301	5,230	50,970	42,759	8,330	163,941
Redeemed during the year (Units)	1,049,872	133,987	1,278,544	1,063,856	204,970	4,111,976
Meezan Islamic Fund						
Invested during the year (Rs in '000)	-	4,972	6,940	891	1,848	14,651
Invested during the year (Units)	-	87,437	122,059	15,663	32,505	257,664
Redeemed during the year (Rs in '000)	40,021	121,503	14,001	866	-	176,391
Redeemed during the year (Units)	731,083	2,227,231	249,072	15,663	-	3,223,049
Meezan Daily Income Fund						
Invested during the year (Rs in '000)	57,484	55,065	48,109	29,811	12,708	203,177
Invested during the year (Units)	1,149,681	1,101,295	962,181	597,628	254,168	4,064,953
Redeemed during the year (Rs in '000)	56,265	54,326	34,500	17,230	8,450	170,771
Redeemed during the year (Units)	1,125,300	1,086,511	690,000	344,600	169,000	3,415,411
Dividend received during the year (Rs. In '000)	8,484	7,064	6,610	2,715	1,189	26,062
Meezan Rozana Amdani Fund						
Invested during the year (Rs in '000)	-	-	-	-	-	142,180
Invested during the year (Units)	-	-	-	-	-	2,843,601
Redeemed during the year (Rs in '000)	-	-	-	-	-	195,722
Redeemed during the year (Units)	-	-	-	-	-	3,914,435
Dividend received during the year (Rs. In '000)	-	-	-	-	-	20,528
Meezan Sovereign Fund						
Invested during the year (Rs in '000)	-	-	-	-	-	121,652
Invested during the year (Units)	-	-	-	-	-	2,347,330
Redeemed during the year (Rs in '000)	-	-	-	-	-	122,153
Redeemed during the year (Units)	-	-	-	-	-	2,347,330
Unitholders holding 10% or more units of the Fund						
Invested during the year (Rs in '000)	954	1,575	1,277	863	619	8,099
Invested during the year (Units)	16,486	33,086	25,967	17,224	10,981	147,630
For the year ended June 30, 2022						
MSAP -I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPI-III	Total
AI Meezan Investment Management Limited - Management Company						
Remuneration of the Management Company (Rs in '000)	13	8	15	6	6	56
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	2	1	2	1	1	8
Allocated expenses (Rs in '000)	595	431	392	167	63	1,900
Meezan Bank Limited						
Profit on savings accounts (Rs in '000)	69	56	69	31	21	275
Shariah advisor fee (Rs in '000)	90	59	58	23	9	273
Central Depository Company of Pakistan Limited - Trustee						
Remuneration of the Trustee (Rs in '000)	379	274	250	106	40	1,210
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	49	36	32	14	5	157
AI Meezan Mutual Fund						
Invested during the year (Rs in '000)	20,000	11,000	11,000	-	20,000	62,000
Invested during the year (Units)	1,247,372	611,134	611,134	-	1,143,543	3,613,183
Redeemed during the year (Rs in '000)	48,500	165,000	11,000	39,680	-	264,180
Redeemed during the year (Units)	2,956,484	9,144,900	630,416	2,255,797	-	14,987,597

For the year ended June 30, 2022						
MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	MCPPIII	Total
KSE Meezan Index Fund						
Invested during the year (Rs in '000)	-	34,937	6,995	-	-	41,932
Invested during the year (Units)	-	518,935	95,676	-	-	614,611
Redeemed during the year (Rs in '000)	5,048	21,571	11,012	-	-	37,631
Redeemed during the year (Units)	70,737	296,432	148,464	-	-	515,633
Meezan Dedicated Equity Fund						
Invested during the year (Rs in '000)	30,000	28,000	-	19,902	-	44,000
Invested during the year (Units)	722,961	678,855	-	489,045	-	1,023,559
Redeemed during the year (Rs in '000)	39,000	7,100	38,500	43,410	23,880	64,350
Redeemed during the year (Units)	916,609	156,516	856,113	995,821	529,365	1,504,231
4,958,655						
Meezan Islamic Fund						
Invested during the year (Rs in '000)	33,048	174,546	14,000	23,000	1,500	-
Invested during the year (Units)	523,279	2,703,369	222,191	395,055	23,826	-
Redeemed during the year (Rs in '000)	147,350	118,330	151,550	24,202	2,170	-
Redeemed during the year (Units)	2,412,967	1,999,920	2,439,213	417,563	35,688	-
7,305,351						
Meezan Daily Income Fund						
Invested during the year (Rs in '000)	397,995	267,329	254,852	108,039	35,359	-
Invested during the year (Units)	7,959,908	5,344,788	5,097,037	2,160,772	707,173	-
Redeemed during the year (Rs in '000)	314,644	194,613	208,669	87,546	24,331	-
Redeemed during the year (Units)	6,292,876	3,892,266	4,173,389	1,750,919	486,623	-
Dividend received during the year (Rs. In '000)	7,770	5,564	4,814	1,934	791	-
20,873						
Meezan Islamic Income Fund						
Invested during the year (Rs in '000)	240,143	154,744	142,388	58,512	19,830	-
Invested during the year (Units)	4,524,387	2,913,680	2,688,979	1,104,670	374,414	-
Redeemed during the year (Rs in '000)	241,279	155,719	143,037	58,803	19,928	-
Redeemed during the year (Units)	4,524,387	2,913,680	2,688,979	1,104,670	374,414	-
11,606,130						
Meezan Rozana Amdani Fund						
Invested during the year (Rs in '000)	3,286	2,071	2,421	880	291	300,260
Invested during the year (Units)	65,727	41,413	48,418	17,598	5,816	6,005,207
Redeemed during the year (Rs in '000)	180,727	115,376	132,909	54,977	15,411	340,776
Redeemed during the year (Units)	3,614,532	2,307,530	2,658,182	1,099,545	308,215	6,815,529
Dividend received during the year (Rs. In '000)	3,286	2,071	2,421	880	288	13,392
22,338						
Meezan Sovereign Fund						
Invested during the year (Rs in '000)	-	-	-	-	-	257,386
Invested during the year (Units)	-	-	-	-	-	4,798,410
Redeemed during the year (Rs in '000)	-	-	-	-	-	260,528
Redeemed during the year (Units)	-	-	-	-	-	4,798,410
4,798,410						

16 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Balances with banks	12,392	-	12,392
Investments	-	738,966	738,966
Profit receivable on savings account with banks	-	79	79
	12,392	739,045	751,437

2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	75	-	75
Payable to Central Depository Company of Pakistan Limited - Trustee	49	-	49
Payable against purchase investments	-	-	-
Dividend payable	938	-	938
Accrued expenses and other liabilities	534	-	534
	1,596	-	1,596

2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		



Financial assets

Balances with banks
Investments
Profit receivable on savings account with banks

2022		
At amortised cost	At fair value through profit or loss	Total
---- (Rupees in '000) ----		
10,124	-	10,124
-	1,262,953	1,262,953
47	-	47
<u>10,171</u>	<u>1,262,953</u>	<u>1,273,124</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Payable against purchase investments
Dividend payable
Accrued expenses and other liabilities

2022		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		
116	-	116
83	-	83
168	-	168
1,675	-	1,675
524	-	524
<u>2,566</u>	<u>-</u>	<u>2,566</u>

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and regulations laid down by the SECP.

Market risk comprises of three types of risks: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, 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. 0.124 million (2022: Rs. 0.101 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, 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, 2023 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, 2023 can be determined as follows:

As at June 30, 2023					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

On-balance sheet financial instruments

(Rupees in '000)

Financial assets

Balances with banks	7.14% to 19.75%	12,392	-	-	-	12,392
Investments		-	-	-	738,966	738,966
Profit receivable on savings account with banks		-	-	-	79	79
		12,392	-	-	739,045	751,437

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	75	75
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	49	49
Payable against purchase investments - net		-	-	-	-	-
Dividend payable		-	-	-	938	938
Accrued expenses and other liabilities		-	-	-	534	534
		-	-	-	1,596	1,596

On-balance sheet gap

		12,392	-	-	737,449	749,841
--	--	--------	---	---	---------	---------

Off-balance sheet financial instruments

		-	-	-	-	-
--	--	---	---	---	---	---

Off-balance sheet gap

		-	-	-	-	-
--	--	---	---	---	---	---

Total profit rate sensitivity gap

		12,392	-	-		
--	--	--------	---	---	--	--

Cumulative profit rate sensitivity gap

		12,392	12,392	12,392		
--	--	--------	--------	--------	--	--

As at June 30, 2022					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

On-balance sheet financial instruments

(Rupees in '000)

Financial assets

Balances with banks	3.41% to 6.01%	10,124	-	-	-	10,124
Investments		-	-	-	1,262,953	1,262,953
Profit receivable on savings account with banks		-	-	-	47	47
		10,124	-	-	1,263,000	1,273,124

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	116	116
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	83	83
Payable against purchase investments - net		-	-	-	168	168
Dividend payable		-	-	-	1,675	1,675
Accrued expenses and other liabilities		-	-	-	524	524
		-	-	-	2,566	2,566

On-balance sheet gap

		10,124	-	-	1,260,434	1,270,558
--	--	--------	---	---	-----------	-----------

Off-balance sheet financial instruments

		-	-	-	-	-
--	--	---	---	---	---	---

Off-balance sheet gap

		-	-	-	-	-
--	--	---	---	---	---	---

Total profit rate sensitivity gap

		10,124	-	-		
--	--	--------	---	---	--	--

Cumulative profit rate sensitivity gap

		10,124	10,124	10,124		
--	--	--------	--------	--------	--	--

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to price risk arising from the Fund investment in units of open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in Net Asset Value per unit of the investee funds as at June 30, 2023 with all other variables held constant, the total comprehensive income / (loss) of the Fund for the year would increase / decrease by Rs. 7.390 million (2022: Rs. 12.630 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

17.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemption requests during the year ended June 30, 2023.

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:

2023						
Within 1 month	More than one month and upto three months	More than three months and upto 1 year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						
Financial assets						
Balances with banks	12,392	-	-	-	-	12,392
Investments	-	-	-	-	738,966	738,966
Receivable against investment	-	-	-	-	-	-
Profit receivable on savings account with banks	79	-	-	-	-	79
	12,471	-	-	-	738,966	751,437
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	75	-	-	-	-	75
Payable to Central Depository Company of Pakistan Limited - Trustee	49	-	-	-	-	49
Payable against purchase of investments	-	-	-	-	-	-
Dividend payable	938	-	-	-	-	938
Accrued expenses and other liabilities	-	534	-	-	-	534
	1,062	534	-	-	-	1,596
Net financial assets / (liabilities)	11,409	(534)	-	-	738,966	749,841
2022						
Within 1 month	More than one month and upto three months	More than three months and upto 1 year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						
Financial assets						
Balances with banks	10,124	-	-	-	-	10,124
Investments	-	-	-	-	1,262,953	1,262,953
Profit receivable on savings account with banks	47	-	-	-	-	47
	10,171	-	-	-	1,262,953	1,273,124
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	116	-	-	-	-	116
Payable to Central Depository Company of Pakistan Limited - Trustee	83	-	-	-	-	83
Payable against purchase of investments	168	-	-	-	-	168
Dividend payable	1,675	-	-	-	-	1,675
Accrued expenses and other liabilities	-	524	-	-	-	524
	2,042	524	-	-	-	2,566
Net financial assets / (liabilities)	8,129	(524)	-	-	1,262,953	1,270,558

17.3 Credit risk

17.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arises from deposits with banks and financial institutions and profit receivable on bank deposits.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The table below analyses the Fund's maximum exposure to credit risk:

	2023		2022	
	Balance as per statement of assets and	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees in '000)				
Balances with banks	12,392	12,392	10,124	10,124
Investments	738,966	-	1,262,953	-
Profit receivable on savings account with banks	79	79	47	47
	751,437	12,471	1,273,124	10,171

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in units of mutual funds, however, are not exposed to credit risk and have been excluded from the above analysis.

17.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and related profit receivable thereon. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
AAA	99.39	99.17
AA+	0.61	0.83
	100.00	100.00

17.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2023 and June 30, 2022 are unsecured and are not impaired.

18 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

2023			2022		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(Rupees in '000)			(Rupees in '000)		
-	738,966	-	-	1,262,953	-

Financial assets ' at fair value through profit or loss'

Units of open ended mutual funds

19 UNITHOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 17, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

20 UNIT HOLDING PATTERN OF THE FUND

	MSAP - I 2023			MSAP - I 2022		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	102	120,328	63.86	158	175,968	45.97
Retirement funds	5	67,165	35.64	9	81,415	21.26
Private limited companies	-	-	-	3	123,604	32.28
Others	1	946	0.50	1	1,885	0.49
Total	108	188,439	100.00	171	382,872	100.00

	MSAP - II 2023			MSAP - II 2022		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	127	82,347	51.49	175	116,280	36.16
Retirement funds	3	74,900	46.85	4	76,330	23.74
Private limited companies	-	-	-	2	122,070	37.97
Others	1	2,635	1.65	3	6,841	2.13
Total	131	159,882	100.00	184	321,520	100.00

	MSAP - III 2023			MSAP - III 2022		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	89	91,060	69.73	133	160,458	74.87
Director	1	15,913	12.18	1	15,491	7.23
Retirement funds	3	23,622	18.09	3	38,357	17.90
Private limited companies	-	-	-	-	-	-
Total	93	130,595	100.00	137	214,306	100.00

	MSAP - IV 2023			MSAP - IV 2022		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individual	66	65,582	85.55	104	87,034	82.91
Retirement funds	1	11,074	14.45	3	16,196	15.43
Others	-	-	-	1	1,738	1.66
Total	67	76,656	100.00	108	104,968	100.00

	MSAP - V			MSAP - V		
	2023			2022		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)		
Individual	27	11,859	35.19	40	25,549	52.08
Retirement funds	2	15,476	45.93	3	17,283	35.23
Others	1	6,363	18.88	1	6,226	12.69
Total	30	33,698	100.00	44	49,057	100.00

	MCPP - III			MCPP - III		
	2023			2022		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)		
Individual	128	72,498	46.82	165	99,918	50.99
Retirement funds	7	53,827	34.76	7	70,528	35.99
Others	4	28,514	18.42	4	25,521	13.02
Total	139	154,839	100.00	176	195,967	100.00

21 INVESTMENT COMMITTEE MEMBERS

21.1 Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Shariah Compliant Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA/ACCA	Nine years

21.2 The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund Manager are as follows:

- Meezan Dedicated Equity Fund
- Meezan Financial Planning Fund fo Funds
- KSE Meezan Index Fund
- Meezan Asset Allocation Fund;
- Meezan Strategic Allocation Fund-II;
- Meezan Strategic Allocation Fund-III; and
- Meezan Balanced Fund.

22 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on			
		August 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.



23 GENERAL

23.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



Evolving **Strategic Partnerships**

Al Meezan forges strategic alliances with financial institutions and stakeholders, leveraging collaborative efforts to expand its reach and offer comprehensive financial solutions.

Meezan Strategic Allocation Fund-II

Meezan Strategic Allocation Fund-II is a Shariah Compliant scheme which uses active asset allocation strategy to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income / Money Market Collective Investment Schemes and Equity based Collective Investment Schemes.

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

Bank Al Habib Limited - Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial
Area, Phase VI, DHA, Karachi.
Phone (+9221) 35156191-94 Fax: (+9221) 35156195
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



Pure. Profit.



REPORT OF THE FUND MANAGER Meezan Strategic Allocation Fund - II (MSAF - II)

Type of Fund

MSAF - II is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

MSAF - II has two Allocation Plans which allow investors to invest according to their risk tolerance levels. These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan - MCPP-IV	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
Meezan Strategic Allocation Plan - MCPP-V	
Meezan Strategic Allocation Plan - MCPP-VI	
Meezan Strategic Allocation Plan - MCPP-VII	

Performance Table with Benchmark

Returns - FY23	
M CPP IV	10.16%
Benchmark	5.17%
M CPP V	11.36%
Benchmark	5.22%
M CPP VI	16.32%
Benchmark	6.27%
M CPP VII	15.82%
Benchmark	6.39%

Meezan Capital Preservation Plan - IV

The Meezan Capital Preservation Plan - IV posted a total income of Rs. 45 million in FY23. Total gain comprised of realized gain and unrealized loss on investments of Rs. 1.2 million and 0.225 million. Dividend income and profit on saving account with banks comprised of Rs. 44 million and 0.205 million respectively. After accounting for expenses of Rs. 1.62s million, the Fund posted a net income of Rs. 43 million. The net assets of the Fund as at June 30, 2023 were Rs. 237 million.



Pure. Profit.

Meezan Capital Preservation Plan – V

The Meezan Capital Preservation Plan – V posted total gain of Rs. 6 million in FY23. Total gain comprised of realized and unrealized loss on investments of Rs. 0.171 million. Dividend income and profit on saving account with banks comprised of Rs. 8 million and 0.049 million respectively. After accounting for expenses of Rs. 0.214 million, the Fund posted a net income of Rs. 5.7 million. The net assets of the Fund as at June 30, 2023 were Rs. 43 million.

Meezan Capital Preservation Plan – VI

The Meezan Capital Preservation Plan – VI posted total gain of Rs. 8 million in FY23. Total gain comprised of realized gain on investments of Rs. 0.184 million. Dividend income and profit on saving account with banks comprised of Rs. 7.6 million and 0.201 million respectively. After accounting for expenses of Rs. 0.214 million, the Fund posted a net income of Rs. 7.8 million. The net assets of the Fund as at June 30, 2023 were Rs. 29 million.

Meezan Capital Preservation Plan – VII

The Meezan Capital Preservation Plan – VII posted total gain of Rs. 5 million in FY23. Total gain comprised of realized gain and unrealized loss on investments of Rs. 0.182 million and 0.002 million. Dividend income and profit on saving account with banks comprised of Rs. 4.8 million and 0.045 million respectively. After accounting for expenses of Rs. 0.144 million, the Fund posted a net income of Rs. 4.9 million. The net assets of the Fund as at June 30, 2022 were Rs. 25 million.

Distributions

The Interim Pay out by the Fund during the fiscal year ended June 30, 2023 was Rs. 6.00 per unit (12.00%), Rs. 6.00 per unit (12.00%), Rs. 8.50 per unit (17.00%) and Rs. 8.00 per unit (16.00%), in MCPP-IV, MCPP-V, MCPP-VI & MCPP VII respectively. Total distribution made by the fund was Rs. 23.69 million, Rs. 4.40 million, Rs. 4.15 million & Rs. 3.49 million in MCPP-V, MCPP-VI & MCPP-VII respectively.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	MCPP-IV	MCPP-V	MCPP-VI	MCPP-VII
	No. of investors	No. of investors	No. of investors	No. of investors
1 - 9,999	169	68	61	44
10,000 - 49,999	35	27	14	12
50,000 - 99,999	4	1	0	1
100,000 - 499,999	14	1	1	1
500,000 and above	0	0	0	0
Total	222	97	76	58

PERFORMANCE TABLE
MEEZAN STRATEGIC ALLOCATION FUND-II

	June 30, 2023			
	MCPPIV	MCPPIV	MCPPIV	MCPPIV
	(Rupees in '000)			
Net assets (Rs. '000) (ex-distribution)	236,600	42,654	29,282	25,071
Net assets value / redemption price per unit (ex-distribution) as at June 30 (Rs.) (ex-distribution)	54.9274	53.6376	54.1039	53.0725
Highest redemption price per unit (Rs.)	60.3505	59.0847	62.4616	60.8928
Lowest redemption price per unit (Rs.)	55.3094	53.5556	53.8257	52.7329
Distribution (%)				
Interim	6.00	6.00	8.50	8.00
Final				
Date of distribution				
Interim	June 26, 2023	June 26, 2023	June 26, 2023	June 26, 2023
Final				
Income distribution (Rupees in '000)	23,689	4,399	4,155	3,488
Growth distribution (Rupees in '000)	-	-	-	-
Total return (%)	10.16%	11.36%	16.32%	15.82%

	June 30, 2022			
	MCPPIV	MCPPIV	MCPPIV	MCPPIV
	(Rupees in '000)			
Net assets (Rs. '000) (ex-distribution)	622,646	62,910	65,095	39,673
Net assets value / redemption price per unit (ex-distribution) as at June 30 (Rs.) (ex-distribution)	55.3094	53.5556	53.8257	52.7329
Highest redemption price per unit (Rs.)	57.4496	57.5774	58.9520	56.7037
Lowest redemption price per unit (Rs.)	54.4263	53.5556	53.8257	52.7329
Distribution (%)				
Interim	-	4.00	5.15	4.00
Final				
Date of distribution				
Interim	- June 30, 2022	June 30, 2022	June 30, 2022	June 30, 2022
Final				
Income distribution (Rupees in '000)	-	4,443	5,938	2,869
Growth distribution (Rupees in '000)	-	-	-	-
Total return (%)	-0.79%	6.02%	9.52%	7.30%

	June 30, 2021				
	MCPPIV	MCPPIV	MCPPIV	MCPPIV	MCPPIV
	(Rupees in '000)				
Net assets (Rs. '000) (ex-distribution)	766,790	94,420	93,033	104,311	35,274
Net assets value / redemption price per unit (ex-distribution) as at June 30 (Rs.) (ex-distribution)	55.7516	54.2898	53.8520	52.8771	52.6736
Highest redemption price per unit (Rs.)	56.5981	54.5844	53.8520	52.8990	52.6736
Lowest redemption price per unit (Rs.)	49.7090	50.2774	50.1326	49.2086	49.0633
Distribution (%)					
Interim	-	0.20	-	-	-
Final					
Date of distribution					
Interim	- June 30, 2021		-	-	-
Final					
Income distribution (Rupees in '000)	-	174	-	-	-
Growth distribution (Rupees in '000)	-	-	-	-	-
Total return (%)	12.24%	8.18%	7.42%	7.45%	7.36%

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Strategic Allocation Fund-II (MSAF-II)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Fifth year of operations of Meezan Strategic Allocation Fund (the “MSAF-II” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND – II

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Strategic Allocation Fund – II (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Strategic Allocation Fund - II

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Strategic Allocation Fund - II** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of units of open ended mutual fund) held by the Fund represent 99.9% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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.

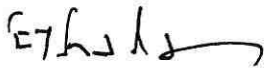
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076ey00JWDNE



MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

As at June 30, 2023						
Note	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	
(Rupees in '000)						
Assets						
Balances with banks	5	1,113	751	486	810	3,160
Investments	6	239,998	43,035	44,713	25,895	353,641
Receivable against sale of investments		-	-	-	-	-
Prepayments and profit receivable on balances with banks		44	8	10	7	69
Total assets		241,155	43,794	45,209	26,712	356,870
Liabilities						
Payable to AI Meezan Investment Management Limited - Management Company	7	21	4	4	2	31
Payable to Central Depository Company of Pakistan Limited - Trustee	8	16	2	2	2	22
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	92	11	10	7	120
Payable against redemption of units		-	-	14,280	-	14,280
Dividend payable		658	298	503	761	2,220
Accrued expenses and other liabilities	10	3,768	825	1,128	869	6,590
		4,555	1,140	15,927	1,641	23,263
Net assets		236,600	42,654	29,282	25,071	333,607
Unit holders' fund (as per statement attached)		236,600	42,654	29,282	25,071	333,607
Contingencies and commitments	11					
-----Number of units-----						
Number of units in issue		4,307,506	795,222	541,217	472,393	
-----Rupees-----						
Net asset value per unit		54.9274	53.6376	54.1039	53.0725	

The annexed notes 1 to 24 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

Note	As at June 30, 2022					As at August 27, 2021	
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII	
------(Rupees in '000)-----							
Assets							
Balances with banks	5	649	518	1,458	83	2,708	21
Investments	6	622,725	63,468	66,596	41,635	794,424	-
Receivable against sale of investments		-	-	-	-	-	31,646
Profit receivable on balances with banks		12	3	9	26	50	12
Total assets		<u>623,386</u>	<u>63,989</u>	<u>68,063</u>	<u>41,744</u>	<u>797,182</u>	<u>31,679</u>
Liabilities							
Payable to AI Meezan Investment Management Limited - Management Company	7	4	-	-	-	4	3
Payable to Central Depository Company of Pakistan Limited - Trustee	8	42	4	4	3	53	2
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	144	16	16	19	195	11
Payable against redemption of units		194	-	-	-	194	60
Dividend payable		-	311	2,054	592	2,957	-
Accrued expenses and other liabilities	10	356	748	894	1,457	3,455	155
		<u>740</u>	<u>1,079</u>	<u>2,968</u>	<u>2,071</u>	<u>6,858</u>	<u>231</u>
Net assets		<u>622,646</u>	<u>62,910</u>	<u>65,095</u>	<u>39,673</u>	<u>790,324</u>	<u>31,448</u>
Unit holders' fund (as per statement attached)		<u>622,646</u>	<u>62,910</u>	<u>65,095</u>	<u>39,673</u>	<u>790,324</u>	<u>31,448</u>
Contingencies and commitments	11						
-----Number of units-----							
Number of units in issue		<u>11,257,504</u>	<u>1,174,662</u>	<u>1,209,366</u>	<u>752,347</u>		<u>628,960</u>
-----Rupees-----							
Net asset value per unit		<u>55.3094</u>	<u>53.5556</u>	<u>53.8257</u>	<u>52.7329</u>		<u>50.0000</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

For the year ended June 30, 2023						
Note	MCP - IV	MCP - V	MCP - VI	MCP - VII	Total	
	(Rupees in '000)					
Income						
Net realised gain / (loss) on sale of investments	1,170	(20)	184	182	1,516	
Dividend income	43,887	6,078	7,604	4,790	62,359	
Profit on savings accounts with banks	205	49	201	45	500	
Other income	-	-	-	-	-	
	<u>45,262</u>	<u>6,107</u>	<u>7,989</u>	<u>5,017</u>	<u>64,375</u>	
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	(225)	(151)	-	(2)	(378)	
Total income	<u>45,037</u>	<u>5,956</u>	<u>7,989</u>	<u>5,015</u>	<u>63,997</u>	
Expenses						
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	36	5	12	5	58
Sindh Sales Tax on remuneration of the Management Company	7.2	5	1	2	1	9
Allocated expenses	7.3	507	59	57	37	660
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	323	38	36	23	420
Sindh Sales Tax on remuneration of the Trustee	8.2	42	5	5	3	55
Annual fee to the Securities and Exchange Commission of Pakistan	9	92	11	10	7	120
Auditors' remuneration	12	386	46	43	29	504
Fees and subscription		201	26	25	16	268
Bank and settlement charges		26	23	24	23	96
Legal and professional charges		-	-	-	-	-
Total expenses		<u>1,618</u>	<u>214</u>	<u>214</u>	<u>144</u>	<u>2,190</u>
Net income for the year before taxation		<u>43,419</u>	<u>5,742</u>	<u>7,775</u>	<u>4,871</u>	<u>61,807</u>
Taxation	13	-	-	-	-	-
Net income for the year after taxation		<u>43,419</u>	<u>5,742</u>	<u>7,775</u>	<u>4,871</u>	<u>61,807</u>
Allocation of net income for the year						
Net income for the year / period after taxation		43,419	5,742	7,775	4,871	61,807
Income already paid on units redeemed		(19,088)	(1,283)	(3,420)	(1,214)	(25,005)
		<u>24,331</u>	<u>4,459</u>	<u>4,355</u>	<u>3,657</u>	<u>36,802</u>
Accounting income available for distribution						
- Relating to capital gains		945	-	184	180	1,309
- Excluding capital gains		23,386	4,459	4,171	3,477	35,493
		<u>24,331</u>	<u>4,459</u>	<u>4,355</u>	<u>3,657</u>	<u>36,802</u>

The annexed notes 1 to 24 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

For the year ended June 30, 2022						For the period from July 01, 2021 to August 27, 2021
Note	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
(Rupees in '000)						
Income						
Net realised gain / (loss) on sale of investments	2,287	(429)	1,079	430	3,367	-
Dividend income	28,461	5,320	5,856	6,173	45,810	440
Profit on savings accounts with banks	35	24	34	37	130	19
Other income	219	10	8	-	237	-
	31,002	4,925	6,977	6,640	49,544	459
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	(37,110)	(565)	-	(357)	(38,032)	-
Total (loss) / income	(6,108)	4,360	6,977	6,283	11,512	459
Expenses						
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	10	6	4	6	26
Sindh Sales Tax on remuneration of Management Company	7.2	1	1	1	1	4
Allocated expenses	7.3	794	90	87	103	1,074
Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1	505	57	56	65	683
Sindh Sales Tax on remuneration of the Trustee	8.2	66	7	7	9	89
Annual fee to the Securities and Exchange Commission of Pakistan	9	144	16	16	19	195
Auditors' remuneration	12	343	40	39	44	466
Fees and subscription		218	25	24	28	295
Bank and settlement charges		12	6	8	3	29
Legal and professional charges		132	16	16	18	182
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		(3,179)	(611)	(380)	(239)	(4,409)
Total expenses		(954)	(347)	(122)	57	(1,366)
Net (loss) / income for the year / period before taxation		(5,154)	4,707	7,099	6,226	12,878
Taxation	13	-	-	-	-	-
Net (loss) / income for the year / period after taxation		(5,154)	4,707	7,099	6,226	577
Allocation of net income for the year / period						
Net income for the year / period after taxation		-	4,707	7,099	6,226	18,032
Income already paid on units redeemed		-	(1,076)	(1,180)	(3,459)	(5,715)
		-	3,631	5,919	2,767	12,317
Accounting income available for distribution						
- Relating to capital gains		-	-	1,079	430	1,509
- Excluding capital gains		-	3,631	4,840	2,337	10,808
		-	3,631	5,919	2,767	12,317

The annexed notes 1 to 24 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2023					
MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	
(Rupees in '000)					
Net income for the year after taxation	43,419	5,742	7,775	4,871	61,807
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	43,419	5,742	7,775	4,871	61,807

The annexed notes 1 to 24 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	For the year ended June 30, 2022					For the period from July 01, 2021 to August 27, 2021
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
	(Rupees in '000)					
Net (loss) / income for the year after taxation	(5,154)	4,707	7,099	6,226	12,878	577
Other comprehensive income for the year / period	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	(5,154)	4,707	7,099	6,226	12,878	577

The annexed notes 1 to 24 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023			June 30, 2023			June 30, 2023			June 30, 2023			June 30, 2023		
	MCPPI - IV			MCPPI - V			MCPPI - VI			MCPPI - VII			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year / period	554,213	68,433	622,646	55,825	7,085	62,910	60,098	4,997	65,095	34,375	5,298	39,673	704,511	85,813	790,324
Issuance of units:															
MCPP - IV: 359,270 units, MCPP - V: 61,994 units, MCPP - VI: 52,411 units, MCPP - VII: 36,374 units															
- Capital value (at net asset value per unit at the beginning of the year / period)	22,861	-	22,861	3,324	-	3,324	2,833	-	2,833	1,929	-	1,929	30,947	-	30,947
- Element of loss	55	-	55	-	-	-	-	-	-	-	-	-	55	-	55
Total proceeds on issuance of units	22,916	-	22,916	3,324	-	3,324	2,833	-	2,833	1,929	-	1,929	31,002	-	31,002
Redemption of units:															
MCPP - IV: 7,309,268 units, MCPP - V: 441,435 units, MCPP - VI: 720,560 units, MCPP - VII: 316,328 units															
- Capital value (at net asset value per unit at the beginning of the year / period)	407,402	-	407,402	23,638	-	23,638	38,785	-	38,785	16,681	-	16,681	486,506	-	486,506
- Element of loss	2,202	19,088	21,290	2	1,283	1,285	61	3,420	3,481	19	1,214	1,233	2,284	25,005	27,289
Total payments on redemption of units	409,604	19,088	428,692	23,640	1,283	24,923	38,846	3,420	42,266	16,700	1,214	17,914	488,790	25,005	513,795
Total comprehensive income for the year	-	43,419	43,419	-	5,742	5,742	-	7,775	7,775	-	4,871	4,871	-	61,807	61,807
Distribution during the year	-	(23,689)	(23,689)	-	(4,399)	(4,399)	-	(4,155)	(4,155)	-	(3,488)	(3,488)	-	(35,731)	(35,731)
Net income for the year less distribution	-	19,730	19,730	-	1,343	1,343	-	3,620	3,620	-	1,383	1,383	-	26,076	26,076
Net assets at the end of the year / period	167,525	69,075	236,600	35,509	7,145	42,654	24,085	5,197	29,282	19,604	5,467	25,071	246,723	86,884	333,607
Undistributed income / (accumulated loss) brought forward															
- Realised income		105,543			7,650			4,997			5,655			123,845	
- Unrealised income		(37,110)			(565)			-			(357)			(38,032)	
		68,433			7,085			4,997			5,298			85,813	
Accounting income available for distribution															
- Relating to capital gains		945			-			184			180			1,309	
- Excluding capital gains		23,386			4,459			4,171			3,477			35,493	
		24,331			4,459			4,355			3,657			36,802	
Net loss for the year		-			-			-			-			-	
Distribution during the year		(23,689)			(4,399)			(4,155)			(3,488)			(35,731)	
Undistributed income / (accumulated loss) carried forward		69,075			7,145			5,197			5,467			86,884	
Undistributed income / (accumulated loss) carried forward															
- Realised income		69,300			7,296			5,197			5,469			87,262	
- Unrealised loss		(225)			(151)			-			(2)			(378)	
		69,075			7,145			5,197			5,467			86,884	
Net asset value per unit as at the beginning of the year / period		Rupees			Rupees			Rupees			Rupees			Rupees	
		55.3094			53.5556			53.8257			52.7329			53.0725	
Net asset value per unit as at the end of the year / period		54.9274			53.6376			54.1039			53.0725			53.0725	

The annexed notes 1 to 24 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - II
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2022			June 30, 2022			June 30, 2022			June 30, 2022			June 30, 2022			For the period from July 01, 2021 to August 27, 2021		
	MCPPIV - IV			MCPPIV - V			MCPPIV - VI			MCPPIV - VII			Total			MCPPIV - VIII		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	693,203	73,587	766,790	86,523	7,897	94,420	88,017	5,016	93,033	98,911	5,400	104,311	966,654	91,900	1,058,554	36,443	(1,169)	35,274
Issuance of units:																		
MCPPIV - IV: nil, MCPPIV - V: 63,947, MCPPIV - VI: 56,421, MCPPIV - VII: 35,029 units, MCPPIV - VIII: 40,092 units																		
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	3,472	-	3,472	3,038	-	3,038	1,852	-	1,852	8,362	-	8,362	2,112	-	2,112
- Element of loss	-	-	-	(50)	-	(50)	(4)	-	(4)	(7)	-	(7)	(61)	-	(61)	(107)	-	(107)
Total proceeds on issuance of units	-	-	-	3,422	-	3,422	3,034	-	3,034	1,845	-	1,845	8,301	-	8,301	2,005	-	2,005
Redemption of units:																		
MCPPIV - IV: 8,640,167, MCPPIV - V: 2,566,546, MCPPIV - VI: 2,530,712, MCPPIV - VII: 782,985, MCPPIV - VIII: 632,130																		
- Capital value (at net asset value per unit at the beginning of the year / period)	139,165	-	139,165	34,120	-	34,120	30,945	-	30,945	66,381	-	66,381	270,611	-	270,611	4,256	-	4,256
- Element of (income) / loss	(175)	-	(175)	-	1,076	1,076	8	1,180	1,188	-	3,459	3,459	(167)	5,715	5,548	-	49	49
Total payments on redemption of units	138,990	-	138,990	34,120	1,076	35,196	30,953	1,180	32,133	66,381	3,459	69,840	270,444	5,715	276,159	4,256	49	4,305
Total comprehensive (loss) / income for the year / period	-	(5,154)	(5,154)	-	4,707	4,707	-	7,099	7,099	-	6,226	6,226	-	12,878	12,878	-	577	577
Distribution during the year / period	-	-	-	-	(4,443)	(4,443)	-	(5,938)	(5,938)	-	(2,869)	(2,869)	-	(13,250)	(13,250)	-	(2,103)	(2,103)
Net income for the year / period less distribution	-	(5,154)	(5,154)	-	264	264	-	1,161	1,161	-	3,357	3,357	-	(372)	(372)	-	(1,526)	(1,526)
Net assets at the end of the year / period	554,213	68,433	622,646	55,825	7,085	62,910	60,098	4,997	65,095	34,375	5,298	39,673	704,511	85,813	790,324	34,192	(2,744)	31,448
Undistributed income / (accumulated loss) brought forward																		
- Realised income / (loss)		31,011			7,038			5,016			5,250			48,315			(1,169)	
- Unrealised income		42,576			859			-			150			43,585			-	
		<u>73,587</u>			<u>7,897</u>			<u>5,016</u>			<u>5,400</u>			<u>91,900</u>			<u>(1,169)</u>	
Accounting income available for distribution																		
- Relating to capital gains		-			-			1,079			430			1,509			-	
- Excluding capital gains		-			3,631			4,840			2,337			10,808			528	
		-			<u>3,631</u>			<u>5,919</u>			<u>2,767</u>			<u>12,317</u>			<u>528</u>	
Net loss for the year / period		(5,154)																
Distribution during the year / period		-			(4,443)			(5,938)			(2,869)			(13,250)			(2,103)	
Undistributed income / (accumulated loss) carried forward		<u>68,433</u>			<u>7,085</u>			<u>4,997</u>			<u>5,298</u>			<u>85,813</u>			<u>(2,744)</u>	
Undistributed income / (accumulated loss) carried forward																		
- Realised income / (loss)		105,543			7,650			4,997			5,655			123,845			(2,744)	
- Unrealised loss		(37,110)			(565)			-			(357)			(38,032)			-	
		<u>68,433</u>			<u>7,085</u>			<u>4,997</u>			<u>5,298</u>			<u>85,813</u>			<u>(2,744)</u>	
		Rupees			Rupees			Rupees			Rupees			Rupees			Rupees	
Net asset value per unit as at the beginning of the year / period		<u>55,7516</u>			<u>54,2898</u>			<u>53,8520</u>			<u>52,8771</u>			<u>52,7329</u>			<u>52,6736</u>	
Net asset value per unit as at the end of the year / period		<u>55,3094</u>			<u>53,5556</u>			<u>53,8257</u>			<u>52,7329</u>			<u>52,7329</u>			<u>50,0000</u>	

The annexed notes 1 to 24 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

For the year ended June 30, 2023					
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total
Note(Rupees in '000).....					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income for the year / period before taxation	43,419	5,742	7,775	4,871	61,807
Adjustment for:					
Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'	225	151	-	2	378
6.1	43,644	5,893	7,775	4,873	62,185
Decrease in assets					
Investments - net	382,502	20,282	21,883	15,738	440,405
Prepayments and profit receivable on balances with banks	(32)	(5)	(1)	19	(19)
	382,470	20,277	21,882	15,757	440,386
Increase / (decrease) in liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	17	4	4	2	27
Payable to Central Depository Company of Pakistan Limited - Trustee	(26)	(2)	(2)	(1)	(31)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(52)	(5)	(6)	(12)	(75)
Accrued expenses and other liabilities	3,412	77	234	(588)	3,135
	3,351	74	230	(599)	3,056
Net cash generated from operating activities	429,465	26,244	29,887	20,031	505,627
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance and conversion of units	22,916	3,324	2,833	1,929	31,002
Payments against redemption and conversion of units	(428,886)	(24,923)	(27,986)	(17,914)	(499,709)
Dividend paid	(23,031)	(4,412)	(5,706)	(3,319)	(36,468)
Net cash used in financing activities	(429,001)	(26,011)	(30,859)	(19,304)	(505,175)
Net increase / (decrease) in cash and cash equivalents during the year	464	233	(972)	727	452
Cash and cash equivalents at the beginning of the year	649	518	1,458	83	2,708
Cash and cash equivalents at the end of the year	1,113	751	486	810	3,160
5					

The annexed notes 1 to 24 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	For the year ended June 30, 2022					For the period from July 01, 2021 to August 27, 2021
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
Note -----(Rupees in '000)-----						
CASH FLOWS FROM OPERATING ACTIVITIES						
Net (loss) / income for the year / period before taxation	(5,154)	4,707	7,099	6,226	12,878	577
Adjustment for:						
Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'	6.1 37,110	565	-	357	38,032	-
	31,956	5,272	7,099	6,583	50,910	577
Decrease in assets						
Investments - net	110,751	30,609	26,594	62,357	230,311	34,706
Receivable against sale of investments	-	-	-	-	-	(31,646)
Profit receivable on balances with banks	(10)	-	(8)	(25)	(43)	(9)
	110,741	30,609	26,586	62,332	230,268	3,051
(Decrease) / increase in liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	(69)	(29)	(10)	(10)	(118)	(12)
Payable to Central Depository Company of Pakistan Limited - Trustee	(10)	(3)	(3)	(4)	(20)	-
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(37)	(14)	(15)	(5)	(71)	1
Accrued expenses and other liabilities	(3,672)	(62)	328	1,146	(2,260)	(4)
	(3,788)	(108)	300	1,127	(2,469)	(15)
Net cash generated from operating activities	138,909	35,773	33,985	70,042	278,709	3,613
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts against issuance and conversion of units	-	3,422	3,034	1,845	8,301	2,005
Payments against redemption and conversion of units	(138,847)	(35,283)	(32,195)	(69,876)	(276,201)	(4,245)
Dividend paid	-	(4,148)	(3,884)	(2,277)	(10,309)	(2,103)
Net cash used in financing activities	(138,847)	(36,009)	(33,045)	(70,308)	(278,209)	(4,343)
Net increase / (decrease) in cash and cash equivalents during the year	62	(236)	940	(266)	500	(730)
Cash and cash equivalents at the beginning of the year	587	754	518	349	2,208	751
Cash and cash equivalents at the end of the year	5 649	518	1,458	83	2,708	21

The annexed notes 1 to 24 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - II
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund - II (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed under the Trust Act, 1882 on January 15, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 14, 2017 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Fund is registered as a notified entity under the NBFC Regulations issued through S.R.O.1203(I)/2008 on October 10, 2016. The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of Equity Schemes and Fixed Income / Money Market Schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of SECP after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unit holders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company has been assigned a quality rating of 'AM1' by VIS dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Capital Preservation Plan-IV (MCPPIV), Meezan Capital Preservation Plan-V (MCPPIV), Meezan Capital Preservation Plan-VI (MCPPIV), Meezan Capital Preservation Plan-VII (MCPPIV) and (Meezan Capital Preservation Plan-VIII (MCPPIV) matured on August 27, 2021) by investing in Shariah compliant Fixed Income / Money Market and Equity Mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of the SECP. A brief description of the plans is as follows:

<p>Meezan Capital Preservation Plan - IV (MCPPIV - IV)</p>	<p>Medium risk - High return through asset allocation This allocation plan commenced its operations from March 06, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan was two and a half years from the close of the subscription period (i.e. April 30, 2018). However, the SECP has approved extension and in accordance with such extension granted vide its letter No. SCD/AMCW/MCPPIV/2022/83 dated October 30, 2024, the plan shall mature on October 30, 2024. Units shall be subject to front end load.</p>
<p>Meezan Capital Preservation Plan - V (MCPPIV - V)</p>	<p>Medium risk - High return through asset allocation This allocation plan commenced its operations from May 04, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan was two and a half years from the close of the subscription period (i.e. July 06, 2018). However, the SECP has approved extension and in accordance with such extension granted vide its letter No. SCD/AMCW/MSAFII/157/2021 dated January 05, 2024, the plan shall mature on January 05, 2023. Units shall be subject to front end load.</p>

Meezan Capital Preservation Plan - VI (MCP - VI)	<p>Medium risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from July 10, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan was two and a half years from the close of the subscription period (i.e. September 14, 2018). However, the SECP has approved extension and in accordance with such extension granted vide letter No. SCD/AMCW/MSAFII/270/2022 dated March 17, 2024, the plan shall now mature on March 17, 2023. Units shall be subject to front end load.</p>
Meezan Capital Preservation Plan - VII (MCP - VII)	<p>Medium risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from September 26, 2018 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two and a half years from the close of the subscription period (i.e. December 05, 2018). However, the SECP has approved extension and in accordance with such extension granted vide letter No. SCD/AMCW/MSAFII/338/2022 dated June 05, 2024, the plan shall now mature on June 05, 2023. Units shall be subject to front</p>

Each allocation plan announces separate Net Asset Values which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in conformity with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Company has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 -and IFRS 7	January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Amendments		IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

3.3 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of the Company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

3.4 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.

3.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

4.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial assets

4.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

4.3.2 Classification

4.3.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

Financial assets at 'fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the Collective Investment Scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their Net Asset Value (NAV) at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

4.3.4 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.3.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

4.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss arising on derecognition of financial assets is taken to the Income Statement.

4.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

4.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.8 Unit holders' Fund

Unit holders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

4.9 Issue and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the applications are received. The offer price of each allocation plan represents the Net Assets Value (NAV) of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee fund declaring the dividend.
- Profit on savings account with banks is recognised on time proportion basis using the effective yield method.

4.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.15 Earnings per unit

Earnings per unit is calculated by dividing the net income for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5 BALANCES WITH BANKS

		As at June 30, 2023				
		MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total
Note		(Rupees in '000)				
Balances with banks in:						
- Savings accounts	5.1	1,113	751	486	810	3,160

		As at 30 June, 2022					As at August 27, 2021
		MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
		(Rupees in '000)					
Balances with banks in:							
- Saving accounts	5.1	649	518	1,458	83	2,708	21
		649	518	1,458	83	2,708	21

5.1 These include balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 10% (2022: 6.01%) per annum.

6 INVESTMENTS

		As at June 30, 2023				
Note		MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total
		(Rupees in '000)				
Investments - 'at fair value through profit or loss'						
Units of open ended mutual funds	6.1	239,998	43,035	44,713	25,895	353,641

		As at 30 June, 2022					As at August 27, 2021
Note		MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total	MCPP - VIII
		(Rupees in '000)					
Investments - 'at fair value through profit or loss'							
Units of open ended mutual funds	6.1	622,725	63,468	66,596	41,635	794,424	-

6.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Name of Investee Funds	As at July 1, 2022	Purchased / reinvested during the year	Redeemed during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/(diminution) as at June 30,	Percentage in relation to	
								Net assets of the Plan	Total market value of investments
				(Number of units)	(Rupees in '000)			(Percentage)	
Meezan Capital Preservation Plan - IV									
Meezan Dedicated Equity Fund	5,553,294	420,031	4,440,366	1,532,959	61,710	61,485	(225)	25.99	25.62
Meezan Rozana Amdani Fund	7,987,860	5,348,003	9,765,605	3,570,258	178,513	178,513	-	75.45	74.38
Meezan Sovereign Fund	-	3,430,352	3,430,352	-	-	-	-	-	-
					240,223	239,998	(225)	101.44	100.00
Meezan Capital Preservation Plan - V									
Meezan Dedicated Equity Fund	173,290	219,408	121,280	271,418	11,037	10,886	(151)	25.52	25.30
Meezan Rozana Amdani Fund	1,129,971	772,929	1,259,929	642,971	32,149	32,149	-	75.37	74.70
Meezan Sovereign Fund*	4	617,773	617,777	-	-	-	-	-	-
					43,186	43,035	(151)	100.89	100.00
Meezan Capital Preservation Plan - VI									
Meezan Rozana Amdani Fund	1,331,913	1,136,331	1,573,986	894,258	44,713	44,713	-	152.70	100.00
Meezan Sovereign Fund	-	859,215	859,215	-	-	-	-	-	-
					44,713	44,713	-	152.70	100.00
Meezan Capital Preservation Plan - VII									
Meezan Dedicated Equity Fund	64,125	-	43,031	21,094	848	846	(2)	3.37	3.27
Meezan Rozana Amdani Fund	781,119	636,792	916,927	500,984	25,049	25,049	-	99.91	96.73
Meezan Sovereign Fund	-	481,352	481,352	-	-	-	-	-	-
					25,898	25,895	(2)	103.28	100.00
Total investments in units of mutual funds (2023)									
Meezan Dedicated Equity Fund	5,790,709	639,439	4,604,677	1,825,471	73,595	73,217	(378)		
Meezan Rozana Amdani Fund	11,230,863	7,894,055	13,516,447	5,608,471	280,423	280,423	-		
Meezan Sovereign Fund*	4	5,388,692	5,388,696	-	-	-	-		
Total as at June 30, 2023					354,018	353,640	(378)		
Total as at June 30, 2022					832,456	794,424	(38,032)		

*Nil due to rounding off

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

As at June 30, 2023					
Note	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total
Remuneration payable	7.1	-	-	-	-
Sindh Sales Tax payable on remuneration	7.2	-	-	-	-
Allocated expenses payable	7.3	21	4	4	2
		21	4	4	2
		21	4	4	2

As at 30 June, 2022					As at August 27, 2021
Note	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total
Remuneration payable	7.1	-	-	-	-
Sindh Sales Tax payable on remuneration	7.2	-	-	-	-
Allocated expenses payable	7.3	4	-	-	4
		4	-	-	4
		4	-	-	4

- 7.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2022: 1%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.
- 7.2 During the year, an amount of Rs.0.0090 million (2022: Rs.0.004 million) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.0.009 million (2022: Rs.0.005 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Rate applicable from July 1, 2022 to June 30, 2023
0.11% of the average annual net assets of the Fund

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		As at June 30, 2023				
		MCP - IV	MCP - V	MCP - VI	MCP - VII	Total
Note		(Rupees in '000)				
Remuneration payable	8.1	14	2	2	2	20
Sindh Sales Tax payable on Remuneration of the Trustee	8.2	2	-	-	-	2
		<u>16</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>22</u>

		As at 30 June, 2022					As at August 27, 2021
		MCP - IV	MCP - V	MCP - VI	MCP - VII	Total	MCP - VIII
Note		(Rupees in '000)					
Remuneration payable	8.1	37	4	4	3	48	2
Sindh Sales Tax payable on Remuneration of the Trustee	8.2	5	-	-	-	5	-
		<u>42</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>53</u>	<u>2</u>

- 8.1 The Trustee is entitled to monthly remuneration of 0.070% (2022: 0.070%) per annum of average net assets for services rendered to the Fund under the provisions of the Trust Deed.
- 8.2 During the year, an amount of Rs.0.023 million (2022: Rs.0.09 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.0.026 million (2022: Rs.0.073 million) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% (2022: 0.02%) of the average annual net assets of the Fund.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

		As at June 30, 2023				
		MCP - IV	MCP - V	MCP - VI	MCP - VII	Total
Note		(Rupees in '000)				
Auditors' remuneration payable		247	31	31	25	334
Withholding tax payable		3,306	778	818	797	5,699
Shariah advisor fee payable		92	14	15	10	131
Capital gain tax payable		123	2	264	37	426
		<u>3,768</u>	<u>825</u>	<u>1,128</u>	<u>869</u>	<u>6,590</u>

	As at 30 June, 2022					As at August 27, 2021
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	M CPP - VIII
	(Rupees in '000)					
Auditors' remuneration payable	231	26	25	36	318	13
Withholding tax payable	-	711	848	431	1,990	99
Shariah advisor fee payable	100	10	10	12	132	6
Capital gain tax payable	25	1	11	978	1,015	13
	<u>356</u>	<u>748</u>	<u>894</u>	<u>1,457</u>	<u>3,455</u>	<u>131</u>

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

12 AUDITORS' REMUNERATION

	For the year ended June 30, 2023				
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total
	(Rupees in '000)				
Annual audit fee	271	34	33	22	360
Fee for half yearly review of condensed interim financial statements	115	12	10	7	144
	<u>386</u>	<u>46</u>	<u>43</u>	<u>29</u>	<u>504</u>

	For the year ended June 30, 2022					For the period from July 01, 2021 to August 27, 2021
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	M CPP - VIII
	(Rupees in '000)					
Annual audit fee	254	29	29	32	344	-
Fee for half yearly review of condensed interim financial statements	89	11	10	12	122	-
	<u>343</u>	<u>40</u>	<u>39</u>	<u>44</u>	<u>466</u>	<u>-</u>

13 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2023 are;

	June 30, 2023			
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII
Total Expense Ratio (including government levies)	0.35%	0.40%	0.42%	0.43%
Government levies	0.03%	0.03%	0.03%	0.03%

	June 30, 2022			
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII
Total Expense Ratio (including government levies)	0.31%	0.32%	0.32%	0.32%
Government levies	0.03%	0.03%	0.03%	0.03%

This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a Collective Investment Scheme categorised as a Fund of Funds Scheme.

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, other collective investment schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

Detail of transactions with connected persons / related parties and balances with them are as follows:

Balances	As at June 30, 2023				
	MCPP - IV	MCPP - V	MCPP - VI	MCPP - VII	Total
Al Meezan Investment Management Limited					
- Management Company					
Remuneration payable to the Management Company (Rs in '000)	-	-	-	-	-
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	-
Allocated expenses payable (Rs in '000)	21	4	4	2	31
Meezan Bank Limited					
Bank balance (Rs in '000)	1,100	738	486	810	3,134
Profit receivable on savings accounts (Rs in '000)	44	8	10	7	69
Shariah advisory fee payable (Rs in '000)	92	14	15	10	131
Central Depository Company of Pakistan Limited - Trustee					
Remuneration payable (Rs. in '000)	14	2	2	2	20
Sindh Sales Tax payable on remuneration of the Trustee (Rs. in '000)	2	-	-	-	2
Directors and Executives of the Management Company					
Investment (Rs in '000)	6,153	-	-	-	6,153
Investment (Units)	112,022	-	-	-	112,022
Meezan Dedicated Equity Fund					
Investment (Rs in '000)	61,485	10,886	-	846	73,217
Investment (Units)	1,532,959	271,418	-	21,094	1,825,471
Meezan Rozana Amdani Fund					
Investment (Rs in '000)	178,513	32,149	44,713	25,049	280,424
Investment (Units)	3,570,258	642,971	894,258	500,984	5,608,471
Meezan Sovereign Fund *					
Investment (Rs in '000)	-	-	-	-	-
Investment (Units)	-	-	-	-	-
Unit holders holding 10% or more units of the Fund					
Investment (Rs in '000)	-	6,251	5,964	10,750	22,964
Investment (Units)	-	116,540	110,229	202,548	429,317

* Nil due to rounding off

Balances	As at 30 June, 2022					As at August 27, 2021
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	M CPP - VIII
AI Meezan Investment Management Limited - Management Company						
Remuneration payable to the Management Company (Rs in '000)	-	-	-	-	-	-
Sindh Sales Tax payable on remuneration of the Management Company (Rs in '000)	-	-	-	-	-	-
Allocated expenses payable (Rs in '000)	4	-	-	-	4	3
Meezan Bank Limited						
Bank balance (Rs in '000)	637	506	1,458	83	2,684	21
Profit receivable on savings accounts (Rs. in '000)	12	3	9	26	50	12
Shariah advisory fee (Rs. in '000)	100	10	10	12	132	6
Central Depository Company of Pakistan Limited - Trustee						
Remuneration payable (Rs. in '000)	37	4	4	3	48	2
Sindh Sales Tax payable on remuneration of the Trustee (Rs. in '000)	5	-	-	-	5	-
Directors and Executives of the Management Company						
Investment (Rs in '000)	5,669	-	-	-	5,669	-
Investment (Units)	102,501	-	-	-	102,501	-
Meezan Dedicated Equity Fund						
Investment (Rs in '000)	223,332	6,969	-	2,579	232,880	-
Investment (Units)	5,553,294	173,290	-	64,125	5,790,709	-
Meezan Rozana Amdani Fund						
Investment (Rs in '000)	399,393	56,499	66,596	39,056	561,544	-
Investment (Units)	7,987,860	1,129,971	1,331,913	781,119	11,230,863	-
Meezan Sovereign Fund *						
Investment (Rs in '000)	-	-	-	-	-	-
Investment (Units)	-	4	-	-	4	-
Unit holders holding 10% or more units of the Fund						
Investment (Rs in '000)	254,632	8,740	12,504	14,654	290,530	-
Investment (Units)	4,603,771	163,202	232,300	277,892	5,277,165	-

*Nil due to rounding off

Transactions during the year / period	For the year ended June 30, 2023				
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total
AI Meezan Investment Management Limited - Management Company					
Remuneration of the Management Company (Rs in '000)	36	5	12	5	58
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	5	1	2	1	9
Allocated expenses (Rs in '000)	507	59	57	37	660
Meezan Bank Limited					
Profit on saving account (Rs in '000)	34	23	34	37	128
Shariah advisory fee (Rs. in '000)	201	26	26	16	269

Transactions during the year / period	For the year ended June 30, 2023					Total
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	
Central Depository Company of Pakistan Limited - Trustee						
Remuneration of the Trustee (Rs in '000)	323	38	36	23	420	
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	42	5	5	3	55	
Meezan Dedicated Equity Fund						
Invested during the year / period (Rs. in '000)	17,000	9,000	-	-	26,000	
Invested during the year / period (Units)	420,031	219,408	-	-	639,439	
Redeemed during the year / period (Rs. in '000)	179,060	4,780	-	1,810	185,650	
Redeemed during the year / period (Units)	4,440,366	121,280	-	43,031	4,604,677	
Meezan Sovereign Fund						
Invested during the year / period (Rs. in '000)	177,780	32,017	44,529	24,946	279,272	
Invested during the year / period (Units)	3,430,352	617,773	859,215	481,352	5,388,692	
Redeemed during the year / period (Rs. in '000)	178,513	32,149	44,713	25,049	280,424	
Redeemed during the year / period (Units)	3,430,352	617,777	859,215	481,352	5,388,696	
Meezan Rozana Amadani Fund						
Invested during the year / period (Rs. in '000)	563,040	139,046	124,213	158,066	984,364	
Invested during the year / period (Units)	5,348,003	772,929	1,136,331	636,792	7,894,055	
Redeemed during the year / period (Rs. in '000)	582,835	161,737	150,808	214,828	1,110,208	
Redeemed during the year / period (Units)	9,765,605	1,259,929	1,573,986	916,927	13,516,447	
Dividend received during the year / period (Rs. in '000)	43,887	6,078	7,604	6,173	63,742	
Dividend received during the year / period (Units)	877,740	121,558	152,074	95,808	1,247,180	
Unit holders holding 10% or more units of the Fund						
Invested during the year / period (Rs. in '000)	-	639	375	823	1,837	
Invested during the year / period (Units)	-	10,122	4,784	13,196	28,102	
Redeemed during the year / period (Rs. in '000)	-	-	-	691	691	
Redeemed during the year / period (Units)	-	-	-	13,026	13,026	
Dividend received during the year / period (Rs. in '000)	-	639	375	1,515	2,529	
Dividend received during the year / period (Units)	-	10,122	4,784	26,222	41,128	
Transactions during the year / period						
For the year ended June 30, 2022						For the period from July 01, 2021 to August 27, 2021
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	M CPP - VIII
AI Meezan Investment Management Limited - Management Company						
Remuneration of the Management Company (Rs in '000)	10	6	4	6	26	1
Sindh Sales Tax on remuneration of the Management Company (Rs in '000)	1	1	1	1	4	-
Allocated expenses (Rs in '000)	794	90	87	103	1,074	6
Meezan Bank Limited						
Profit on saving account (Rs in '000)	34	23	34	37	128	-
Shariah advisory fee (Rs. in '000)	198	22	22	25	267	-
Central Depository Company of Pakistan Limited - Trustee						
Remuneration of the Trustee (Rs in '000)	505	57	56	65	683	4
Sindh Sales Tax on remuneration of the Trustee (Rs in '000)	66	7	7	9	89	1
Meezan Dedicated Equity Fund						
Invested during the year (Rs. in '000)	4,000	16,800	-	9,000	29,800	-
Invested during the year (Units)	86,412	386,947	-	198,453	671,812	-
Redeemed during the year (Rs. in '000)	89,720	23,300	-	13,700	126,720	-
Redeemed during the year (Units)	2,024,543	543,088	-	316,179	2,883,810	-

	For the year ended June 30, 2022					For the period from July 01, 2021 to August 27, 2021
	M CPP - IV	M CPP - V	M CPP - VI	M CPP - VII	Total	M CPP - VIII
Transactions during the year						
Meezan Sovereign Fund						
Invested during the year (Rs. in '000)	492,845	127,777	129,998	148,148	898,768	-
Invested during the year (Units)	9,205,562	2,375,613	2,417,989	2,755,659	16,754,823	-
Redeemed during the year (Rs. in '000)	500,368	128,767	131,077	149,473	909,684	-
Redeemed during the year (Units)	9,205,562	2,375,609	2,417,989	2,755,659	16,754,819	-
Meezan Rozana Amdani Fund						
Invested during the year (Rs. in '000)	563,040	139,046	124,213	158,066	984,364	440
Invested during the year (Units)	11,260,797	2,780,922	2,484,267	3,161,311	19,687,297	8,804
Redeemed during the year (Rs. in '000)	582,835	161,737	150,808	214,828	1,110,208	35,146
Redeemed during the year (Units)	11,656,707	3,234,745	3,016,155	4,296,570	22,204,177	702,926
Dividend received during the year (Rs. in '000)	28,461	5,320	5,856	6,173	45,810	440
Dividend received during the year (Units)	569,228	106,391	117,128	123,453	916,200	8,804

16 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2023			As at June 30, 2022		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)			(Rupees in '000)		
Financial assets						
Balances with banks	3,160	-	3,160	2,708	-	2,708
Investments	-	353,641	353,641	-	794,424	794,424
Prepayment and profit receivable on balances with banks	69	-	69	50	-	50
	3,229	353,641	356,870	2,758	794,424	797,182

	As at June 30, 2023			As at June 30, 2022		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)			(Rupees in '000)		
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	31	-	31	4	-	4
Payable to Central Depository Company of Pakistan Limited - Trustee	22	-	22	53	-	53
Payable against redemption of units	14,280	-	14,280	194	-	194
Dividend payable	2,220	-	2,220	2,957	-	2,957
Accrued expenses and other liabilities	465	-	465	450	-	450
	17,018	-	17,018	3,658	-	3,658

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

17.1 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and regulations laid down by the SECP.

Market risk comprises of three types of risks: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks and investments in sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.03 million (2022: Rs. 0.03 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund did not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 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, 2023 can be determined as follows:

As at June 30, 2023					
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	6.01% - 10%	3,160	-	-	3,160
Investments		-	-	353,641	353,641
Prepayments and profit accrued on balances with banks		-	-	69	69
		3,160	-	353,710	356,870
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	31	31
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	22	22
Payable against redemption of units		-	-	14,280	14,280
Dividend payable		-	-	2,220	2,220
Accrued expenses and other liabilities		-	-	465	465
		-	-	17,018	17,018
On-balance sheet gap (a)		3,160	-	336,692	339,852
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a + b)		3,160	-	-	-
Cumulative profit rate sensitivity gap		3,160	3,160	3,160	3,160

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	5.26% - 6.01%	2,708	-	-	2,708
Investments		-	-	794,424	794,424
balances with banks		-	-	50	50
		<u>2,708</u>	<u>-</u>	<u>794,474</u>	<u>797,182</u>
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	4	4
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	53	53
Payable against redemption of units		-	-	194	194
Dividend payable		-	-	2,957	2,957
Accrued expenses and other liabilities		-	-	450	450
		<u>-</u>	<u>-</u>	<u>3,658</u>	<u>3,658</u>
On-balance sheet gap (a)		<u>2,708</u>	<u>-</u>	<u>790,816</u>	<u>793,524</u>
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total profit rate sensitivity gap (a + b)		<u>2,708</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative profit rate sensitivity gap		<u>2,708</u>	<u>2,708</u>	<u>2,708</u>	

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in Net Assets Value per unit of the Investee Funds as at June 30, 2023 with all other variables held constant, the total comprehensive income of the Plan for the year would increase / decrease by Rs.3.536 million (2022: Rs.7.944 million) and the net assets of the Plan would increase / decrease by the same amount as a result of gains / losses on units of the mutual funds held by the Plans.

17.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemption requests during the year ended June 30, 2023.

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 June 30, 2023						
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	3,160	-	-	-	-	3,160
Investments	-	-	-	-	353,641	353,641
Prepayments and profit accrued on balances with banks	69	-	-	-	-	69
	3,229	-	-	-	353,641	356,870
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	31	-	-	-	-	31
Payable to Central Depository Company of Pakistan Limited - Trustee	22	-	-	-	-	22
Payable against redemption of units	14,280	-	-	-	-	14,280
Dividend payable	2,220	-	-	-	-	2,220
Accrued expenses and other liabilities	-	465	-	-	-	465
	16,553	465	-	-	-	17,018
Net financial assets / (liabilities)	(13,324)	(465)	-	-	353,641	339,852

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	2,708	-	-	-	-	2,708
Investments	-	-	-	-	794,424	794,424
Profit accrued on balances with banks	50	-	-	-	-	50
	2,758	-	-	-	794,424	797,182
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	4	-	-	-	-	4
Payable to Central Depository Company of Pakistan Limited - Trustee	53	-	-	-	-	53
Payable against redemption of units	194	-	-	-	-	194
Dividend payable	2,957	-	-	-	-	2,957
Accrued expenses and other liabilities	-	450	-	-	-	450
	3,208	450	-	-	-	3,658
Net financial assets / (liabilities)	(450)	(450)	-	-	794,424	793,524

17.3 Credit risk

17.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2023		2022	
	Balance as per statement of assets and liabilities (Rupees in '000)	Maximum exposure to credit risk (Rupees in '000)	Balance as per statement of assets and liabilities (Rupees in '000)	Maximum exposure to credit risk (Rupees in '000)
Balances with banks	3,160	3,160	2,708	2,708
Investments	353,641	-	794,424	-
Prepayments and profit receivable on balances with banks	69	69	50	50
	356,870	3,229	797,182	2,758

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open ended mutual funds of Rs.353.641 million (2022: Rs.794.424 million) are not exposed to credit risk.

17.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit accrued thereon, dividend receivable and receivable against sale of units and against investments. The credit rating profile of balances with banks is as follows:

	Amount of financial assets exposed to credit risk (Rupees in '000)		% of financial assets exposed to credit risk (Percentage)	
	2023	2022	2023	2022
Bank				
AAA	3,160	2,708	100%	100%

17.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2023 and June 30, 2022 are unsecured and are not impaired.

18 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	2023			2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets 'at fair value through profit or loss'	(Rupees in '000)			(Rupees in '000)		
Units of open ended mutual funds	-	353,641	-	-	794,424	-
	-	353,641	-	-	794,424	-

19 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 17, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

20 UNIT HOLDING PATTERN OF THE FUND

	MCP - IV			MCP - IV		
	2023			2022		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
		(Rupees in '000)	%		(Rupees in '000)	%
Individual	209	113,115	47.81%	294	202,440	32.51%
Director	1	6,153	2.60%	-	-	0.00%
Retirement funds	8	68,428	28.92%	19	374,850	60.20%
Others	4	48,904	20.67%	4	45,356	7.28%
Total	222	236,600	100.00%	317	622,646	100.00%

	MCP - V			MCP - V		
	2023			2022		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
		(Rupees in '000)	%		(Rupees in '000)	%
Individual	93	32,051	75.15%	112	41,489	65.95%
Retirement funds	1	620	1.45%	3	12,319	19.58%
Others	3	9,983	23.40%	3	9,102	14.47%
Total	97	42,654	100.00%	118	62,910	100.00%

	MCPP - VI			MCPP - VI		
	2023			2022		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)		%	(Rupees in '000)		%
Individual	75	23,318	79.63%	203	54,744	84.10%
Retirement funds	1	5,964	20.37%	2	10,351	15.90%
Others	-	-	0.00%	-	-	0.00%
Total	76	29,282	100.00%	205	65,095	100.00%

	MCPP - VII			MCPP - VII		
	2023			2022		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
	(Rupees in '000)		%	(Rupees in '000)		%
Individual	58	25,071	100.00%	195	39,673	100.00%
Retirement funds	-	-	-	-	-	0.00%
Others	-	-	-	-	-	0.00%
Total	58	25,071	100.00%	195	39,673	100.00%

21 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualifications	Overall experience
Mr. Mohammad Shoab	Chief Executive Officer	CFA / MBA	Thirty Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA / ACCA	Nine years

21.1 The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund manager are as follows:

- Meezan Balanced Fund;
- Meezan Dedicated Equity Fund;
- KSE Meezan Index Fund;
- Meezan Asset Allocation Fund;
- Meezan Financial Planning Fund of Fund;
- Meezan Strategic Allocation Fund; and
- Meezan Strategic Allocation Fund - III.

22 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on			
		August 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoab, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.



23 GENERAL

23.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



Community Engagement Development

Al Meezan is dedicated to helping the community save more effectively and offering halal avenues for financial growth. By doing so, we aim to improve the lives of everyone, fostering a brighter future.

Meezan Strategic Allocation Fund-III

Meezan Strategic Allocation Fund-III is a Shariah Compliant scheme which aims to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income/Money Market Collective Investment Schemes and Equity based Collective Investment Schemes.

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box. 15541, Karachi 75530

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

Meezan Bank Limited

LEGAL ADVISER

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial
Area, Phase VI, DHA, Karachi.
Phone (+9221) 35156191-94 Fax: (+9221) 35156195
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE FUND MANAGER

Meezan Strategic Allocation Fund – III (MSAF – III)

Type of Fund

MSAF – III is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

MSAF – III has one Allocation Plans which allow investors to invest according to their risk tolerance levels.

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Schemes performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan – III (MCPPIX)	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual Allocation.
---	---

Performance Table with Benchmark

Returns - FY23	
MCPPIX	11.61%
Benchmark	5.58%

The Meezan Capital Preservation Plan – IX posted total gain of Rs. 36 million FY 23. Total gain comprised of realized loss on investments of Rs. 0.41 million while the unrealized loss on investments of Rs. 1.68 million. Dividend income and profit on saving account with banks amounted to Rs. 35.5 million and Rs. 0.265 million respectively. After accounting for expenses of Rs. 1.169 million, the Fund posted a net income of Rs. 34.9 million. The net assets of the Plan as at June 30, 2023 were Rs. 237.352 million. The net asset value per unit as at June 30, 2023 was Rs. 58.2740

Distributions

The interim Pay out by the Plan during the fiscal year ended June 30, 2023 was 6.25 per unit. Total distribution made by the fund was 23.49 million.



Pure. Profit.



SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size

(As on June 30, 2022)

Range (Units)	MSAF- III- MCPP-IX
	No. of investors
1 - 9,999	227
10,000 - 49,999	72
50,000 - 99,999	13
100,000 - 499,999	5
500,000 and above	0
Total	317

PERFORMANCE TABLE
MSAF-III MEEZAN CAPITAL PRE PLAN-IX

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	237,352.00	426,632.00	99,921.00
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	58.2740	57.8119	57.5234
Offer price per unit as at June 30, (Rs.) (ex-distribution)			
Highest offer price per unit (Rs.)	-	60.3166	-
Lowest offer price per unit (Rs.)	-	59.1194	-
Highest redemption price per unit (Rs.)	64.5018	59.2141	-
Lowest redemption price per unit (Rs.)	57.6557	56.2644	-
Distribution (%)			
Interim	12.50%	1%	0%
Final			
Date of distribution			
Interim			
Final	26/06/2023	30/06/2022	-
Income distribution (Rupees in '000)	23,494.96	3,665	-
Growth distribution (Rupees in '000)			
Total return (%)	11.61	1.37	18.36

	One Year	Two Year	Three Year
Average annual return as at June 30, 2022 (%)	11.61%	6.37%	10.22%

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Dr. Muhammad Imran Usmani

Address:
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi
Pakistan
Postal Code 75180
Tel: +92 21 3 5047770
Fax: +92 21 5040234
Email: miu786@gmail.com

Report of the Shariah Advisor –Meezan Strategic Allocation Fund-III (MSAF-III)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

Alhamdulillah, the period from July 1, 2022 to June 30, 2023 was the Fourth year of operations of Meezan Strategic Allocation Fund (the “MSAF-III” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with 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.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah 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.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com




TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN STRATEGIC ALLOCATION FUND – III

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Strategic Allocation Fund – III (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Strategic Allocation Fund - III

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Meezan Strategic Allocation Fund - III** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund 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 present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, 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 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 are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of units of open ended mutual fund) held by the Fund represent 99.9% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> - We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund. - We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> - We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4. - We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). - We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. - We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

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 auditors' 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 for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as 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.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 the Board of Directors 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 the Board of Directors, 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

Other Matter

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Date: 26 September 2023

Place: Karachi

UDIN Number: AR202310076BcY2hV8ze



**MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023**

	2023	2022
Note	MCCP-IX	
	------(Rupees in '000)-----	
Assets		
Balances with banks	5,085	4,636
Investments	237,765	427,603
Profit accrued on balances with banks	55	19
Total assets	242,905	432,258
Liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	27	9
Payable to Central Depository Company of Pakistan Limited - Trustee	16	34
Payable to the Securities and Exchange Commission of Pakistan	65	53
Payable on redemption and conversion of Units	-	950
Dividend payable	872	110
Accrued expenses and other liabilities	4,573	4,580
Total liabilities	5,553	5,736
NET ASSETS	237,352	426,522
CONTINGENCIES AND COMMITMENTS		
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	237,352	426,632
	------(Number of units)-----	
NUMBER OF UNITS IN ISSUE	4,073,034	7,379,654
	------(Rupees)-----	
NET ASSET VALUE PER UNIT	58.2740	57.8119

The annexed notes from 1 to 25 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - III
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	MCPPI-IX	
	----- (Rupees in '000) -----	
Income		
Realised gain / (loss) on sale of investments	417	(4,771)
Dividend income	35,584	20,239
Profit on balance with banks	265	345
	36,266	15,813
Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss	6.1 (168)	(10,533)
Total income	36,098	5,280
Expenses		
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1 36	79
Sindh Sales Tax on remuneration of the Management Company	7.2 5	10
Allocated expenses	7.3 356	291
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1 227	185
Sindh Sales Tax on remuneration of the Trustee	8.2 29	24
Annual fee to the Securities and Exchange Commission of Pakistan	9 65	53
Legal and Professional Charges	-	184
Auditors' remuneration	12 138	92
Fees and subscription	277	296
Bank and settlement charges	27	6
Reversal of provision of Sindh Workers' Welfare Fund	-	(429)
Total expenses	1,160	791
Net income for the year before taxation	34,939	4,489
Taxation	14 -	-
Net income for the year after taxation	34,939	4,489
Allocation of net income for the year		
Net income for the year after taxation	34,939	4,489
Income already paid on units redeemed	(9,609)	(568)
	25,329	3,921
Accounting income available for distribution		
- Relating to capital gains	249	-
- Excluding capital gains	25,080	3,921
	25,329	3,921

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	M CPP-IX	
	----- (Rupees in '000) -----	
Net income for the year after taxation	34,939	4,489
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>34,939</u>	<u>4,489</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the year	410,201	16,431	426,632	83,746	16,175	99,921
Issuance of units:						
Issuance of 331,908 units (2022: 10,951,410)						
- Capital value (at net asset value per unit at the beginning of the year)	19,326	-	19,326	629,962	-	629,962
- Element of income	77	-	77	3,264	-	3,264
Total proceeds on issuance of units	19,403	-	19,403	633,226	-	633,226
Redemption of units:						
Redemption of 3,638,529 units (2022: 5,308,810 units)						
- Capital value (at net asset value per unit at the beginning of the year)	210,350	-	210,350	305,381	-	305,381
- Element of income	167	9,609	9,777	1,390	568	1,958
Total payments on redemption of units	210,517	9,609	220,127	306,771	568	307,339
Total comprehensive income for the year	-	34,939	34,939	-	4,489	4,489
Distribution during the year	-	(23,495)	(23,495)	-	(3,665)	(3,665)
Net income for the year less distribution	-	11,444	11,444	-	824	824
Net assets at the end of the year	219,087	18,265	237,352	410,201	16,431	426,632
Undistributed income brought forward						
- Realised income		26,964			9,078	
- Unrealised (loss) / income		(10,533)			7,097	
		16,431			16,175	
Accounting income available for distribution						
- Relating to capital gains		249			-	
- Excluding capital gains		25,080			3,921	
		25,329			3,921	
Interim distribution during the year ended June 30, 2023 at Re. 6.25 per unit i.e. 12.50% of the par value of Rs. 50 each		(23,495)			-	
Interim distribution during the year ended June 30, 2022 at Re. 0.5 per unit i.e. 1% of the par value of Rs. 50 each		-			(3,665)	
Undistributed income carried forward		18,265			16,431	
Undistributed income carried forward						
- Realised income		18,433			26,964	
- Unrealised loss		(168)			(10,533)	
		18,265			16,431	
Net asset value per unit as at the beginning of the year			Rupees 57.8119			Rupees 57.5234
Net asset value per unit as at the end of the year			58.2740			57.8119

The annexed notes from 1 to 25 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - III
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	MCPPI-IX	
Note	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	34,939	4,489
Adjustment for:		
Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss	6.1 <u>168</u>	<u>10,533</u>
	35,107	15,022
Decrease / (increase) in assets		
Investments - net	<u>189,670</u>	<u>(338,028)</u>
Profit accrued on balances with banks	<u>(36)</u>	<u>(17)</u>
	189,634	(338,045)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	<u>18</u>	<u>(2)</u>
Payable to Central Depository Company of Pakistan Limited - Trustee	<u>(18)</u>	<u>27</u>
Payable to the Securities and Exchange Commission of Pakistan	<u>12</u>	<u>34</u>
Accrued expenses and other liabilities	<u>(7)</u>	<u>3,810</u>
Payable against Investment	<u>-</u>	<u>-</u>
	5	3,869
Net cash generated from / (used in) operating activities	<u>224,746</u>	<u>(319,154)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	<u>19,402</u>	<u>633,226</u>
Payments against redemption and conversion of units	<u>(221,075)</u>	<u>(306,389)</u>
Dividend paid	<u>(22,623)</u>	<u>(3,555)</u>
Net cash (used in) / generated from financing activities	<u>(224,296)</u>	<u>323,282</u>
Net increase in cash and cash equivalents	<u>449</u>	<u>4,128</u>
Cash and cash equivalents at the beginning of the year	<u>4,636</u>	<u>508</u>
Cash and cash equivalents at the end of the year	5 <u><u>5,085</u></u>	<u><u>4,636</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - III
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund - III (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 24, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules). The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The Fund generates returns on investment as per allocation plan (sub fund) namely Meezan Capital Preservation Plan-IX (MCP-IX) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.
- 1.7** A brief description of the plan is as follows:

Meezan Capital Preservation Plan-IX (MCP-IX)	Medium risk - High return through asset allocation This allocation plan commenced its operations from May 14, 2019 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes. The initial maturity of this plan was two and a half years from the close of the subscription period i.e. January 29, 2022. However, the SECP has approved extension and in accordance with such extension granted vide letter No. SCD/AMCW/MSAFIII/227/2022 dated January 25, 2022, the plan shall now mature on September 30, 2024. Units shall be subject to front end load.
--	---

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

3.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Effective date (annual periods beginning on or after)

Amendments

IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising - from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its - Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

IASB Effective date (annual periods beginning on or after)

Standards

IFRS 1	First time adoption of IFRS	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3 and 6).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which is 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 Rupee, which is the Fund's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

4.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial instruments

4.3.1 Classification

4.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

4.3.3 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

4.3.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

4.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

4.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

4.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best

4.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

4.8 Unit holders' Fund

Unit holders' Fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net

4.9 Issue and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the application is received. The offer price of each allocation plan represents the net assets value of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the net assets value per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeen

Element of income represents the difference between net assets value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the net assets value (NAV) per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' Fund. However, to maintain the same ex-dividend net asset value (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders Fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.12 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee fund declaring the dividend.
- Profit on balances with banks is recognised on a time proportion basis using the effective yield method.

4.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

4.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.



	Note	2023	2022
5 BALANCES WITH BANKS		MCCP-IX	
		----- (Rupees in '000) -----	
Saving accounts	5.1	5,085	4,636
5.1 This includes balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10.00% (June 30, 2022: 6.01%) per annum.			

	Note	2023	2022
6 INVESTMENTS		MCCP-IX	
		----- (Rupees in '000) -----	
At fair value through profit or loss			
Units of mutual funds	6.1	237,765	427,603

6.1 Units of mutual funds

Name of investee funds (Related Parties)	As at July 1, 2022	Purchases during the year	Sales during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised loss as at June 30, 2023	Percentage in relation to	
								net assets of the Fund	total market value of invest-ments
		----- (Number of units) -----			----- (Rupees in '000) -----			(Percentage)	
Meezan Capital Preservation Plan - IX									
Meezan Dedicated Equity Fund	2,324,953	2,324,953	3,086,631	1,563,275	62,869	62,701	(168)	26.42	26.37
Meezan Sovereign Fund	-	3,373,730	3,373,730	-	-	-	-	-	-
Meezan Rozana Amdani Fund	6,682,037	4,225,167	7,405,916	3,501,288	175,064	175,064	-	73.76	73.63
Total as at June 30, 2023					237,933	237,765	(168)		
Total as at June 30, 2022					438,136	427,603	(10,533)		

	Note	2023	2022
7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		MCCP-IX	
		----- (Rupees in '000) -----	
Management fee payable	7.1	1	3
Sindh Sales Tax payable on remuneration of the Management Company	7.2	2	-
Allocated expenses payable	7.3	24	6
		27	9

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (2022: 1%) per annum of the daily bank balances of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

7.2 During the year, an amount of Rs 0.01 million (2022: Rs 0.01 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 1.55 million (2022: Rs 0.01 million) has been paid to the Management Company which acts as a collecting agent.

7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion has charged allocated expenses at the rate of 0.11% (2022: 0.11%) of the average annual net assets.

	Note	2023	2022
8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		MCPP-IX	
		----- (Rupees in '000) -----	
Trustee fee payable	8.1	9	30
Sindh Sales Tax payable on trustee fee	8.2	7	4
		<u>16</u>	<u>34</u>

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.070% (2022: 0.070%) of average annual net assets of the Fund.

8.2 During the year, an amount of Rs. 0.029 million (2022: Rs.0.024 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. 2.323 million (2022: Rs. 0.021 million) was paid to the Management Company which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as a Fund of Fund Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2022: 0.02%) per annum of average annual net assets of the Fund.

	Note	2023	2022
10 ACCRUED EXPENSES AND OTHER LIABILITIES		MCPP-IX	
		----- (Rupees in '000) -----	
Auditors' remuneration payable		79	58
Shariah advisory fee payable		132	151
Capital gain tax payable		8	3,623
Withholding tax payable		4,341	631
Zakat Payable		13	7
		<u>4,573</u>	<u>4,470</u>

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022
12 AUDITORS' REMUNERATION	MCPP-IX	
	----- (Rupees in '000) -----	
Annual audit fee	97	48
Half yearly review	34	29
Out of pocket expenses	7	15
	<u>138</u>	<u>92</u>

13 TOTAL EXPENSE RATIO

The Total Expense Ratio of the Plan (MCP-IX) for the year ended June 30, 2023 is 0.36% (2022: 0.46%) which include 0.03% (2022: 0.03%) representing government levies such Sindh Sales Tax and SECP fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Funds Scheme.

14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unitholders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 15.1** Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.
- 15.2** Transactions with connected persons are executed on an arm's length basis and 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 in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 15.3** Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules, the NBFC Regulations and the Trust Deed respectively.
- 15.4** Detail of transactions with connected persons and balances with them are as follows:

	2023	2022
Balances		
	MCCP IX	
	----- (Rupees in '000) -----	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	1	3
Sindh Sales Tax on remuneration payable	2	-
Allocated expenses payable	24	6
Investment of nil units (2022: nil units)	-	-
Meezan Bank Limited		
Bank balance	5,085	4,636
Profit receivable	54	19
Shariah Advisory fee payable	132	151
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	9	30
Sindh Sales Tax on trustee fee payable	7	4
Meezan Dedicated Equity Fund		
Investment of 1,563,275 units (2022: 2,324,953 units)	62,701	93,501
Meezan Rozana Amdani Fund		
Investment of 3,501,282 units (2022: 6,682,037)	175,064	334,102
	2023	2022
	MCCP-IX	
	----- (Rupees in '000) -----	
Transactions during the year		
Al Meezan Investment Management Limited - Management Company		
Remuneration of Al Meezan Investment Management Limited - Management Company	36	79
Sindh Sales Tax on remuneration of the Management Company	5	10
Allocated expenses	356	291
Investment redeemed during the year	-	86,064
Invested during the year (Units)	-	1,478,213
Meezan Bank Limited		
Profit on balance with banks	265	345
Shariah advisory fee	251	269
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	227	185
Sindh Sales Tax on remuneration of the Trustee	29	24



Transactions during the year

Meezan Dedicated Equity Fund

Invested during the year	
Invested during the year (Units)	
Redeemed during the year	
Redeemed during the year (Units)	

2023	2022
M CPP-IX	
----- (Rupees in '000) -----	

93,510	122,450
<u>2,324,953</u>	<u>2,775,720</u>
<u>123,839</u>	<u>58,350</u>
<u>3,086,631</u>	<u>1,416,010</u>

Meezan Sovereign Fund

Invested during the year	
Invested during the year (Units)	
Redeemed during the year	
Redeemed during the year (Units)	

174,856	56,917
<u>3,373,730</u>	<u>1,064,988</u>
<u>175,567</u>	<u>57,488</u>
<u>3,373,730</u>	<u>1,064,988</u>

Meezan Rozana Amdani Fund

Invested during the year	
Invested during the year (Units)	
Redeemed during the year	
Redeemed during the year (Units)	
Dividend received during the year	
Dividend received during the year (Units)	

211,258	535,477
<u>4,225,167</u>	<u>10,709,546</u>
<u>370,296</u>	<u>256,207</u>
<u>7,405,916</u>	<u>5,124,136</u>
<u>35,584</u>	<u>20,239</u>
<u>712</u>	<u>404,782</u>

16 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Balances with banks	
Investments	
Profit accrued on balances with banks	

----- 2023 -----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		
5,085	-	5,085
-	237,765	237,765
55	-	55
<u>5,140</u>	<u>237,765</u>	<u>242,906</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	
Payable to Central Depository Company of Pakistan Limited - Trustee	
Dividend payable	
Accrued expenses and other liabilities	

----- 2023 -----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		
27	-	27
16	-	16
872	-	872
211	-	211
<u>1,126</u>	<u>-</u>	<u>1,126</u>

Financial assets

Balances with banks	
Investments	
Profit accrued on balances with banks	

----- 2022 -----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		
4,636	-	4,636
-	427,603	427,603
19	-	19
<u>4,655</u>	<u>427,603</u>	<u>432,258</u>

2022		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		

Payable to Al Meezan Investment Management Limited - Management Company	9	-	9
Payable to Central Depository Company of Pakistan Limited - Trustee	34	-	34
Payable on redemption and conversion of Units	950	-	950
Dividend payable	110	-	110
Accrued expenses and other liabilities	209	-	209
	<u>1,312</u>	<u>-</u>	<u>1,312</u>

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

17.1 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: profit rate risk, currency risk, and price risk.

(i) Yield / 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, 2023, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.051 million (2022: Rs. 0.048 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 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, 2023 can be determined as follows:

As at June 30, 2023					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

Rupees in '000

On-balance sheet financial instruments

Financial assets

Balances with banks	10.00%	5,085	-	-	-	5,085
Investments		-	-	-	237,765	237,765
Profit accrued on balances with banks		-	-	-	55	55
		<u>5,085</u>	<u>-</u>	<u>-</u>	<u>237,820</u>	<u>242,905</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	27	27
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	16	16
Dividend payable		-	-	-	872	872
Accrued expenses and other liabilities		-	-	-	211	211
					<u>1,126</u>	<u>1,126</u>

On-balance sheet gap

	<u>5,085</u>	<u>-</u>	<u>-</u>	<u>236,694</u>	<u>241,779</u>
--	--------------	----------	----------	----------------	----------------

Off-balance sheet financial instruments

	-	-	-	-	-
--	---	---	---	---	---

Off-balance sheet gap

	-	-	-	-	-
--	---	---	---	---	---

Total profit rate sensitivity gap

	<u>5,085</u>	<u>-</u>	<u>-</u>		
--	--------------	----------	----------	--	--

Cumulative profit rate sensitivity gap

	<u>5,085</u>	<u>5,085</u>	<u>5,085</u>		
--	--------------	--------------	--------------	--	--

As at June 30, 2022					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

Rupees in '000

On-balance sheet financial instruments

Financial assets

Balances with banks	6.01%	4,636	-	-	-	4,636
Investments		-	-	-	427,603	427,603
Profit accrued on balances with banks		-	-	-	19	19
		<u>4,636</u>	<u>-</u>	<u>-</u>	<u>427,622</u>	<u>432,258</u>

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	9	9
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	34	34
Payable against redemption of units		-	-	-	950	950
Dividend payable		-	-	-	110	110
Accrued expenses and other liabilities		-	-	-	209	209
					<u>1,312</u>	<u>1,312</u>

On-balance sheet gap

	<u>4,636</u>	<u>-</u>	<u>-</u>	<u>426,310</u>	<u>430,946</u>
--	--------------	----------	----------	----------------	----------------

Off-balance sheet financial instruments

	-	-	-	-	-
--	---	---	---	---	---

Off-balance sheet gap

	-	-	-	-	-
--	---	---	---	---	---

Total profit rate sensitivity gap

	<u>4,636</u>	<u>-</u>	<u>-</u>		
--	--------------	----------	----------	--	--

Cumulative profit rate sensitivity gap

	<u>4,636</u>	<u>4,636</u>	<u>4,636</u>		
--	--------------	--------------	--------------	--	--

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in Net Assets Value per unit of the Investee Funds as at June 30, 2023 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 2.378 million (2022: Rs. 4.276 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on units of the mutual funds held by the Fund.

17.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

	2023					Total
	Within 1 month	More than one month and upto three months	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
	----- Rupees in '000 -----					
Financial assets						
Balances with banks	5,085	-	-	-	-	5,085
Investments	-	-	-	-	237,765	237,765
Profit accrued on balances with banks	55	-	-	-	-	55
	5,140	-	-	-	237,765	242,905
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	27	-	-	-	-	27
Payable to Central Depository Company of Pakistan Limited - Trustee	16	-	-	-	-	16
Dividend payable	-	872	-	-	-	872
Accrued expenses and other liabilities	-	211	-	-	-	211
	43	1,083	-	-	-	1,126
Net assets / (liabilities)	5,098	(1,083)	-	-	237,765	241,779

----- 2022 -----					
Within 1 month	More than one month and upto three months	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	4,779	-	-	-	-	4,779
Investments	-	-	-	-	427,602	427,602
Profit accrued on balances with banks	19	-	-	-	-	19
	4,798	-	-	-	427,602	432,400

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	8	-	-	-	-	8
Payable to Central Depository Company of Pakistan Limited - Trustee	34	-	-	-	-	34
Payable against redemption of units	-	950	-	-	-	950
Dividend payable	-	110	-	-	-	110
Accrued expenses and other liabilities	-	320	-	-	-	320
	42	1,380	-	-	-	1,422

Net assets / (liabilities)

	4,756	(1,380)	-	-	427,602	430,979
--	-------	---------	---	---	---------	---------

17.3 Credit risk

17.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

2023		2022	
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	5,085	5,085	4,636	4,636
Investments	237,765	-	427,603	-
Profit accrued on balances with banks	55	55	19	19
	242,905	5,140	432,258	4,655

17.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of balances with banks is as follows:

Rating	2023		2022	
	Amount of financial assets exposed to credit risk	% of financial assets exposed to credit risk	Amount of financial assets exposed to credit risk	% of financial assets exposed to credit risk

Rupees in '000

AAA	5,085	100.00%	4,655	100.00%
	5,085	100%	4,655	100%

18 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. However, during the year on certain days and since June 28, 2021, the Fund is below the minimum requirement of Rs 100 million. However, the Fund is required to comply with this requirement within three months of non-compliance.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 17, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

	----- 2023 -----		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Financial assets			
At fair value through profit or loss	-	237,765	-
	-	237,765	-

	----- 2022 -----		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Financial assets			
At fair value through profit or loss	-	427,602	-
	-	427,602	-

	MCPP IX			MCPP IX		
	2023			2022		
	Number of investors	Investment amount	Percentage of total investment	Number of investors	Investment amount	Percentage of total investment
20 UNIT HOLDING PATTERN OF THE FUND		Rupees in '000	Percentage		Rupees in '000	Percentage
Individuals	302	223,907	94.34	610	420,891	98.65
Foreign Individuals	13	7,355	3.10	-	-	0.00
Retirement Fund	1	5,460	2.30	1	4,964	1.16
Other corporates	-	-	0.00	1	196	0.05
Others	1	630	0.27	1	581	0.14
Total	317	237,352	100.00	613	426,632	100

21 INVESTMENT COMMITTEE MEMBERS

21.1 Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA/ACCA	Nine years

21.2 The Fund manager of the Fund is Mr. Asif Imtiaz. Other funds being managed by the Fund Manager are as follows:

- Meezan Dedicated Equity Fund;
- Meezan Financial Planning Fund fo Funds;
- KSE Meezan Index Fund;
- Meezan Asset Allocation Fund;
- Meezan Strategic Allocation Fund;
- Meezan Strategic Allocation Fund-III; and
- Meezan Balanced Fund.

22 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

22.1 The date of the meeting 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 16, 2022	October 13, 2022	February 13, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Mr. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.



23 GENERAL

23.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

23.2 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 7, 2023.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Chief Financial Officer

Director



Contact Us

0800-HALAL(42525) | SMS “invest” to 6655
www.almeezangroup.com

We Are Available On Social Media



Al Meezan mein Itminan hai.



Download
Al Meezan Investments Mobile Application
Now!

For investment services and advice
visit any Al Meezan or Meezan Bank Branch across Pakistan



A Subsidiary of

Meezan Bank

The Premier Islamic Bank

Disclaimer: All investments in Mutual Funds and Pension Fund are subject to market risks. Past Performance is not necessarily indicative of future results. Please read the offering document to understand the investment policies, risks and tax implication involved.

Use of the name and logo of Meezan Bank Limited as given above does not mean that it is responsible for the liabilities/obligations of Al Meezan Investment Management Limited or any investment scheme managed by it.

Note: The role of Meezan Bank Limited (MBL) is restricted to distribution of Mutual Funds only.