

# 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](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto: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](mailto: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](mailto: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

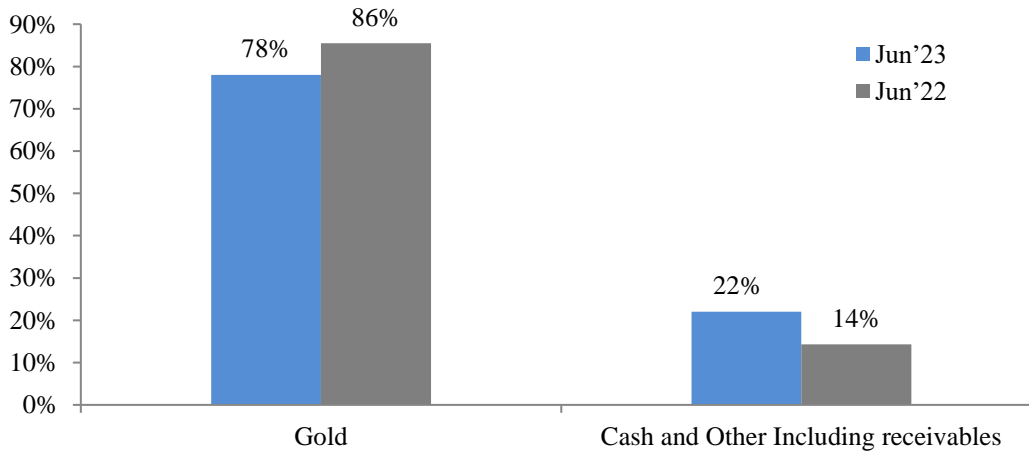
The objective of MGF is to provide maximum exposure to prices of Gold in a Shariah Compliant manner, by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange (PMEX). The fund has a long-term time horizon whereby the investors 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.

**Asset Allocation for the year ended FY22 and FY23**



### 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.

	<b>MGF</b>	<b>Benchmark</b>
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)

<b>Range (Units)</b>	<b>No. of Investors</b>
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
<b>Total</b>	<b>1,606</b>

**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

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Pakistan  
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## 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  
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**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
<b>1. Existence and valuation of bank balances and investments</b>	
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"> <li>- 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.</li> <li>- We tested controls over acquisition, disposals and periodic valuation of investments portfolio.</li> </ul>



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"> <li>- 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.</li> <li>- 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).</li> <li>- 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.</li> <li>- 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.</li> </ul>

### 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)-----	
<b>Assets</b>			
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
<b>Total assets</b>		<b>1,357,610</b>	<b>606,421</b>
<b>Liabilities</b>			
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	-
<b>Total liabilities</b>		<b>11,554</b>	<b>2,423</b>
<b>Net assets</b>		<b>1,346,056</b>	<b>603,998</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,346,056</b>	<b>603,998</b>
<b>Contingencies and commitments</b>	13		
<b>Number of units in issue</b>		<b>8,550,626</b>	<b>5,812,706</b>
		------(Rupees)-----	
<b>Net asset value per unit</b>		<b>157.4219</b>	<b>103.9100</b>

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)-----			
<b>Income</b>			
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
<b>Total income</b>		<b>379,773</b>	<b>135,225</b>
<b>Expenses</b>			
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)
<b>Total expenses</b>		<b>26,442</b>	<b>10,709</b>
<b>Net income for the year before taxation</b>		<b>353,331</b>	<b>124,516</b>
Taxation	16	-	-
<b>Net income for the year after taxation</b>		<b>353,331</b>	<b>124,516</b>
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		353,331	124,516
Income already paid on units redeemed		(18,686)	(15,109)
		<b>334,645</b>	<b>109,407</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		334,645	109,407
- Excluding capital gains		-	-
		<b>334,645</b>	<b>109,407</b>

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) -----	
<b>Net income for the year after taxation</b>	<b>353,331</b>	124,516
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b><u>353,331</u></b>	<b><u>124,516</u></b>

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 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)-----		
<b>Net assets at beginning of the year</b>	<b>377,392</b>	<b>226,606</b>	<b>603,998</b>	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)	<b>398,616</b>	-	<b>398,616</b>	228,755	-	228,755
- Element of income	<b>147,730</b>	-	<b>147,730</b>	19,664	-	19,664
Total proceeds on issuance of units	<b>546,346</b>	-	<b>546,346</b>	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)	<b>114,119</b>	-	<b>114,119</b>	230,135	-	230,135
- Element of loss	<b>16,218</b>	<b>18,686</b>	<b>34,904</b>	8,324	15,109	23,433
Total payments on redemption of units	<b>130,337</b>	<b>18,686</b>	<b>149,023</b>	238,459	15,109	253,568
Total comprehensive income for the year	-	<b>353,331</b>	<b>353,331</b>	-	124,516	124,516
Distribution during the year	-	<b>(8,596)</b>	<b>(8,596)</b>	-	(2,899)	(2,899)
Net income for the year less distribution	-	<b>344,735</b>	<b>344,735</b>	-	121,617	121,617
<b>Net assets at end of the year</b>	<b>793,401</b>	<b>552,655</b>	<b>1,346,056</b>	<b>377,392</b>	<b>226,606</b>	<b>603,998</b>
<b>Undistributed income brought forward</b>						
- 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		-			-	
		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>	
<b>Undistributed income carried forward</b>						
- 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			<b>(Rupees)</b> <b>103.9100</b>			<b>(Rupees)</b> <b>83.6357</b>
Net asset value per unit at end of the year			<u><b>157.4219</b></u>			<u><b>103.9100</b></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)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		353,331	124,516
<b>Adjustments for:</b>			
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
<b>(Increase) / decrease in assets</b>			
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
<b>Increase / (decrease) in liabilities</b>			
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>
<b>Net cash used in operating activities</b>		<u>(214,057)</u>	<u>(5,061)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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)
<b>Net cash generated from / (used in) financing activities</b>		<u>391,722</u>	<u>(7,433)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>		<u>177,665</u>	<u>(12,494)</u>
Cash and cash equivalents at the beginning of the year		86,766	99,260
<b>Cash and cash equivalents at the end of the year</b>	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:

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>	
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 ------(Rupees in '000)-----	2022
<b>5 BALANCES WITH BANKS</b>			
Balances with banks in:			
Savings accounts	5.1	<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 ------(Rupees in '000)-----	2022
<b>6 INVESTMENT IN GOLD</b>			
Investment in gold	6.1	<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
<b>Total as at June 30, 2023</b>					<u>714,489</u>	<u>1,059,065</u>	<u>344,576</u>	
<b>Total as at June 30, 2022</b>					<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 ------(Rupees in '000)-----	2022
<b>6.1.3 Net unrealised appreciation on re-measurement of investments in gold</b>			
Market value of investments	6.1	1,059,065	518,611
Carrying value of investments	6.1	<u>714,489</u>	<u>396,272</u>
		<u>344,576</u>	<u>122,339</u>



	Note	2023	2022
----- (Rupees in '000) -----			
<b>7</b>	<b>ADVANCE AND OTHER RECEIVABLES</b>		
	Profit receivable on balances with banks	6,600	1,044
	Advance against investment	<u>27,500</u>	<u>-</u>
		<u><b>34,100</b></u>	<u><b>1,044</b></u>
<b>8</b>	<b>PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
	Management fee payable	8.1 <b>413</b>	101
	Sindh Sales Tax on remuneration of the Management Company	8.2 <b>54</b>	13
	Selling and marketing expenses payable	8.3 <b>1,948</b>	200
	Allocated expenses payable	8.4 <b>503</b>	4
	Sales load payable	<b>59</b>	-
	Sindh Sales Tax on sales load payable	<b>8</b>	-
		<u><b>2,985</b></u>	<u><b>318</b></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



9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
			------(Rupees in '000)-----	
	Trustee fee payable	9.1	272	86
	Sindh Sales Tax payable on trustee fee	9.2	35	11
			<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.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2023	2022
			------(Rupees in '000)-----	
	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	414
	Provision for Federal Excise Duty and related			
	Sindh sales tax on sales load	11.1	297	297
			<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:

Balances	2023	2022
	------(Rupees in '000)-----	
<b>Al Meezan Investment Management Limited - Management Company</b>		
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	-
<b>Meezan Bank Limited</b>		
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
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	272	86
Sindh Sales Tax payable on trustee fee	35	11
<b>Directors, their close family members and key management personnel of the Management Company</b>		
Investment of 794,330 units (June 30, 2022: 468,253 units)	125,045	48,656
<b>Unit Holders holding 10% or more units of the Fund</b>		
Investment 1,104,468 units (2022: Nil units)	173,867	-
<b>Transactions during the year</b>		
	<b>For the year ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Al Meezan Investment Management Limited - Management Company</b>		
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
<b>Meezan Bank Limited</b>		
Profit on balances with bank	992	1,677
Shariah advisor fee	266	321
Units redeemed: nil (2022: 597 units)	-	50
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,423	956
Sindh Sales Tax on remuneration of the Trustee	185	124
<b>Directors, their close family members and key management personnel of the Management Company</b>		
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
<b>Unit Holders holding 10% or more units of the Fund</b>		
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) -----					
<b>Financial assets</b>					
Balances with banks	264,431	-	-	-	264,431
Receivable against conversion of units	-	-	-	14	14
Advance and other receivables	-	-	-	34,100	34,100
	<b>264,431</b>	<b>-</b>	<b>-</b>	<b>34,114</b>	<b>298,545</b>
<b>Financial liabilities</b>					
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
	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,975</b>	<b>7,975</b>
<b>On-balance sheet gap (a)</b>	<b>264,431</b>	<b>-</b>	<b>-</b>	<b>26,139</b>	<b>290,570</b>
<b>Off-balance sheet financial instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit rate sensitivity gap (a+b)</b>	<b>264,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative profit rate sensitivity gap</b>	<b>264,431</b>	<b>264,431</b>	<b>264,431</b>	<b>-</b>	<b>-</b>



----- 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) -----					
<b>Financial assets</b>					
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
<b>Financial liabilities</b>					
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
<b>On-balance sheet gap (a)</b>		86,766	-	(88)	86,678
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		86,766	-	-	
<b>Cumulative profit rate sensitivity gap</b>		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)						
<b>Financial assets</b>						
Balances with banks	264,431	-	-	-	-	264,431
Receivable against conversion of units	14	-	-	-	-	14
Advance and other receivables	34,100	-	-	-	-	34,100
	<b>298,545</b>	-	-	-	-	<b>298,545</b>
<b>Financial liabilities</b>						
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
	<b>4,944</b>	<b>2,941</b>	-	-	-	<b>7,885</b>
<b>Net assets / (liabilities)</b>	<b>293,601</b>	<b>(2,941)</b>	-	-	-	<b>290,660</b>

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)						
<b>Financial assets</b>						
Balances with banks	86,766	-	-	-	-	86,766
Advance and other receivables	1,044	-	-	-	-	1,044
	<b>87,810</b>	-	-	-	-	<b>87,810</b>
<b>Financial liabilities</b>						
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
	<b>432</b>	<b>700</b>	-	-	-	<b>1,132</b>
<b>Net assets / (liabilities)</b>	<b>87,378</b>	<b>(700)</b>	-	-	-	<b>86,678</b>

### 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
	<b>298,545</b>	<b>298,545</b>	<b>87,810</b>	<b>87,810</b>

(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%
	<b>100.00%</b>	<b>100.00%</b>

### 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
	<b>1,606</b>	<b>1,346,056</b>	<b>100.00%</b>	<b>1,186</b>	<b>603,998</b>	<b>100.00%</b>

## 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