



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	Sonari 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

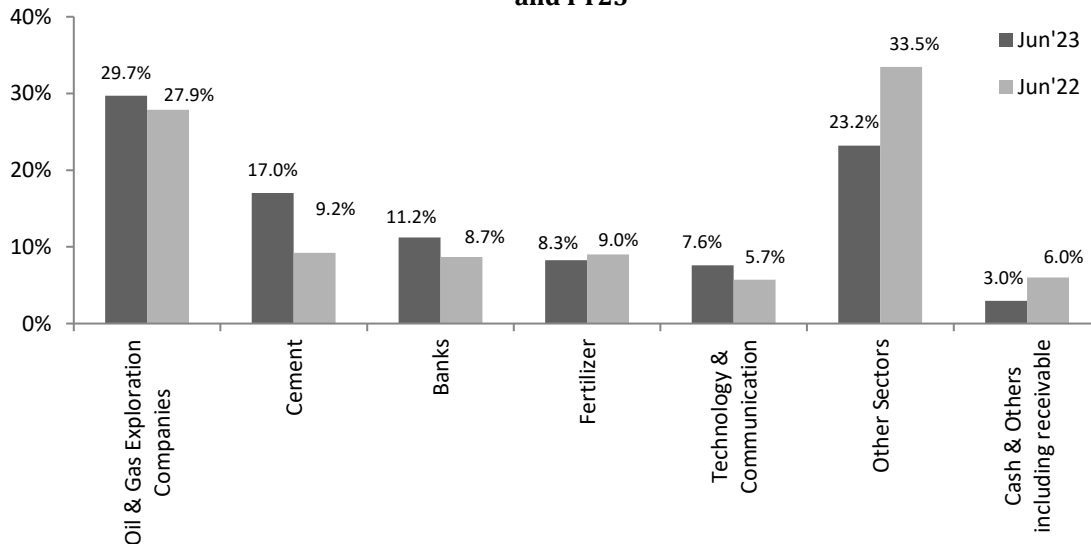
The objective of MTPF is to provide participants with a Shariah-compliant saving mechanism whereby they can save from their current income in order to gain benefits of an income stream after retirement or disability when other income avenues have been exhausted.

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:

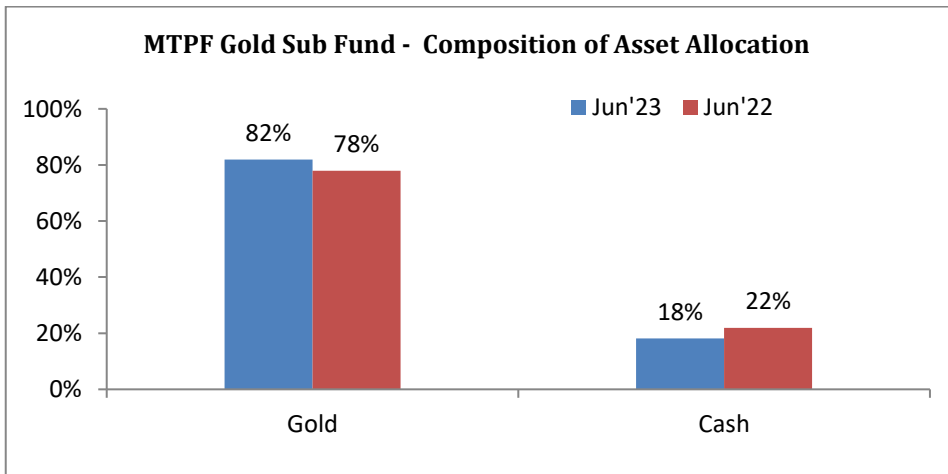
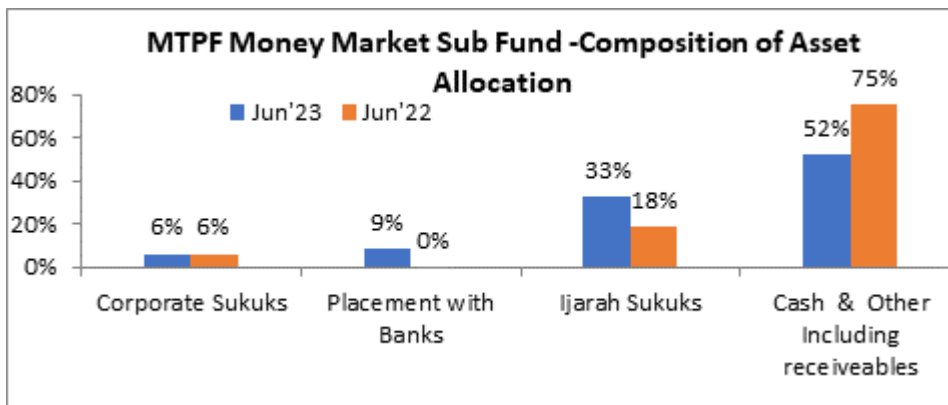
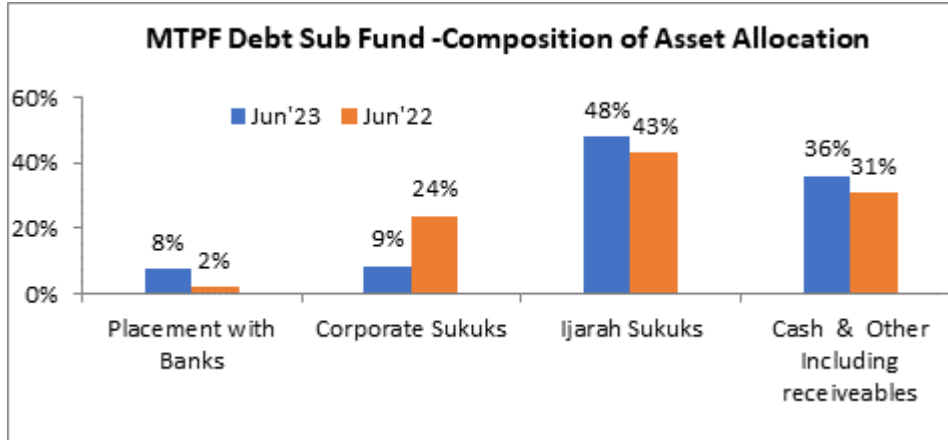
Allocation Scheme	Equity (%)	Debt (%)	Money Market (%)
High Volatility	80	20	0
Medium Volatility	50	40	10
Low Volatility	25	60	15
Lower Volatility	0	50	50

MTPF -Equity Sub Fund - Sector Asset Allocation for the year ended FY22 and FY23





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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



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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

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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**

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CDC House, 99-B, Block 'B'
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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				Total	2022 Total
		Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		
(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 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			
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



Meezan
Tahaffuz Pension
Fund

	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	(1,138,206)	(424,590)	2,851,126	160,792	1,449,122	525,248
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)		(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									
	5.2.1.1 & 5.2.3	110,000	-	-	110,000	587,400	587,400	-	11.18
	5.2.1.1 & 5.2.3	92,000	20,000	40,000	72,000	361,820	360,072	(1,748)	6.86
	5.2.1.1	-	500	-	500	49,925	49,700	(225)	0.95
	5.2.1.1	3,350	2,000	3,140	2,210	220,468	220,356	(112)	4.20
	5.2.1.1	3,500	4,500	3,500	4,500	447,840	446,662	(1,178)	8.50
	5.2.1.1	2,000	2,000	4,000	-	-	-	-	-
	5.2.1.1	2,500	-	-	2,500	240,000	225,208	(14,792)	4.29
	5.2.1.1	-	11,200	6,500	4,700	469,662	468,747	(915)	8.93
	5.2.1.1	-	1,000	835	165	16,500	16,518	18	0.31
	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 contributors to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 03, 2012. Therefore, in accordance with the requirement of SECP's circular No. 33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy, amount of Rs. 1.542 million (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
	----- (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) -----						
Al Meezan Investment Management Limited						
(Al 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) -----						
Al Meezan Investment Management Limited						
(Al 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:

Financial assets exposed to credit risk	2023	2022
	(Rupees in '000)	
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>
----- (Rupees in '000) -----					
	2022				Total
	Maturity up to				
	Three months	Six months	One year	More than one year	
----- (Rupees in '000) -----					
Financial liabilities					
Payable to Pension Fund Manager	2,575	-	-	-	2,575
Payable to Trustee	872	-	-	-	872
Payable to auditors	272	-	-	-	272
Payable against purchase of investments	13,579	-	-	-	13,579
Payable against withdrawal / change of plan	10,047	-	-	-	10,047
Accrued expenses and other liabilities	9,646	-	-	-	9,646
	<u>36,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,991</u>
Net assets attributable to redeemable units	<u>14,078,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,078,134</u>

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

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,

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