



**Al Meezan**  
Investment Management Ltd.

# MEEZAN

## GOLD FUND (MGF)

Meezan Gold Fund is Pakistan's first Shariah Compliant Gold Fund. It invests in gold instruments in the most efficient manner, to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner. This is done by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on the Pakistan Mercantile Exchange (PMEX).



OUR ECONOMY  
WAS LABELLED AS  
**"STABLE"**  
BY  
MOODY'S ANALYTICS



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

## CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Bank Al Habib Limited- Islamic Banking  
Faysal Bank Limited  
Sindh Bank Limited  
UBL Ameen - Islamic Banking  
Dubai Islamic Bank Limited  
Meezan Bank Limited

## LEGAL ADVISER

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

## TRANSFER AGENT

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

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**MEEZAN GOLD FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2021**



**Meezan  
Gold Fund**

		<b>September 30, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2021 (Audited)</b>
	<b>Note</b>		
<b>Assets</b>			
Balances with banks	5	95,136	99,260
Investment in gold	6	393,516	396,272
Receivable against conversion of units		192	616
Advances and other receivables		2,304	2,321
<b>Total assets</b>		<u>491,148</u>	<u>498,469</u>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company	8	1,053	1,091
Payable to Central Depository Company of Pakistan Limited - Trustee		78	79
Payable to the Securities and Exchange Commission of Pakistan		25	101
Payable to Meezan Bank Limited		20	-
Payable against conversion and redemption of units		511	18
Accrued expenses and other liabilities	9	2,084	9,650
<b>Total liabilities</b>		<u>3,771</u>	<u>10,939</u>
<b>Net assets</b>		<u>487,377</u>	<u>487,530</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>487,377</u>	<u>487,530</u>
<b>Contingencies and commitments</b>	7		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<u>5,823,419</u>	<u>5,829,208</u>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<u>83.6927</u>	<u>83.6357</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN GOLD FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

		<b>September 30,</b>	
		<b>2021</b>	<b>2020</b>
		<b>(Rupees in '000)</b>	
	<b>Note</b>		
<b>Income</b>			
Profit on balances with banks		664	1,927
Price adjustment charges		1,132	666
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	11	5,068	-
		6,864	2,593
Net unrealised (diminution) / appreciation on re-measurement of investment in gold	6	(2,756)	32,073
<b>Total income</b>		<b>4,108</b>	<b>34,666</b>
<b>Expenses</b>			
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	1,248	1,385
Sindh Sales Tax on remuneration of Management Company		162	180
Allocated expenses	8.2	137	138
Selling and marketing expenses	8.3	499	554
Remuneration of Central Depository Company of Pakistan Limited - Trustee		212	235
Sindh Sales Tax on remuneration of the Trustee		28	31
Annual fees to the Securities and Exchange Commission of Pakistan		25	28
Auditors' remuneration		82	99
Fees and subscription		109	112
Legal and professional charges		184	-
Bank and settlement charges		6	1
Custodian fee		1,009	1,085
Provision for Sindh Workers' Welfare Fund (SWWF)	9	-	616
<b>Total expenses</b>		<b>3,701</b>	<b>4,464</b>
<b>Net income for the quarter before taxation</b>		<b>407</b>	<b>30,202</b>
Taxation	13	-	-
<b>Net income for the quarter after taxation</b>		<b>407</b>	<b>30,202</b>
<b>Allocation of net income for the quarter</b>			
Net income for the quarter after taxation		407	30,202
Income already paid on units redeemed		-	(5,008)
		<b>407</b>	<b>25,194</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	25,194
- Excluding capital gains		407	-
		<b>407</b>	<b>25,194</b>

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**MEEZAN GOLD FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	<b>September, 30</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>Net income for the quarter after taxation</b>	407	30,202
Other comprehensive income for the quarter	-	-
<b>Total comprehensive income for the quarter</b>	<u>407</u>	<u>30,202</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**MEEZAN GOLD FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	2021			2020		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the quarter	367,432	120,098	487,530	429,142	118,804	547,946
Issue of 674,824 units (2020: nil units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	56,439	-	56,439	-	-	-
- Element of income	579	-	579	-	-	-
Total proceeds on issuance of units	57,018	-	57,018	-	-	-
Redemption of 680,613 units (2020: 733,989 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	56,924	-	56,924	61,789	-	61,789
- Element of loss	654	-	654	-	5,008	5,008
Total payments on redemption of units	57,578	-	57,578	61,789	5,008	66,797
Total comprehensive income for the quarter	-	407	407	-	30,202	30,202
Distribution during the quarter	-	-	-	-	-	-
Net income for the period less distribution	-	407	407	-	30,202	30,202
<b>Net assets at end of the quarter</b>	<b>366,872</b>	<b>120,505</b>	<b>487,377</b>	<b>367,353</b>	<b>143,998</b>	<b>511,351</b>
<b>Undistributed income brought forward</b>						
- Realised Income		114,051			40,133	
- Unrealised income		6,047			78,671	
		<u>120,098</u>			<u>118,804</u>	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains		-			25,194	
- Excluding capital gains		407			-	
		<u>407</u>			<u>25,194</u>	
Distribution for the quarter		-			-	
Undistributed income carried forward		<u>120,505</u>			<u>143,998</u>	
<b>Undistributed income carried forward</b>						
- Realised income		120,505			111,925	
- Unrealised income		-			32,073	
		<u>120,505</u>			<u>143,998</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net assets value per unit at beginning of the quarter		<u>83.6357</u>			<u>84.1829</u>	
Net assets value per unit at end of the quarter		<u>83.6927</u>			<u>88.5456</u>	

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**MEEZAN GOLD FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**



**Meezan  
Gold Fund**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the quarter before taxation	407	30,202
<b>Adjustments for:</b>		
Unrealised (diminution) / appreciation on re-measurement of investment in gold	2,756	(32,073)
	<u>3,163</u>	<u>(1,871)</u>
<b>Decrease in assets</b>		
Advances and other receivables	17	353
<b>Increase/ (Decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	(38)	(343)
Payable to Central Depository Company of Pakistan Limited - Trustee	(1)	(19)
Payable to the Securities and Exchange Commission of Pakistan	(76)	(71)
Payable to Meezan Bank Limited	20	
Accrued expenses and other liabilities	(7,566)	2,169
	<u>(7,661)</u>	<u>1,736</u>
<b>Net cash (used in) / generated from operating activities</b>	<u>(4,481)</u>	<u>218</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	57,442	-
Payment against conversion and redemption of units	(57,085)	(66,906)
<b>Net cash generated from / (used in) financing activities</b>	<u>357</u>	<u>(66,906)</u>
<b>Net decrease in cash and cash equivalents during the quarter</b>	<u>(4,124)</u>	<u>(66,688)</u>
Cash and cash equivalents at beginning of the quarter	99,260	157,431
<b>Cash and cash equivalents at end of the quarter</b>	<u>5</u> <u>95,136</u>	<u>90,743</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**MEEZAN GOLD FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Gold Fund is an open ended mutual fund constituted under a Trust Deed entered into on October 15, 2014 between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, (NBFC Regulations) issued through S.R.O.1203(1)/2008 on November 21, 2008. The Fund commenced its operations from August 18, 2015. The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shariah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is an open-ended Shariah Compliant (Islamic) Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange Limited (PMEX). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency. The investments in Gold contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and / or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by Shariah advisor. Under the Trust Deed, all the conducts and acts of the fund are based on Shariah. The management company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's Offering document.
- 1.3** The Fund has been categorised as a Shariah compliant Commodity Scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 13, 2015 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2020 (2020: AM1 dated December 31, 2019) and PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund. The fund is listed on Pakistan Stock Exchange Limited.
- 1.6** 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 PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement Of Compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2021.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2021.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2021.

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

		September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>5. BALANCES WITH BANKS</b>	<b>Note</b>		
In saving accounts	5.1	95,136	99,166
In current accounts		-	94
		95,136	99,260

5.1 The balance in saving accounts have an expected profit ranging from 1.50% to 6.90% per annum (June 30, 2021: 1.50% to 7.00% per annum).

		September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>6. INVESTMENTS</b>	<b>Note</b>		
Investment in gold	6.1	393,516	396,272

## 6.1 Investment in gold

Commodity	As at July 1, 2021	Purchases during the quarter	Sales during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised gain / (loss)	Percentage in relation to Net assets of the Fund
	----- (Tola) -----				----- (Rupees in '000) -----			--- (%) ---
TOLAGOLD	3,675	-	-	3,675	394,662	391,917	(2,745)	80.41%
MITOLA	15,000	-	-	15,000	1,610	1,599	(11)	0.33%
<b>Total as at September 30, 2021</b>					<b>396,272</b>	<b>393,516</b>	<b>- 2,756</b>	

- 6.1.1** The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX under their custody in the vaults of a commercial bank.
- 6.1.2** The investment in gold of Rs 393.516 million (June 30, 2021: Rs 396.272 million) has been measured at fair value based on the quoted market price in active markets.

## 7. CONTINGENCIES AND COMMITMENTS

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

	Note	September 30, 2021	June 30, 2021
		(Unaudited)	(Audited)
-----Rupees in 000-----			
<b>8. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED- MANAGEMENT COMPANY</b>			
Management fee payable	8.1	404	409
Sindh Sales Tax on Management fee payable Management Company		53	53
Allocated expenses payable	8.2	44	45
Sales load payable		47	87
Sindh Sales Tax Payable on sales load		6	11
Selling and marketing expenses payable	8.3	499	486
		<u>1,053</u>	<u>1,091</u>

- 8.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (June 30, 2021: 1%) per annum of the average net assets of the Fund during the quarter ended September 30, 2021. The remuneration is payable to the Management Company monthly in arrears.
- 8.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).  
  
The management company based on its own discretion has currently fixed a maximum capping of 0.11% of the average annual net assets of the scheme for allocation of such expenses to the Fund.
- 8.3** The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 0.4% of the average annual net assets of the Fund which has also been approved by the Board.



**September 30,  
2021  
(Unaudited)  
(Rupees in '000)**

**June 30,  
2021  
(Audited)**

**9. ACCRUED EXPENSES AND OTHER LIABILITIES**

**Note**

Auditor's remuneration		257	175
Custodian fee payable		718	3,316
Provision for Sindh Worker's Welfare Fund (SWWF)	9.1	-	5,067
Withholding tax payable		-	31
Capital gain tax payable		156	189
Shariah advisory fee payable		242	161
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	414	414
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	297	297
		<u>2,084</u>	<u>9,650</u>

**9.1** SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021. Provisioning against SWWF amounting to Rs. 5 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 0.86 (1.04%) per unit. This was one-off event and is not likely to be repeated in the future.

**9.2** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30,2021. Had the provision for Federal Excise Duty not being made, the Net Asset Value of the Fund as at September 30, 2021 would have been higher by Re 0.12 (June 30, 2021: Re 0.12) per unit.

**10. TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 2.97% which includes 0.17% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 3% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as a Commodity Scheme.

**11. PRICE ADJUSTMENT CHARGES**

Securities and Exchange Commission of Pakistan (SECP) vide Circular no.40 SCD/AMCW/ MGF/63/2017 dated June 14, 2017, allowed the fund to charge price adjustment charges. Price adjustment charge is a difference between the offer price and the bid price from the closing price of the Gold transactions (contract) available at PMEX, which is added to and deducted from the NAV to determine Offer and Redemption prices respectively. Such charges form part of Fund Property.

Currently, price adjustment charges added / deducted to form NAV of the fund to determine offer / redemption price is 1% of NAV.

**12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

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

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

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

	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited) (Rupees in '000)
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	404	409
Sindh Sales Tax on management fee payable	53	53
Sales load payable	47	87
Sindh Sales Tax on sales load payable	6	11
Selling and marketing expenses payable	499	486
Allocated expenses payable	44	45
<b>Meezan Bank Limited</b>		
Sales load payable	18	-
Sindh Sales Tax on sales load payable	2	-
Bank balance	90,046	94,281
Profit receivable on saving account	178	171
Investment of 1,084,712 units (June 30, 2021: 1,084,712 units)	90,782	90,721
Shariah advisor fee payable	242	161
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	69	70
Sindh Sales Tax on trustee fee payable	9	9
<b>Directors and Executives of the Management Company</b>		
Investment of 545,003 units (June 30, 2021: 533,642 units)	45,613	44,632

	September 30, 2021 (Unaudited) (Rupees in '000)	2020 (Unaudited) (Rupees in '000)
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the quarter	1,248	1,385
Sindh Sales Tax on management fee for the quarter	162	180
Allocated expenses	137	138
Selling and marketing expense	499	554
<b>Meezan Bank Limited</b>		
Profit on saving account	578	61
Shariah Advisor fee	81	100
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration for the quarter	212	235
Sindh Sales Tax on trustee fee for the quarter	28	31
<b>Directors and Executives of the Management Company</b>		
Units issued: 11,398 units (September 30, 2020: Nil units)	965	-
Units redeemed: 37 units (September 30, 2020: 38 units)	3	3

### 13. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unitholders.



The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in Finance Act, 2015 is also not applicable on funds as Section 4B of Income Tax Ordinance, 2001.

#### 14. 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

##### Fair value hierarchy

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

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

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

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

Investments in gold are non-financial assets and the fair value is disclosed in note 6.1 to these financial statements.

As at September 30, 2021, the Fund does not hold any asset which required fair valuation.

#### 15. GENERAL

Figures have been rounded off to the nearest thousand rupees.

#### 16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 11, 2021 by the Board of Directors of the Management Company.

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director