

NAVIGATION ACROSS NATION

Al Meezan's expansive network navigates across the nation, offering our services through 25 branches in 13 major cities, alongside over 1,000 branches of Meezan Bank in over 300 cities. We are committed to reaching you wherever you are!

Meezan Dedicated Equity Fund



The investment objective of the Fund is to provide Fund of Funds scheme a dedicated equity platform to seek long term capital appreciation.



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Irfan Siddiqui	Chairman
Mr. Ahmed Iqbal Rajani	Non-Executive Nominee Director- PKIC
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Imtiaz Gadar	Chief Executive Officer
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Syed Amir Ali	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj*	Non-Executive Nominee Director- MBL
Syed Imran Ali Shah**	Non-Executive Nominee Director- MBL

* Mr. Tariq Mairaj resigned from the Board on September 10, 2024.

** Syed Imran Ali Shah appointed as Director on September 18, 2024.

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Syed Haseeb Ahmed Shah

BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Ahmed Iqbal Rajani	Member
Syed Imran Ali Shah*	Member

* Syed Imran Ali Shah appointed as Member on September 18, 2024.

BOARD RISK MANAGEMENT COMMITTEE

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

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Irfan Siddiqui	Chairman
Mr. Furquan R. Kidwai	Member
Mr. Imtiaz Gadar	Member
Mr. Saad Ur Rahman Khan	Member

BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Imtiaz Gadar	Member
Mr. Faiz Ur Rehman	Subject Matter Expert

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

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

BANKERS TO THE FUND

Al Baraka Bank Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited- Islamic Banking
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE FUND MANAGER Meezan Dedicated Equity Fund

Type of Fund

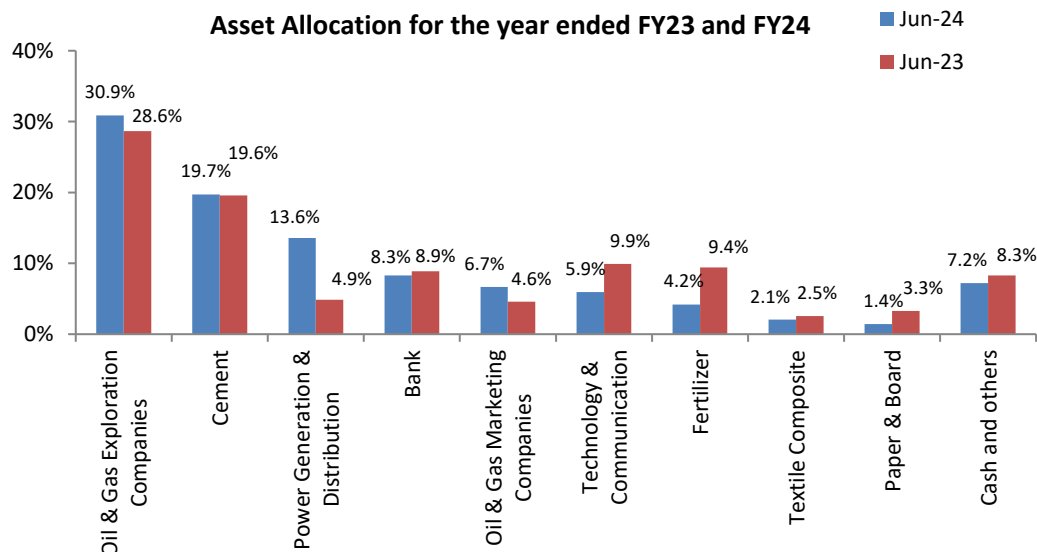
Open end Shariah Compliant Equity Scheme

Objective

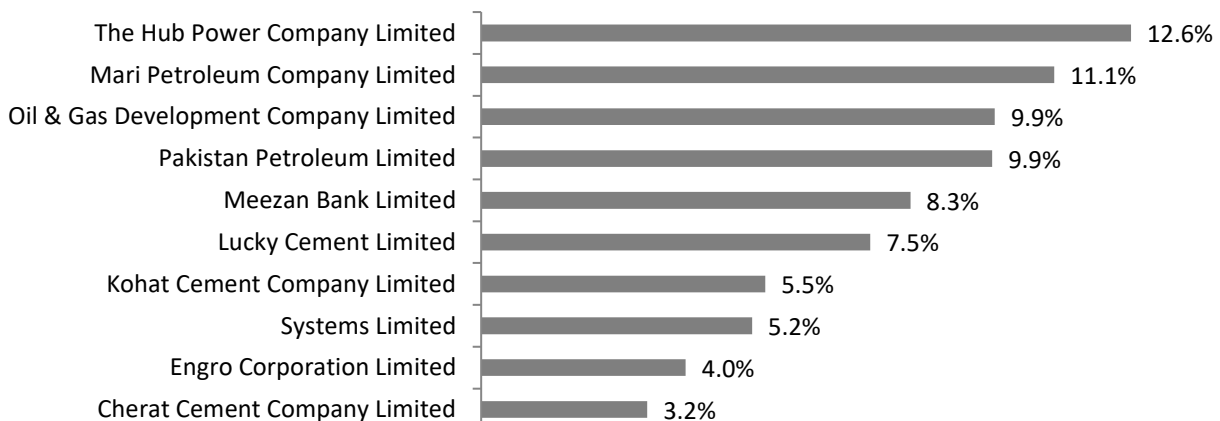
The investment objective of the fund is to provide Fund of Funds schemes a dedicated equity platform to seek long term capital appreciation.

Investment Policy

It primarily invests in Shariah compliant listed equity securities or securities whose listing has been approved by the exchange. In case the fund manager expects the stock market to drop, based on his analysis of macroeconomic factors such as interest rates, economic growth rates, political climate, corporate earnings, stock market valuations, etc., the portfolio may be temporarily allocated to other allowable asset classes, subject to the prescribed limits.



Top Holdings





Pure. Profit.



Performance Review

During fiscal year 2024, Meezan Dedicated Fund (MDEF) provided a positive return of 74.90% to its investors while KSE Meezan Index (KMI 30) – Benchmark depreciated by 78.70% to close at 126,424 pts.

	MDEF	KMI-30 (Benchmark)
Net Asset Value (NAV) as on June 30, 2023 – Rs.	39.99	70,748
Net Asset Value (NAV) as on June 30, 2024 – Rs.	67.70	126,424
Change (Points)	27.70	55,676
Return During the Period	74.90%	78.70%

MDEF posted a total income of Rs. 244 million in FY24. Total income comprised of realised gain and unrealized gain on investments of Rs. 91 million and Rs. 125 million respectively. Dividend income contributed Rs. 27 million to income while profit on saving accounts with banks amounted to Rs. 1 million. After accounting for expenses of Rs. 14 million, the Fund posted a net income of Rs. 229 million. The net assets of the Fund as at June 30, 2024 were Rs. 385 million as compared to Rs. 406 million at the end of last year depicting a decrease of 5%. The net asset value per unit as at June 30, 2024 was Rs. 67.6969 as compared to Rs. 39.9919 per unit as on June 30, 2023.

Charity Statement

The Fund purifies the income earned by setting aside an amount payable by the Management Company out of the income of the Trust to charitable/welfare organizations, in consultation with Shariah Advisor, representing income that is Haram. During the year ended June 30, 2024 an amount of Rs. 0.94 million was accrued as charity payable.

Distributions

An interim distribution in the form of cash dividend by the Fund during the fiscal year ended June 30, 2024 was Rs. 2.25 per unit (4.50%). Total distribution made by the Fund was Rs. 12.36 million.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size

(As on June 30, 2024)

Range (Units)	No. of Investors
1 - 9,999	1
10,000 - 49,999	0
50,000 - 99,999	0
100,000 - 499,999	1
500,000 and above	6
Total	8



Pure. Profit.



Summary of Actual Proxy Voted By the Fund

	Resolutions	For	Against	Abstain
Number	9	9	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

Jamia Darul Uloom Karachi

Korangi Industrial Area Karachi, Pakistan

Postal Code 75180

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Fax: +92 21 5040234

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Report of the Shariah Advisor – Meezan Dedicated Equity Fund (MDEF)

July 23, 2024/Muharram 16, 1446 AH

Alhamdulillah, the period from July 1, 2023 to June 30, 2024 was the **Seventh** year of operations of **Meezan Dedicated Equity Fund** (the “**MDEF**” or the “**Fund**”) under management of Al Meezan Investment Management Limited (the “**Al Meezan**” or the “**Management Company**”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “**Report**”) in accordance with the Trust Deed of the Fund. The scope of the Report is to express an opinion on the Shariah compliance of the Fund’s activity.

In the capacity of Shariah Advisor, Guidelines and policies for Shariah compliant equity investments have been issued to the Fund. Management Company must adhere the guidelines and policies issued by Shariah Advisor. Criteria for Shariah compliance of equity investments includes (i) Nature of business should be *halal*; (ii) Ratio of interest-bearing debt to total assets should be less than 37%; (iii) Ratio of investment in Shariah non-compliant activities to total assets should be less than 33%; (iv) Ratio of Shariah non-compliant income to gross revenue should be less than 5%; (v) Illiquid assets to total assets should be at least 25% and (vi) Market price per share should be at least equal to or greater than net liquid assets per share. In addition to the above criteria, day trading, short sell and trading of right shares (LOR) before subscription are not allowed.

It is also 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 Shariah Advisor’s guidelines.

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, 2024 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.

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

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

Head Office:

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

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TRUSTEE REPORT TO THE UNIT HOLDERS

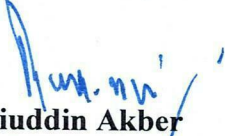
MEEZAN DEDICATED EQUITY FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Dedicated Equity Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Securities and Exchange Commission of Pakistan (SECP) and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

For the attention of unit holders, during an onsite inspection of the Management Company, the SECP identified certain matters related to the charging and allocation of selling and marketing expenses to the Fund. Accordingly, the Management Company, following the guidance and interpretation provided by the SECP, has issued units to the entitled unit holders.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2024

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Meezan Dedicated Equity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meezan Dedicated Equity Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (Refer note 6 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2024 amounted to Rs. 380.14 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: - Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; - Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.



A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



Other Matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 26, 2023.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Dated: September 16, 2024
Karachi
UDIN: AR202410081Ee4gTMuAY

MEEZAN DEDICATED EQUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
Assets			
Balances with banks	5	1,979	5,121
Investments	6	380,142	393,668
Dividend receivable		83	291
Receivable against sale of investments		2,126	7,259
Receivable Against Al Meezan Investment Management Limited - Management Company	7	411	-
Advances, deposits and other receivable	8	2,570	2,991
Total assets		387,311	409,330
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	9	163	731
Payable to Central Depository Company of Pakistan Limited - Trustee	10	142	76
Payable to the Securities and Exchange Commission of Pakistan	11	63	128
Accrued expenses and other liabilities	12	2,084	2,576
Total liabilities		2,452	3,511
Net assets		384,859	405,819
Unit holders' fund (as per statement attached)		384,859	405,819
Contingencies and commitments	13		
		(Number of units)	
Number of units in issue		5,685,035	10,147,539
		(Rupees)	
Net asset value per unit		67.6969	39.9919

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN DEDICATED EQUITY FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
Income			
Profit on savings accounts with banks		1,043	2,092
Dividend income		26,566	57,421
Net realised gain / (loss) on sale of investments		91,329	(34,167)
		118,938	25,346
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	124,668	(5,116)
Total income		243,606	20,230
Expenses			
Remuneration of Al Meezan Investment Management Limited - Management Company	9.1	8,009	12,791
Sindh Sales Tax on remuneration of the Management Company	9.2	1,041	1,663
Allocated expenses	9.3	271	704
Selling and marketing expenses	9.4	-	2,558
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	801	1,279
Sindh Sales Tax on remuneration of the Trustee	10.2	104	166
Annual fees to the Securities and Exchange Commission of Pakistan	11.1	380	128
Brokerage expense		1,217	1,613
Charity expense	12.1	942	2,061
Auditors' remuneration	14	500	337
Printing expense		-	1
Fees and subscription		528	542
Bank and settlement charges		429	444
Total expenses		14,222	24,287
Net income / (loss) for the year before taxation		229,384	(4,057)
Taxation	16	-	-
Net income / (loss) for the year after taxation		229,384	(4,057)
Allocation of net income for the year			
Net income for the year after taxation		229,384	-
Income already paid on units redeemed		(64,792)	-
		164,592	-
Accounting income available for distribution			
- Relating to capital gains		164,592	-
- Excluding capital gains		-	-
		164,592	-

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN DEDICATED EQUITY FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
	----- (Rupees in '000) -----	
Net income / (loss) for the year after taxation	229,384	(4,057)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>229,384</u>	<u>(4,057)</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2024



Meezan
Dedicated Equity
Fund

	2024			2023		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)					
Net assets at the beginning of the year	1,149,999	(744,180)	405,819	1,492,954	(740,123)	752,831
Issue of 368,091 units (2023: 1,237,562 units)						
- Capital value (at net asset value per unit at the beginning of the year)	14,721	-	14,721	49,770	-	49,770
- Element of income	6,159	-	6,159	780	-	780
Total proceeds on issuance of units	20,880	-	20,880	50,550	-	50,550
Redemption of 4,830,595 units (2023: 9,809,650 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(193,184)	-	(193,184)	(394,506)	-	(394,506)
- Element of income / (loss)	(868)	(64,792)	(65,660)	1,001	-	1,001
Total payments on redemption of units	(194,052)	(64,792)	(258,844)	(393,505)	-	(393,505)
Total comprehensive income / (loss) for the year	-	229,384	229,384	-	(4,057)	(4,057)
Refund of Capital	(15)	-	(15)	-	-	-
Distribution during the year	-	(12,365)	(12,365)	-	-	-
Net income / (loss) for the year less distribution	(15)	217,019	217,004	-	(4,057)	(4,057)
Net assets at the end of the year	976,812	(591,953)	384,859	1,149,999	(744,180)	405,819
Accumulated loss brought forward						
- Realised loss		(739,064)			(616,727)	
- Unrealised loss		(5,116)			(123,396)	
		(744,180)			(740,123)	
Accounting income available for distribution						
- Relating to capital gains	164,592			-		
- Excluding capital gains	-			-		
	164,592			-		
Net loss for the year after taxation		-			(4,057)	
Distribution during the year @ Rs. 4.00 per unit (2023: Nil) declared on June 28, 2024		(12,365)			-	
Accumulated loss carried forward		(591,953)			(744,180)	
Accumulated loss carried forward						
- Realised loss		(716,621)			(739,064)	
- Unrealised income / (loss)		124,668			(5,116)	
		(591,953)			(744,180)	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		39.9919			40.2161	
Net asset value per unit at the end of the year		67.6969			39.9919	

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN DEDICATED EQUITY FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024



Meezan
Dedicated Equity
Fund

	Note	2024	2023
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year before taxation		229,384	(4,057)
Adjustments for:			
Net unrealised (appreciation) / diminution on re-measurement of investments classified 'financial assets at fair value through profit or loss'	6.2	(124,668)	5,116
		104,716	1,059
Decrease in assets			
Investments - net		138,194	323,599
Dividend Receivable		208	(236)
Receivable Against Al Meezan Investment Management Limited - Management Company		(411)	-
Receivable against sale of investments		5,133	(5,268)
Advances, deposits and other receivable		421	181
		143,545	318,276
Decrease in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		(568)	135
Payable to Central Depository Company of Pakistan Limited - Trustee		66	(65)
Payable to the Securities and Exchange Commission of Pakistan		(65)	(48)
Payable against purchase of investments		-	(1,377)
Accrued expenses and other liabilities		(492)	697
		(1,059)	(658)
Net cash generated from operating activities		247,202	318,677
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units - net of refund of capital		20,865	50,550
Payment against redemption and conversion of units		(258,844)	(393,505)
Dividend Paid		(12,365)	-
Net cash used in from financing activities		(250,344)	(342,955)
Net decrease in cash and cash equivalents during the year		(3,142)	(24,278)
Cash and cash equivalents at the beginning of the year		5,121	29,399
Cash and cash equivalents at the end of the year	5	1,979	5,121

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Dedicated Equity Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on October 9, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 18, 2017 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

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

- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open-end Shariah Compliant Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 29, 2023 (2023: 'AM1' dated December 30, 2022) and by PACRA dated June 21, 2024 (2023: 'AM1' dated June 23, 2023). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

3.4 Critical accounting estimates and judgments

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

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

3.5 Accounting convention

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

3.6 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial assets

4.2.1 Initial recognition and measurement

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

4.2.2 Classification and subsequent measurement

4.2.2.1 Equity instruments

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

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

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

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

4.2.3 Impairment (other than debt securities)

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

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

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

4.2.4 Regular way contracts

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

4.2.5 Derecognition

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

4.3 Financial liabilities

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

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

4.4 Offsetting of financial assets and financial liabilities

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

4.5 Provisions

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

4.6 Net asset value per unit

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

4.7 Issue and redemption of units

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

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

4.8 Distribution to unit holders

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

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

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

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

4.10 Revenue recognition

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

4.11 Expenses

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

4.12 Taxation

Current

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

Deferred

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

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

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

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

4.13 Earnings / (loss) per unit

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

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

4.14 Foreign currency translation

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

5	BALANCES WITH BANKS	Note	2024 (Rupees in '000)	2023
	Balances with banks in:			
	Savings accounts	5.1	1,507	2,781
	Current accounts	5.2	472	2,340
			<u>1,979</u>	<u>5,121</u>
5.1	This includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 11.01% (2023: 10%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 8.00% to 19.25% (2023: 4.00% to 15.50%) per annum.			
5.2	This includes a balance maintained with Meezan Bank Limited (a related party).			
6	INVESTMENTS	Note	2024 (Rupees in '000)	2023
	Investment at 'fair value through profit or loss'			
	Investment in Equity Securities - listed	6.1	<u>380,142</u>	<u>393,668</u>

6.1 Investment in Equity Securities - listed

Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus / right shares	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation/(diminution) as at June 30, 2024	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
	(Number of shares)					(Rupees in '000)			%		
Automobile Assembler											
Pak Suzuki Motor Company Limited	-	35,000	-	35,000	-	-	-	-	-	-	-
Sazgar Engineering Works Limited*	-	2,500	-	-	2,500	1,751	2,081	330	0.54	0.55	-
									0.54	0.55	-
Automobile Parts and Accessories											
Thal Limited (note 6.1.1)	-	20,000	-	20,000	-	-	-	-	-	-	-
Commercial Banks											
BankIslami Pakistan Limited	652,000	502,000	-	1,154,000	-	-	-	-	-	-	-
Meezan Bank Limited (a related party of the Fund)	286,873	-	-	152,000	134,873	11,649	32,287	20,638	8.39	8.49	0.01
									8.39	8.49	0.01
Cement											
Cherat Cement Company Limited	92,889	58,692	-	75,000	76,581	11,111	12,493	1,381	3.25	3.29	0.04
D.G. Khan Cement Company Limited	-	125,000	-	50,000	75,000	6,088	6,770	682	1.76	1.78	0.02
Fauji Cement Company Limited	108,750	381,500	-	308,750	181,500	3,614	4,158	544	1.08	1.09	0.01
Kohat Cement Company Limited	164,670	-	-	79,352	85,318	14,800	21,366	6,566	5.55	5.62	0.04
Lucky Cement Ltd	53,900	8,000	-	29,626	32,274	17,873	29,264	11,391	7.60	7.70	0.01
Maple Leaf Cement Ltd.	236,000	150,000	-	315,000	71,000	2,470	2,698	228	0.70	0.71	0.01
Pioneer Cement Limited	50,000	-	-	50,000	-	-	-	-	-	-	-
									19.94	20.19	0.13
Chemical											
Lucky Core Industries Limited	11,200	-	-	5,500	5,700	3,444	5,298	1,854	1.38	1.39	0.01
Engineering											
International Steels Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	45,943	-	-	45,943	-	-	-	-	-	-	-
									-	-	-
Fertilizer											
Engro Corporation Limited (note 6.1.2)	35,782	178,000	-	213,782	-	-	-	-	-	-	-
Engro Fertilizers Limited	137,034	2,222	-	93,011	46,245	12,084	15,386	3,302	4.00	4.05	0.01
Fauji Fertilizer Bin Qasim Limited*	-	50,000	-	25,000	25,000	888	887	(1)	0.23	0.23	-
									4.23	4.28	0.01
Food & Personal Care Product											
At-Tahur Limited	47,120	-	-	47,120	-	-	-	-	-	-	-
National Foods Limited (note 6.1.1)	13,000	19,000	-	32,000	-	-	-	-	-	-	-
The Organic Meat Company Limited*	185,375	3,037	-	185,679	2,733	52	96	45	0.02	0.03	-
									0.02	0.03	-
Glass & Ceramics											
Tariq Glass Industries Limited	-	32,936	-	15,000	17,936	2,067	2,090	23	0.54	0.55	0.01
Leather & Tanneries											
Service GlobalFootwear Limited	24,113	-	-	-	24,113	672	1,788	1,116	0.46	0.47	0.01
Miscellaneous											
Pakistan Aluminum Beverage Cans Limited	30,000	45,000	-	56,448	18,552	942	1,370	428	0.36	0.36	0.01
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	30,171	2,000	-	16,281	15,890	25,329	43,099	17,770	11.20	11.34	0.01
Oil & Gas Development Company Limited (note 6.1.2)	475,420	192,000	-	382,000	285,420	27,063	38,637	11,574	10.04	10.16	0.01
Pakistan Oilfields Limited	4,221	-	-	4,221	-	-	-	-	-	-	-
Pakistan Petroleum Limited	554,244	160,000	-	386,000	328,244	24,653	38,441	13,787	9.99	10.11	0.01
									31.23	31.61	0.03
Oil and Gas Marketing Companies											
Attock Petroleum Limited*	12000	-	-	7,000	5,000	1,501	1,931	430	0.50	0.51	-
Pakistan State Oil Company Limited (note 6.1.3)	72,072	60,000	-	59,000	73,072	9,548	12,145	2,597	3.16	3.19	0.02
Sui Northern Gas Pipelines Limited	182,150	130,000	-	125,000	187,150	8,946	11,878	2,933	3.09	3.12	0.03
									6.75	6.83	0.05

Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus / right shares	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation/(diminution) as at June 30, 2024	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
(Number of shares)					(Rupees in '000)			%			
Paper and Board											
Century Paper and Board Mills Limited	250,470	50,000	-	250,470	50,000	1,529	1,498	(32)	0.39	0.39	0.01
Packages Limited	16,134	2,000	-	10,510	7,624	3,128	4,082	954	1.06	1.07	0.01
									1.45	1.47	0.02
Pharmaceuticals											
The Searle Company Limited	-	75,000	-	35,000	40,000	2,286	2,285	(1)	0.59	0.60	0.01
Real Estate											
TPL Reit Fund I*	-	57,000	-	3,000	54,000	950	810	(140)	0.21	0.21	-
Property											
TPL Properties Limited	110,000	-	-	110,000	-	-	-	-	-	-	-
Power Generation & Distribution											
K-Electric Limited (note 6.1.1)	-	1,800,000	-	950,000	850,000	4,114	3,936	(179)	1.02	1.04	0.01
Lalpir Power Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
Nishat Chunian Power Limited	-	175,000	-	175,000	-	-	-	-	-	-	-
The Hub Power Company Limited	286,655	235,000	-	222,000	299,655	26,831	48,868	22,036	12.70	12.86	0.02
									13.72	13.89	0.03
Refinery											
Attock Refinery Limited	-	27,500	-	21,000	6,500	2,108	2,285	177	0.59	0.60	0.01
Cnergyco PK Limited	-	600,000	-	600,000	-	-	-	-	-	-	-
(Formerly Byco Petroleum Pakistan Limited)						-	-	-	-	-	-
National Refinery Limited	-	12,000	-	12,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	100,000	-	60,000	40,000	1,090	928	(162)	0.24	0.24	0.01
									0.83	0.85	0.02
Technology & Communication											
Air Link Communication Limited	-	30,000	-	-	30,000	1,980	2,665	685	0.69	0.70	0.01
Systems Limited	99,721	10,000	-	61,000	48,721	19,732	20,380	648	5.30	5.36	0.02
Supernet Limited	21,400	23,540	-	23,540	21,400	321	214	(107)	0.06	0.06	0.02
									6.05	6.12	0.05
Textile Composite											
Interloop Limited	123,324	25,000	-	35,000	113,324	4,857	8,027	3,169	2.09	2.11	0.01
Kohinoor Textile Mills Limited	119,000	-	-	119,000	-	-	-	-	-	-	-
									2.09	2.11	0.01
Total as at June 30, 2024					3,255,325	255,474	380,142	124,668	98.78	100.00	
Total as at June 30, 2023						398,784	393,668	(5,116)			

* Nil due to rounding off difference

- 6.1.1 All shares have a nominal value of Rs. 10 each except for the shares of K-Electric Limited which have a nominal value of Rs. 3.50 each and Thal Limited & National Foods Limited having a nominal value of Rs. 5 each.
- 6.1.2 Investments include 33,000 shares (2023: 103,000 shares) of Engro Corporation Limited and 120,000 shares (2023: 120,000 shares) of Oil and Gas Development Company Limited having market value of Rs. 10.979 million and Rs. 16.244 million (2023: Rs. 26.769 million and Rs. 9.360 million) respectively as at June 30, 2024, which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.3 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

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

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

As at June 30, 2024, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.270 million (2023: Rs. 0.181 million).

	Note	2024	2023
		(Rupees in '000)	
6.2 Net unrealised (diminution) / appreciation on re-measurement of investments classified 'as financial assets at fair value through profit or loss'			
Market value of investments	6.1	380,142	393,668
Less: carrying value of investments	6.1	255,474	398,784
		<u>124,668</u>	<u>(5,116)</u>
7 RECEIVABLE AGAINST AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Reimbursement from the Management Company	7.1	411	-
		<u>411</u>	<u>-</u>
7.1 This represent reimbursement in respect of selling and marketing expense.			
8 ADVANCES, DEPOSITS AND OTHER RECEIVABLE			
Profit receivable on balances with banks		135	56
Advance tax	8.1	1,296	1,296
Security deposit with Central Depository Company of Pakistan Limited		103	103
Security deposit with National Clearing Company of Pakistan Limited		1,036	1,536
		<u>2,570</u>	<u>2,991</u>
8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during prior years, withholding tax on dividend and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on dividends and profit on bank deposits amounts to Rs 1.296 million.			

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2024 (Rupees in '000)	2023
9 PAYABLE TO AI MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	9.1	101	173
Sindh Sales Tax payable on remuneration of the Management Company	9.2	13	22
Allocated expenses payable	9.3	49	86
Selling and marketing expenses payable	9.4	-	450
		<u>163</u>	<u>731</u>

- 9.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2023: 2%) per annum of the average annual net assets of the Fund during the year ended June 30, 2024. The remuneration is payable to the Management Company monthly in arrears.
- 9.2 Sindh Sales Tax on remuneration of the Management Company has been levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2023: 13%)
- 9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses for registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its own discretion, has charged such expenses at the following rates during the year ended June 30, 2024, subject to total expense charged being lower than actual expense incurred:

Rate applicable from July 01, 2023 to January 31, 2024	Rate applicable from February 01, 2024 to June 30, 2024	Rate applicable from July 01, 2022 to June 30, 2023
0.11% of the average annual net assets of the Fund	0% of the average annual net assets of the Fund	0.11% of the average annual net assets of the Fund

- 9.4 In accordance with Circular 11 dated July 5, 2019 issued by the SECP with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 0% (2023: 0.4%) per annum of the average annual net assets of the Fund during the year ended June 30, 2024, subject to total expense charged being lower than actual expense incurred.
- 9.5 During the year, SECP carried out routine offsite review and onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling and marketing expenses to the funds under its management. As a result of this inspection, SECP recommended changes in the mechanism of chargeability of selling and marketing expenses to the fund. As agreed with SECP, the Management Company has refunded an aggregate amount of Rs. 6.09 million to the identified unit holders through the issuance of additional units of the Fund subsequent to the year end. There is no impact of this refund on Net Assets Value of the Fund as at June 30, 2024.

	Note	2024 (Rupees in '000)	2023
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable	10.1	126	67
Sindh Sales Tax payable on remuneration of the Trustee	10.2	16	9
		<u>142</u>	<u>76</u>

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

Net assets (Rs.)	Fee
- Up to Rs 1,000 million	Rs. 0.7 million or 0.20% p.a. of net assets, whichever is higher.
- Over Rs. 1,000 million	Rs. 2 million plus 0.1% per annum of net assets exceeding Rs 1,000 million.

- 10.2 Sindh Sales Tax on remuneration of Trustee levied through Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (June 30, 2023: 13%).

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2024 (Rupees in '000)	2023
	Fee Payable	10.1	63	128

- 11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.095% (2023: 0.02%) per annum of the daily net assets during the year.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2024 (Rupees in '000)	2023
	Auditors' remuneration payable		387	225
	Shariah advisor fee payable		475	247
	Charity payable	12.1	933	2,061
	Brokerage payable		289	43
			<u>2,084</u>	<u>2,576</u>

- 12.1 According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund.

Accordingly, during the year ended June 30, 2024, non-Shariah Compliant income amounting to Rs 0.942 million (2023: Rs 2.061 million) was charged as an expense in the books of the Fund, and Rs 2.070 million was disbursed to following charitable welfare organisations respectively:

S. No.	Charitable Organisations	Amount Rupees in '000
1	Karachi Down Syndrome Program	1,500
2	Ihsan Trust	570
	Total	<u><u>2,070</u></u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2024.

14	AUDITORS' REMUNERATION	2024 (Rupees in '000)	2023
	Annual audit fee	242	241
	Fee for half yearly review of condensed interim financial statements	85	79
	Out of pocket expenses and Sindh Sales Tax	123	17
	Fee for other Certification	50	-
		<u>500</u>	<u>337</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2024 based on current year results is 3.55% (2023: 3.80%) which includes 0.42% (2023: 0.33%) representing government levies on the Fund such as sales taxes, fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

16 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

17.1 Connected persons / related parties 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.

17.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

Balances	2024	2023
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	101	173
Sindh Sales Tax payable on remuneration of the Management Company	13	22
Allocated expenses payable	49	86
Selling and marketing expenses payable	-	450
Reimbursement from the Management Company	411	-
Meezan Bank Limited		
Balances with bank	722	2,070
Profit receivable on savings account	7	26
Investments of 134,873 shares (2023: 286,873 shares)	32,287	24,777
Shariah advisor fee payable	475	247
Dividend receivable	14,398	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	126	67
Sindh Sales Tax payable on remuneration of the Trustee	16	9
Security deposit	103	103

Balances

National Clearing Company of Pakistan Limited
Security deposit with National Clearing Company of Pakistan Limited

2024 **2023**
(Rupees in '000)

1,036 1,536

Meezan Financial Planning Fund of Funds - MAAP I
Investment of 780,483 units (2023: 878,913 units)

52,836 35,149

Meezan Strategic Allocation Fund - MSAP - I
Investment of 1,054,075 units (2023: 2,153,430 units)

71,358 86,120

Meezan Strategic Allocation Fund - MSAP - II
Investment of 7,786 units (2023: 784,517 units)

527 31,374

Meezan Strategic Allocation Fund - MSAP - III
Investment of 852,054 units (2023: 1,160,894 units)

57,681 46,426

Meezan Strategic Allocation Fund - MSAP - IV
Investment of 548,859 units (2023: 828,360 units)

37,156 33,128

Meezan Strategic Allocation Fund - MSAP - V
Investment of 109,321 units (2023: 163,741 units)

7,401 6,548

Meezan Strategic Allocation Fund - MCPP - III
Investment of Nil units (2023: 788,936 units)

- 31,551

Meezan Strategic Allocation Fund II - MCPP - IV
Investment of 1,309,568 units (2023: 1,532,959 units)

88,654 61,306

Meezan Strategic Allocation Fund II - MCPP - V
Investment of Nil units (2023: 271,418 units)

- 10,855

Meezan Strategic Allocation Fund II - MCPP - VII
Investment of Nil units (2023: 21,094 units)

- 844

Meezan Strategic Allocation Fund III - MCPP - IX
Investment of 1,022,889 units (2023: 1,563,275 units)

69,246 62,518

Engro Fertilizers Limited*
Investment of 46,245 units (2023: Nil units)

15,386 -

Transactions during the year

2024 **2023**
(Rupees in '000)

Al Meezan Investment Management Limited - Management Company

Remuneration of the Management Company
Sindh Sales Tax on remuneration of the Management Company
Allocated expenses
Selling and marketing expenses

8,009 12,791
1,041 1,663
271 704
- 2,558

Meezan Bank Limited

Profit on savings account
Shares purchased: Nil units shares (2023: 35,000 shares)
Shares sold: 142,000 shares (2023: 80,000 shares)
Dividend income
Shariah advisor fee

160 138
- 4,099
21,416 19,876
3,426 4,224
497 514

Transactions during the year

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee

Sindh Sales Tax on remuneration of the Trustee

CDS charges

National Clearing Company of Pakistan Limited

NCCPL Charges

Meezan Financial Planning Fund of Funds - MAAP - I

Units issued: 25,099 units (2023: Nil units)

Units redeemed: 123,529 units (2023: : 344,585 units)

Meezan Strategic Allocation Fund - MSAP - I

Units issued: 33,897 units (2023: nil units)

Units redeemed: 1,133,253 units (2023: 1,049,872 units)

Meezan Strategic Allocation Fund - MSAP - II

Units issued: 185,521 units (2023: nil units)

Units redeemed: 962,252 units (2023: 133,987 units)

Refund of capital

Meezan Strategic Allocation Fund - MSAP - III

Units issued: 27,400 units (2023: nil units)

Units redeemed: 336,241 units (2023: 1,278,544 units)

Meezan Strategic Allocation Fund - MSAP - IV

Units issued: 17,650 units (2023: nil units)

Units redeemed: 297,152 units (2023: 1,036,505 units)

Meezan Strategic Allocation Fund - MSAP - V

Units issued: 3,516 units (2023: nil units)

Units redeemed: 57,935 units (2023: 204,970 units)

Meezan Strategic Allocation Fund - MCPP - III

Units issued: nil units (2023: 584,040 units)

Units redeemed: 788,936 units (2023: 380,747 units)

Meezan Strategic Allocation Fund II - MCPP - IV

Units issued: 42,113 units (2023: 420,011 units)

Units redeemed: 265,505 units (2023: 4,440,345 units)

Meezan Strategic Allocation Fund II - MCPP - V

Units issued: nil units (2023: 219,408 units)

Units redeemed 271,418 units (2023: 121,280 units)

Meezan Strategic Allocation Fund II - MCPP - VII

Units redeemed: 21,094 units (2023: 43,031 units)

Meezan Strategic Allocation Fund III - MCPP - IX

Units issued: 32,894 units (2023: 14,102 units)

Units redeemed: 573,281 units (2023: 775,780 units)

2024 **2023**

(Rupees in '000)

801	1,279
104	166
34	35

373	383
-----	-----

1,700	-
6,000	14,150

2,295	-
58,920	41,300

8,517	-
45,411	5,230
15	-

1,855	-
18,060	50,970

1,195	-
17,310	41,645

238	-
3,080	8,330

-	24,000
47,708	15,350

2,852	17,000
13,340	179,060

-	9,000
15,478	4,780

1,437	1,810
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2,227	550
32,100	30,880

Transactions during the year

2024 2023
(Rupees in '000)

Engro Fertilizers Limited*

Shares purchased: 2,222 shares (2023: Nil shares)

17,554 -

Shares sold: 93,011 shares (2023: Nil shares)

24,348 -

Dividend Income

1,231 -

* Prior year figures have been shown as nil as the person was classified as a related party / connected person of the Fund with effect from November 1, 2023.

18 FINANCIAL INSTRUMENTS BY CATEGORY

2024		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

Financial assets

Balances with banks

1,979 - 1,979

Investments

- 380,142 380,142

Dividend receivable

83 - 83

Receivable against sale of investments

2,126 - 2,126

Receivable Against Al Meezan Investment Management Limited - Management Company

411 - 411

Deposits and other receivable

1,274 - 1,274

5,873 380,142 386,015

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company

163 - 163

Payable to Central Depository Company of Pakistan Limited - Trustee

142 - 142

Payable against purchase of investments

- - -

Accrued expenses and other liabilities

2,084 - 2,084

2,389 - 2,389

2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

Financial assets

Balances with banks

5,121 - 5,121

Investments

- 393,668 393,668

Dividend receivable

291 - 291

Receivable against sale of investments

7,259 - 7,259

Deposits and other receivable

1,695 - 1,695

14,366 393,668 408,034

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company

731 - 731

Payable to Central Depository Company of Pakistan Limited - Trustee

76 - 76

Accrued expenses and other liabilities

2,576 - 2,576

3,383 - 3,383

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net (loss) / income for the year and net assets of the Fund would have been higher / lower by Rs. 0.027 million (2023: Rs. 0.028 million).

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

As at June 30, 2024						
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- (Rupees in '000) -----						
Financial assets						
Balances with banks	8.00% - 19.25%	1,507	-	-	472	1,979
Investments		-	-	-	380,142	380,142
Dividend receivable		-	-	-	83	83
Receivable against sale of investments		-	-	-	2,126	2,126
Receivable against Al Meezan Investment Management Limited - Management Company		-	-	-	411	411
Deposits and other receivable		-	-	-	1,274	1,274
		1,507	-	-	384,508	386,015
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	163	163
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	142	142
Payable against purchase of investments		-	-	-	-	-
Payable against conversion and redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	2,084	2,084
		-	-	-	2,389	2,389
On-balance sheet gap (a)		1,507	-	-	382,119	383,626
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		1,507	-	-		
Cumulative profit rate sensitivity gap		1,507	1,507	1,507		

As at June 30, 2023						
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- (Rupees in '000) -----						
Financial assets						
Balances with banks	7.14% to 20.25%	2,781	-	-	2,340	5,121
Investments		-	-	-	393,668	393,668
Dividend receivable		-	-	-	291	291
Receivable against sale of investments		-	-	-	7,259	7,259
Deposits and other receivable		-	-	-	1,695	1,695
		2,781	-	-	405,253	408,034
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	731	731
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	76	76
Payable against purchase of investments		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	2,576	2,576
		-	-	-	3,383	3,383
On-balance sheet gap (a)		2,781	-	-	401,870	404,651
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		2,781	-	-		
Cumulative profit rate sensitivity gap		2,781	2,781	2,781		

(ii) Currency risk

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

(iii) Price risk

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

The Fund is exposed to equity price risk on investments held by the Fund classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 1% increase / decrease in KMI All Share Index on June 30, 2024, with all other variables held constant, the total comprehensive (loss) / income of the Fund for the year would increase / decrease by Rs. 3.801 million (2023: Rs. 3.937 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI All Share Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI All Share Index.

19.2 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemption requests during the year ended June 30, 2024.

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

As at June 30, 2024						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						
Financial assets						
Balances with banks	1,979	-	-	-	-	1,979
Investments	-	-	-	-	380,142	380,142
Dividend receivable	83	-	-	-	-	83
Receivable against sale of investments	2,126	-	-	-	-	2,126
Receivable against Al Meezan Investment Management Limited - Management Company	-	-	411	-	-	411
Deposits and other receivable	135	-	-	-	1,139	1,274
	4,323	-	411	-	381,281	386,015
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	163	-	-	-	-	163
Payable to Central Depository Company of Pakistan Limited - Trustee	142	-	-	-	-	142
Payable against purchase of investments	-	-	-	-	-	-
Accrued expenses and other liabilities	1,222	387	475	-	-	2,084
	1,527	387	475	-	-	2,389
Net financial assets / (liabilities)	2,796	(387)	(64)	-	381,281	383,626

As at 30 June, 2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
(Rupees in '000)						
Financial assets						
Balances with banks	5,121	-	-	-	-	5,121
Investments	-	-	-	-	393,668	393,668
Dividend receivable	291	-	-	-	-	291
Receivable against sale of investments	7,259	-	-	-	-	7,259
Deposits and other receivable	56	-	-	-	1,639	1,695
	12,727	-	-	-	395,307	408,034
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	731	-	-	-	-	731
Payable to Central Depository Company of Pakistan Limited - Trustee	76	-	-	-	-	76
Payable against purchase of investments	-	-	-	-	-	-
Accrued expenses and other liabilities	2,104	225	247	-	-	2,576
	2,911	225	247	-	-	3,383
Net financial assets / (liabilities)	9,816	(225)	(247)	-	395,307	404,651

19.3 Credit risk

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

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

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

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees in '000)				
Balances with banks	1,979	1,979	5,121	5,121
Investments	380,142	-	393,668	-
Dividend receivable	83	83	291	291
Receivable against sale of investments	2,126	2,126	7,259	7,259
Receivable Against Al Meezan Investment Management Limited - Management Company	411	411	-	-
Deposits and other receivable	1,274	1,274	1,695	1,695
	<u>386,015</u>	<u>5,873</u>	<u>408,034</u>	<u>14,366</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Investment in equity securities, however, are not exposed to credit risk and have been excluded from the above analysis.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

19.3.2 Credit quality of financial assets

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

Ratings	% of financial assets exposed to credit risk	
	2024	2023
AAA	60.49%	40.43%
AA+	19.74%	52.27%
A+	16.61%	5.52%
AA	3.16%	1.78%
	<u>100.00%</u>	<u>100.00%</u>

19.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired.

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

	2024			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	380,142	-	-	380,142
	2023			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	393,668	-	-	393,668

21 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 UNIT HOLDING PATTERN OF THE FUND

Category	2024			2023		
	Number of unit holders	Investment amount	Percentage of total investment	Number of unit holders	Investment amount	Percentage of total investment
		(Rupees in '000)	(%)		(Rupees in '000)	(%)
Associated companies	8	384,859	100.00	11	405,819	100.00

23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2024		2023	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Taurus Securities Limited	13.54%	BMA Capital Management	11.09%
Aba Ali Habib Securities Pvt Ltd	6.47%	Arif Habib Limited	10.53%
JS Global Capital Ltd	6.01%	Ismail Iqbal Securities (Private) Limited	8.86%
Arif Habib Limited	5.29%	Alfa Adhi Securities (Pvt) Ltd	8.48%
BMA Capital Management Limited	5.18%	EFG Hermes Pakistan Limited	7.75%
Ismail Iqbal Securities (Private) Limited	5.15%	Aba Ali Habib Securities Pvt Ltd	6.07%
Top Line Securities (Private) Limited	4.72%	Taurus Securities Limited	5.12%
Darson Securities	3.97%	Intermarket Securities Limited	3.80%
Foundation Securities	3.95%	Insight Securities (Pvt.) Ltd	3.58%
AL Habib Capital Markets (Pvt) Ltd	3.89%	Standard Capital Sec (Pvt) Ltd	3.09%

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Muhammad Asad	Acting Chief Executive Officer/ Chief Investment Officer	CFA level II / MBA	Twenty eight years
Mr. Ahmed Hassan	Head of Equities	CFA / MBA	Seventeen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Seventeen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Thirteen years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Fourteen years
Mr. Akhtar Munir	Head of Risk Management	CFA / MBA, ACCA, FRM, FCMA	Fifteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Sixteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA / ACCA	Ten years

24.2 The Fund manager of the Fund is Mr. Asif Imtiaz. Other Funds being managed by the Fund Manager are as follows:

- Meezan Balanced Fund;
- Meezan Asset Allocation Fund;
- Meezan Financial Planning Fund of Funds;
- Meezan Strategic Allocation Fund;
- Meezan Strategic Allocation Fund - II;
- Meezan Strategic Allocation Fund - III ;and
- KSE Meezan Index Fund

25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Directors	Designation	Meeting held on						
		July 4, 2023	August 7, 2023	October 13, 2023	February 2, 2024	February 9, 2024	February 29, 2024	April 15, 2024
Mr. Ariful Islam ¹	Director	Yes	Yes	Yes	No	No	No	No
Mr. Irfan Siddiqui ²	Director	No	No	No	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib ³	Ex-Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Muhammad Abdullah Ahmed ¹	Director	Yes	No	No	No	No	No	No
Mr. Moin M. Fudda ⁴	Director	No	No	No	Yes	Yes	Yes	No
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool ⁵	Director	Yes	No	No	No	No	No	No
Mr. Tariq Mairaj	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Naeem Sattar ¹	Director	Yes	Yes	Yes	No	No	No	No
Mr. Feroz Rizvi	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Director	No	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Saad Ur Rahman Khan ⁶	Director	No	No	Yes	Yes	Yes	Yes	Yes
Ms. Shazia Khurram	Director	No	Yes	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali ⁷	Director	No	No	No	No	No	No	Yes
Mr. Ahmed Iqbal Rajani ²	Director	No	No	No	Yes	Yes	Yes	Yes

¹ Mr. Ariful Islam, Mr. Muhammad Abdullah Ahmed and Mr. Naeem Sattar retired from the Board on December 31, 2023.

² Mr. Irfan Siddiqui and Mr. Ahmed Iqbal Rajani were elected on the Board vide an EOGM dated December 26, 2023.

³ Mr. Mohammad Shoaib resigned from the Board effective February 29, 2024

⁴ Mr. Moin M. Fudda was elected on the Board vide an EOGM dated December 26, 2023 and subsequently resigned from the Board on March 14, 2024.

⁵ Mr. Mubashar Maqbool resigned from the Board on July 18, 2023.

⁶ Mr. Saad Ur Rahman Khan was appointed on the Board with effect from August 7, 2023.

⁷ Syed Amir Ali was appointed on the Board with effect from April 9, 2024.

26 GENERAL

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

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 19, 2024 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

PERFORMANCE TABLE
MEEZAN DEDICATED EQUITY FUND

	2024	2023	2022
Net assets (Rs. '000) (ex-distribution)	384,859	405,819	752,831
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	67.6969	39.9919	40.2161
Offer price per unit as at June 30, (Rs.) (ex-distribution)	69.9918	41.3476	41.5794
Highest offer price per unit (Rs.)	72.7480	44.0344	50.6543
Lowest offer price per unit (Rs.)	41.3404	38.3423	40.5014
Highest redemption price per unit (Rs.)	70.3628	42.5906	48.9935
Lowest redemption price per unit (Rs.)	39.9850	37.0852	39.1735
Distribution (%)			
Interim	4.50%	N/A	N/A
Final			
Date of distribution			
Interim			
Final	28-Jun-24	N/A	N/A
Income distribution (Rupees in '000)	12,365	N/A	N/A
Growth distribution (Rupees in '000)	-	-	-
Total return (%)	74.90	(0.56)	(14.26)

	One Year	Two Years	Three Years
Average annual return as at June 30, 2024 (%)	74.90%	31.88%	14.25%

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