



Al Meezan
Investment Management Ltd.

AM1
Rating by VIS & PACRA

DIVERSE SOLUTIONS FOR EVERY FINANCIAL JOURNEY

At Al Meezan, we offer a variety of options to suit your investment needs. Whether you are looking for high returns, stability, or opportunities in a Shariah Compliant manner, our comprehensive plans are designed to meet your specific financial objectives.

Meezan Strategic Allocation Fund-III



The investment objective of the Fund is to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income / Money Market Collective Investment Schemes and Equity based Collective Investment Schemes.



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. 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

M/s Yousuf Adil
Chartered Accountants
Cavish Court, A-35 Shahrah-e-Faisal, K.C.H.S.U Block 7 & 8 Bangalore Town,
Karachi

SHARIAH ADVISER

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

BANKERS TO THE FUND

Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE FUND MANAGER

Meezan Strategic Allocation Fund – III (MSAF – III)

Type of Fund

MSAF – III is a perpetual Shariah Compliant (Islamic) Fund of Funds Scheme.

Objective

The fund aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk/return preference of the investor.

Strategy and Investment Policy

MSAF – III has one Allocation Plan which allow investors to invest according to their risk tolerance levels.

This is a closed end Plan which is suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. It can switch exposure between Shariah compliant equity and fixed income mutual fund without any minimum or maximum limit, subject to expectations regarding the market performance.

In line with this allocation plan, the benchmark is a weighted average combination of KSE Meezan Index 30 and Fixed Income/Money Market Scheme performance, according to the invested percentages in both the asset classes.

Meezan Strategic Allocation Plan - MCPP-III	Weighted avg. return of KMI 30 Index and Fixed Income/ Money Market Scheme as per actual allocation.
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Performance Table with Benchmark

Returns - FY24	
MCPP IX	34.49%
Benchmark	30.56%

The Meezan Capital Preservation Plan – IX posted total gain of Rs. 75 million FY 24. Total gain comprised of realized gain on investments of Rs. 29 million while the unrealized gain on investments of Rs. 28 million. Dividend income and profit on saving account with banks amounted to Rs. 18 million and Rs. 0.19 million respectively. After accounting for expenses of Rs. 0.86 million, the Plan posted a net income of Rs. 74 million. The net assets of the Plan as at June 30, 2024 were Rs. 234 million. The net asset value per unit as at June 30, 2024 was Rs. 72.8706

Distributions

The interim Pay out by the Plan during the fiscal year ended June 30, 2024 was 5.50 per unit (11.00%). Total distribution made by the fund was 16.70 million.

SWWF Disclosure

Not Applicable



Pure. Profit.



Breakdown of unit holdings by size

(As on June 30, 2024)

Range (Units)	MSAF- III- MCPP-IX
	No. of investors
1 - 9,999	180
10,000 - 49,999	53
50,000 - 99,999	13
100,000 - 499,999	3
500,000 and above	0
Total	249

Dr. Muhammad Imran Usmani

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Korangi Industrial Area Karachi, Pakistan

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Report of the Shariah Advisor – Meezan Strategic Allocation Fund-III (MSAF-III)

July 23, 2024/Muharram 16, 1446 AH

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

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 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 account (where applicable).

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

And Allah knows the best.

Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

INDEPENDENT AUDITOR'S REPORT

To the unit holders of Meezan Strategic Allocation Fund - III

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Meezan Strategic Allocation Fund – III (the Fund)**, which comprise the statement of assets and liabilities as at **June 30, 2024**, and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of 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 accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key audit matter

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 year.

This matter was 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 this matter.

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Valuation and existence of investment</p> <p>As disclosed in note 6 to the financial statements, the investments held by the Fund amounts to Rs. 237.806 million as at June 30, 2024.</p> <p>The total investment amount is the significant account balance on the statement of assets and liabilities. This is one of the main drivers of the Fund's performance and thus risk exists on this balance. The Fund invests primarily in units of mutual funds and there is a risk that these investments are incorrectly valued.</p>	<p>In this respect, we performed the following procedures:</p> <ul style="list-style-type: none">Reviewed the processes and key controls relating to existence and valuation;Independently verified existence of investments through confirmation from Central Depository Company (CDC) as a trustee and Mutual fund account statement;

S. No.	Key audit matter	How the matter was addressed in our audit
	<p>In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end.</p> <p>In view of the above, we have considered the valuation and existence of investments as a Key Audit Matter.</p> <p>The disclosure regarding the investments are included in notes 6.1 to the financial statements.</p>	<ul style="list-style-type: none"> • Tested valuation of investments held as at June 30, 2024 by verifying the average rates quoted on a widely used electronic quotation system (MUFAP) rates; • Differences, if any, identified during our testing that were over our acceptable threshold were investigated further; and • Evaluated the adequacy of disclosures in the financial statements.

Other matter

The annual financial statement of the Fund for the year ended June 30, 2023 were audited by another firm of chartered accountants, whose audit report dated September 26, 2023, expressed an unmodified opinion.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the information (Directors' Report, Fund Manager Report & Trustee Report to the Unit Holders) 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 Company and Those Charged with Governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We also provide Those Charged with Governance of 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 Those Charged with Governance of 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

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

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.


Chartered Accountants

Place: Karachi

Date: September 13, 2024

UDIN: AR202410091lq3yni6H8

MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF ASSETS AND LIABILITIES
As at June 30, 2024



Meezan
Strategic Allocation
Fund-III

	June 30, 2024	June 30, 2023
	MCPPI-IX	
Note	----- (Rupees in '000) -----	
Assets		
Balances with banks	5 1,373	5,085
Investments	6 237,806	237,765
Accrued Profit	13	55
Total assets	239,192	242,905
Liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	7 1	27
Payable to Central Depository Company of Pakistan Limited - Trustee	8 16	16
Payable to Securities and Exchange Commission of Pakistan (SECP)	9 4	65
Dividend Payable	1,152	872
Accrued expenses and other liabilities	10 3,546	4,573
Total liabilities	4,719	5,553
Net assets	234,473	237,352
Contingencies and commitments	11	
Unit holders' fund (as per statement attached)	234,473	237,352
	----- (Number of units) -----	
Number of units in issue	3,217,659	4,073,034
	----- (Rupees) -----	
Net asset value per unit	72.8706	58.2740

The annexed notes 1 to 25 form an integral part of these financial statements.

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - III
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

		Year ended June 30,	
		2024	2023
		MCPPI-IX	
Note		----- (Rupees in '000) -----	
	Income		
	Realised gain	28,676	417
	Profit on balance with banks	197	265
	Dividend income	17,786	35,584
		<u>46,659</u>	<u>36,266</u>
	 Net unrealised appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss'		
6.1		<u>28,029</u>	<u>(168)</u>
	Total income	<u>74,688</u>	<u>36,098</u>
	 Expenses		
	Remuneration to Al Meezan Investment Management Limited - Management Company	7.1 21	36
	Sindh Sales Tax on remuneration to Management Company	7.2 3	5
	Allocated expenses	7.3 158	356
	Remuneration to Central Depository Company of Pakistan Limited - Trustee	8.1 174	227
	Sindh Sales Tax on remuneration of the Trustee	8.2 23	29
	Annual fee to Securities and Exchange Commission of Pakistan (SECP)	9 50	65
	Auditors' remuneration	12 115	138
	Bank and settlement charges	20	27
	Fees and subscription	299	277
	Total expenses	<u>863</u>	<u>1,160</u>
	 Net income for the year end taxation	<u>73,825</u>	<u>34,939</u>
	 Taxation	16 -	-
	 Net income for the year after taxation	<u>73,825</u>	<u>34,939</u>
	 Allocation of net income for the year		
	Net income for the quarter after taxation	73,825	34,939
	Income already paid on units redeemed	<u>(13,676)</u>	<u>(9,609)</u>
		<u>60,149</u>	<u>25,329</u>
	 Accounting income available for distribution		
	- Relating to capital gains	56,705	249
	- Excluding capital gains	<u>3,444</u>	<u>25,080</u>
		<u>60,149</u>	<u>25,329</u>

The annexed notes 1 to 25 form an integral part of these financial statements.

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

Net income for the year after taxation

Other comprehensive income for the year

Total comprehensive income for the year

Year ended June 30, 2024	
2024	2023
----- (Rupees in '000) -----	
73,825	34,939
-	-
<u>73,825</u>	<u>34,939</u>

The annexed notes 1 to 25 form an integral part of these financial statements.

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - III
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024			June 30, 2023		
	MCPPI-IX			MCPPI-IX		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	219,087	18,265	237,352	410,201	16,431	426,632
Issuance of units:						
Issuance of 285,860 units (2023: 331,908) units						
- Capital value (at net asset value per unit at the beginning of the year)	16,659	-	16,659	19,326	-	19,326
- Element of income	3,522	-	3,522	77	-	77
Total proceeds on issuance of units	20,181	-	20,181	19,403	-	19,403
Redemption of units:						
Redemption of 1,141,235 (2023: 3,638,529) units						
- Capital value (at net asset value per unit at the beginning of the year)	66,504	-	66,504	210,350	-	210,350
- Element of loss	-	13,676	13,676	167	9,609	9,777
Total payments on redemption of units	66,504	13,676	80,180	210,517	9,609	220,127
Total comprehensive income for the year	-	73,825	73,825	-	34,939	34,939
Distribution during the year	-	(16,705)	(16,705)	-	(23,495)	(23,495)
Net assets at the end of the year	172,764	61,709	234,473	219,087	18,265	237,352
Undistributed income brought forward						
- Realised gain		18,433			26,964	
- Unrealised loss		(168)			(10,533)	
		18,265			16,431	
Accounting income available for distribution						
- Relating to capital gains		56,705			249	
- Excluding capital gains		3,444			25,080	
		60,149			25,329	
Interim distribution during the year ended June 30, 2024 at Rs. 5.50 per unit i.e. 11% of the par value of Rs. 50 each		(16,705)			-	
Interim distribution during the year ended June 30, 2023 at Rs. 6.25 per unit i.e. 12.5% of the par value of Rs. 50 each		-			(23,495)	
Undistributed income carried forward		61,709			18,265	
Undistributed income carried forward						
- Realised income		33,680			18,433	
- Unrealised Income / (loss)		28,029			(168)	
		61,709			18,265	
			Rupees			Rupees
Net asset value per unit as at the beginning of the year		58.2740			57.8119	
Net asset value per unit as at the end of the year		72.8706			58.2740	

The annexed notes 1 to 25 form an integral part of these financial statements.

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - III
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

Year ended June 30	
2024	2023
MCPPI-IX	

Note ----- (Rupees in '000) -----

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the year before taxation 73,825 34,939

Adjustments for:

Net unrealised (appreciation) / diminution on re-measurement of investments -
'at fair value through profit or loss'

(28,029)	168
45,796	35,107

Decrease / (increase) in assets

Investments - net

Accrued Profit

27,988	189,670
42	(36)
28,030	189,634

Decrease / (increase) in liabilities

Payable to Al Meezan Investment Management Limited - Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Payable to Securities and Exchange Commission of Pakistan

Accrued expenses and other liabilities

(26)	18
-	(18)
(61)	12
(1,027)	(7)
(1,114)	5

Net cash generated from operating activities

72,712	224,746
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CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid

Receipts against issuance and conversion of units

Payments against redemption and conversion of units

Net cash used in financing activities

(16,425)	(22,623)
20,181	19,402
(80,180)	(221,076)
(76,424)	(224,297)

Net decrease in cash and cash equivalents

(3,712)	449
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Cash and cash equivalents at the beginning of the year

5,085	4,636
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Cash and cash equivalents at the end of the year

5

1,373	5,085
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The annexed notes 1 to 25 form an integral part of these financial statements.

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

MEEZAN STRATEGIC ALLOCATION FUND - III
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund - III (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 24, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules). The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company has been assigned a quality rating of 'AM1' by VIS 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.
- 1.6** The Fund generates returns on investment as per allocation plan (sub fund) namely Meezan Capital Preservation Plan-IX (MCPP-IX) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.
- 1.7** A brief description of the plan is as follows:

Meezan Capital Preservation Plan-IX (MCPP-IX)	<p>Medium risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from May 14, 2019 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes. The initial maturity of this plan was two and a half years from the close of the subscription period i.e. January 29, 2022. However, the SECP has approved extension and in accordance with such extension granted vide letter No. SCD/AMCW/MSAFIII/227/2022 dated January 25, 2022, the plan shall now mature on September 30, 2024. Units shall be subject to front end load.</p>
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Considering the maturity of the above plan the financial statements have been prepared on a basis other than going concern. However, no adjustment is required in the financial statements as the assets and liabilities are stated at values at which they are expected to be realised or settled.

2. BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

Statement of compliance

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

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

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

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

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

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

The following amendments are effective for the year ended June 30, 2024. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Funds's financial statements other than certain additional disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 - Disclosure of accounting policies
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

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

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments and standards are either not relevant to the Funds' operations or are not expected to have significant impact on the Funds' financial statements other than certain additional disclosures.

Amendments	Effective date (annual periods beginning on or after)
- Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants	January 1, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 1, 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 1, 2024
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 1, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 1, 2024

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

3.2 Critical accounting estimates and judgments

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

- Classification and measurement of financial assets (notes 4.2.2)
- Impairment of financial assets (note 4.2.3)
- Taxation (notes 4.13 and 16)
- Classification and measurements of financial liabilities (note 4.3)
- Contingencies and Commitments (note 11)
- Provisions (4.5)

3.3 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.

3.4 Functional and presentation currency

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

4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial assets

4.2.1 Initial recognition and measurement

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

4.2.2 Classification and subsequent measurement

4.2.2.1 Debt instruments

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

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL) based on the business model of the entity.

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily required to be classified as financial assets at fair value through profit or loss.

4.2.2.2 Basis of valuation in the collective investment scheme

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

4.2.3 Impairment

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

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

4.2.4 Regular way contracts

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

4.2.5 Derecognition

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

4.3 Financial liabilities

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

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

4.4 Offsetting of financial assets and financial liabilities

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

4.5 Provisions

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

4.6 Net asset value per unit

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

4.7 Issue and redemption of units

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

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

4.8 Distribution to unit holders

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

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

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

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

4.10 Revenue recognition

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

4.11 Expenses

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

4.12 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

4.13 Taxation

Current

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

Deferred

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

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

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

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

4.14 Earnings / (loss) per unit

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

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

4.15 Foreign currency translation

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

5. BALANCES WITH BANKS

Note

June 30, 2024	June 30, 2023
MCCP-IX	
----(Rupees in '000)----	
1,373	5,085

Saving accounts

5.1

- 5.1 The balances in saving account with Meezan Bank Limited (a related party) have an expected profit 11.01% per annum. (June 30, 2023: 10% per annum).

6. INVESTMENTS

Note

June 30, 2024	June 30, 2023
MCCP-IX	
----(Rupees in '000)----	
237,806	237,765

At fair value through profit or loss
units of mutual funds

6.1

6.1 Units of mutual funds

Name of investee funds	As at July 01, 2023	Purchase s during the year	Sales during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised gain as at June 30, 2024	Percentage in relation to	
								Market Value on the basis of Net Assets of the Fund	Total market value of investments
								(Number of units)	

**Meezan Capital Preservation
Plan - IX**

Meezan Dedicated Equity Fund	1,563,275	32,894	573,281	1,022,888	41,935	69,266	27,331	30	29
Meezan Rozana Amdani Fund	3,501,288	148,740	3,650,028	-	-	-	-	-	-
Meezan Cash Fund	-	3,612,616	322,654	3,289,962	167,842	168,540	697	72	71
Meezan Sovereign Fund	-	3,342,571	3,342,571	-	-	-	-	-	-

Total as at June 30, 2024	4,312,850	209,777	237,806	28,029	101	100			
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Total as at June 30, 2023	237,933	237,765	(168)						
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**7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT
LIMITED - Management Company**

Note

June 30, 2024	June 30, 2023
MCCP-IX	
----(Rupees in '000)----	
1	1
-	2
-	24
1	27

Management fee payable

7.1

Sindh Sales Tax payable on remuneration of the Management Company

7.2

Allocated Expenses

7.3

- 7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (June 30, 2023: 1%) per annum of the daily bank balances of the Fund during the year ended June 30, 2024. The remuneration is payable to the Management Company monthly in arrears.
- 7.2 During the year, Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) was charged on the remuneration of the Management Company.
- 7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its own discretion, has charged such expenses at the rate 0.15% from July 1, 2023 to January 31, 2024 and Nil from February 1, 2024 to June 30, 2024 (June 30, 2023: 0.15%) per annum of the average annual net assets of the Fund, subject to total expense charged being lower than actual expense incurred.

June 30, 2024	June 30, 2023
MCCP-IX	

-----(Rupees in '000)----

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee fee payable
Sindh Sales Tax payable on trustee fee

14	9
2	7
<u>16</u>	<u>16</u>

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.070% (2023: 0.070%) of average annual net assets of the Fund.

8.2 During the year, an amount of Rs. 0.173 million (2023: Rs.0.029 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as a Fund of Fund Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2023: 0.02%) per annum of average annual net assets of the Fund.

June 30, 2024	June 30, 2023
MCCP-IX	

-----(Rupees in '000)----

10. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable
Shariah advisory fee payable
Capital gain tax payable
Withholding tax payable
Zakat payable

71	79
265	132
194	8
3,016	4,341
-	13
<u>3,546</u>	<u>4,573</u>

11. CONTINGENCIES AND COMMITMENTS

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

June 30, 2024	June 30, 2023
MCCP-IX	

-----(Rupees in '000)----

12. AUDITORS' REMUNERATION

Annual audit fee
Half yearly review
Out of pocket expenses

65	97
43	34
7	6
<u>115</u>	<u>137</u>

13. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

Balances

Al Meezan Investment Management Limited - Management Company

Management fee payable

Allocated expenses (Rs in '000)

Meezan Bank Limited

Bank balance (Rs in '000)

Profit receivable (Rs in '000)

Shariah Advisory fee payable

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable (Rs. in '000)

Sindh Sales Tax on trustee fee payable (Rs. in '000)

Meezan Dedicated Equity Fund

Investment (Rs in '000)

Investment (Units)

Meezan Rozana Amdani Fund

Investment (Rs in '000)

Investment (Units)

Meezan Cash Fund

Investment (Rs in '000)

Investment (Units)

June 30, 2024	June 30, 2023
MCPPI IX	
----- (Rupees in '000) -----	

1	1
-	24

1,373	5,085
13	54
265	132

14	9
2	7

69,266	62,701
1,022,888	1,563,275

-	175,064
-	3,501,288

168,540	-
3,289,962	-

For the year ended June 30,	
2024	2023
MCPPI IX :	
(Rupees in '000)	

Transactions during the year

Al Meezan Investment Management Limited - Management Company

Remuneration for the year

Sindh Sales Tax on remuneration of the Management Company

Allocated expenses (Rs in '000)

Meezan Bank Limited

Profit on saving account (Rs in '000)

Shariah Advisory Fee expense

Central Depository Company of Pakistan Limited - Trustee

Trustee fee for the year (Rs in '000)

Sindh Sales Tax on trustee fee (Rs in '000)

Meezan Dedicated Equity Fund

Redeemed during the year (Rs in '000)

Redeemed during the year (Units)

21	36
3	5
158	356

197	265
268	251

174	227
23	29

32,100	123,839
573,281	3,086,631

Meezan Rozana Amdani Fund

Invested during the year (Rs in '000)
Invested during the year (Units)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)
Dividend received during the year (Units)
Dividend received during the year (Rs. In '000')

For the year ended June 30,	
2024	2023
MCPP IX	
(Rupees in '000)	
7,437	211,258
148,740	4,225,167
182,501	370,296
3,650,028	7,405,916
148,740	35,584
7,437	712

Meezan Sovereign Fund

Invested during the year (Rs in '000)
Invested during the year (Units)
Redeemed during the year (Rs in '000)
Redeemed during the year (Units)

181,961	174,856
3,342,571	3,373,730
201,111	175,567
3,342,571	3,373,730

Meezan Cash Fund

Invested during the year (Rs in '000)
Invested during the year (Units)

178,021	-
3,612,616	-

15 EXPENSE RATIO

The Total Expense Ratio of the Fund for the year ended June 30, 2024 is 0.35% (June 30, 2023 is 0.36%) which include 0.03% (June 30, 2023 is 0.03%) representing government levies and SECP fee for MCPP - IX. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Funds Scheme.

16. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2024			2023		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000			Rupees in '000		
Financial assets						
Balances with banks	1,373	-	1,373	5,085	-	5,085
Investments	237,806	-	237,806	237,765	-	237,765
Accrued Profit	13	-	13	55	-	55
	239,192	-	239,192	242,905	-	242,905
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Management Company	1	-	1	27	-	27
Payable to Central Depository Company of Pakistan Limited - Trustee	16	-	16	16	-	16
Payable to Securities and Exchange Commission of Pakistan (SECP)	4	-	4	65	-	65
Dividend Payable	1,152	-	1,152	872	-	872
Accrued expenses and other liabilities	3,546	-	3,546	4,573	-	4,573
	4,719	-	4,719	5,553	-	5,553
Net financial assets / (liabilities)	234,473	-	234,473	237,352	-	237,352

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

18.1 Market Risk

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

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

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest 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 income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.014 million (2023: Rs. 0.029 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2024, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 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:

FINANCIAL INSTRUMENTS BY CATEGORY

----- As at June 30, 2024 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
On-balance sheet financial instruments					
Financial assets					
Balances with banks	11.01%	1,373	-	-	1,373
Investments		-	-	237,806	237,806
Accrued Profit		-	-	13	13
Total assets		1,373	-	237,819	239,192
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	1	1
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	16	16
Payable to Securities and Exchange Commission of Pakistan (SECP)		4	-	-	4
Dividend payable		-	-	1,152	1,152
Accrued expenses and other liabilities		-	-	336	336
		4	-	1,505	1,509
On-balance sheet gap (a)		1,369	-	236,314	237,683
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		1,369	-	-	-
		1,369	1,369	1,369	

As at June 30, 2023					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
On-balance sheet financial instruments					
Financial assets					
Balance with banks	10%	5,085	-	-	5,085
Investments		-	-	237,765	237,765
Accrued Profit		-	-	55	55
		5,085	-	237,820	242,905
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	27	27
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	16	16
Dividend payable		-	-	872	872
Accrued expenses and other liabilities		-	-	211	211
		-	-	1,126	1,126
On-balance sheet gap (a)		5,085	-	236,694	241,779
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total profit rate sensitivity gap (a+b)		5,085	-	-	-
Cumulative profit rate sensitivity gap		5,085	5,085	5,085	-

18.1.1 Currency risk

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

18.1.2 Price risk

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

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by the SECP from time to time.

In case of 1% increase / decrease in equity prices as at June 30, 2024 with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 2.3781 million (2023: Rs. 2.5937 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.

18.2 Liquidity risk

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

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

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

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

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

Maturity up to						2024
One month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

(Rupees in '000)

Financial assets

Balances with banks

Investments

Accrued Profit

1,373	-	-	-	-	-	1,373
-	-	-	-	-	237,806	237,806
13	-	-	-	-	-	13
1,386	-	-	-	-	237,806	239,192

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Payable to the Securities and Exchange Commission of Pakistan (SECP)

Dividend Payable

Accrued expenses and other liabilities

1	-	-	-	-	-	1
-	-	-	-	-	-	-
16	-	-	-	-	-	16
4	-	-	-	-	-	4
1,152	-	-	-	-	-	1,152
	3,546	-	-	-	-	3,546
1,173	3,546	-	-	-	-	4,719

213	(3,546)	-	-	-	237,806	234,473
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Maturity up to						2023
One month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

(Rupees in '000)

Financial assets

Balances with banks

Investments

Accrued Profit

5,085	-	-	-	-	-	5,085
-	-	-	-	-	237,765	237,765
55	-	-	-	-	-	55
5,140	-	-	-	-	237,765	242,905

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Payable to the Securities and Exchange Commission of Pakistan (SECP)

Dividend Payable

Accrued expenses and other liabilities

27	-	-	-	-	-	27
16	-	-	-	-	-	16
65	-	-	-	-	-	65
872	-	-	-	-	-	872
-	4,573	-	-	-	-	4,573
980	4,573	-	-	-	-	5,553

4,160	(4,573)	-	-	-	237,765	237,352
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18.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	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)			
Financial assets				
Balances with banks	1,373	1,373	5,085	5,085
Investments	237,806	-	237,765	-
Accrued Profit	13	13	55	55
	239,192	1,386	242,905	5,140

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in units of mutual funds are not exposed to credit risk.

18.3.1 Credit quality of financial assets

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

	As at June 30, 2024		As at June 30, 2023	
	(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
AAA	1,373	100.00	5,085	100.00
	1,373	100.00	5,085	100.00

None of the financial assets were considered to be past due or impaired as on June 30, 2024.

The Fund does not have any collateral against any of the aforementioned assets.

19 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 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.

20 FAIR VALUE FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements using 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).
- 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:

ASSETS

Financial assets 'at fair value through profit or loss'

Units of mutual funds

As at June 30, 2024		
Level 1	Level 2	Level 3

----- Rupees in '000 -----

- 237,806 -

As at June 30, 2023		
Level 1	Level 2	Level 3

----- Rupees in '000 -----

- 237,765 -

Financial assets 'at fair value through profit or loss'

Units of mutual funds

21 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of investment committee of the Fund are as follows:

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

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

- KSE-Meezan Index Fund;
- Meezan Balanced Fund;
- Meezan Asset Allocation Fund;
- Meezan Strategic Allocation Fund;
- Meezan Strategic Allocation Fund-II;
- Meezan Strategic Allocation Fund-III; and
- Meezan Dedicated Equity Fund.

22 DETAILS OF MEETINGS OF BOARD OF DIRECTORS

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

Name of Directors	Position on the Board	July 4, 2023	August 7, 2023	October13, 2023	February 2, 2024	February 9, 2024	February 29, 2024	April 15, 2024
Mr. Ariful Islam *	Chairman	Yes	Yes	Yes	No	No	No	No
Mr. Irfan Siddiqui **	Chairman	No	No	No	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib *****	Ex-Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Muhammad Abdullah Ahmed *	Director	Yes	No	No	No	No	No	No
Mr. Moin M. Fudda ***	Director	No	No	No	Yes	Yes	Yes	No
Mr. Furquan Kidwai	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool ****	Director	Yes	No	No	No	No	No	No
Mr. Tariq Mairaj	Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Naeem Sattar *	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 *****	Director	No	No	Yes	Yes	Yes	Yes	Yes
Ms. Shazia Khurram	Director	No	Yes	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali *****	Director	No	No	No	No	No	No	Yes
Mr. Ahmed Iqbal Rajani **	Director	No	No	No	Yes	Yes	Yes	Yes

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

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

*** 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.

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

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

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

***** Mr. Mohammad Shoaib resigned from the Board on February 29, 2024.

23 MEEZAN STRATEGIC ALLOCATION FUND - III

	----- As at June 30, 2024 -----			----- As at June 30, 2023 -----		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment
Foreign Individuals	12	7,310	3.12	13	7,355	99.12
Individuals	235	219,068	93.43	302	223,907	0.86
Retirement funds	1	7,266	3.10	1	5,460	
Trusts / NGOs / Societies / Foundations/Charities	1	829	0.35	1	630	0.02
Total	249	234,473	100	317	237,352	100.00

24 GENERAL

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

25. 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
MSAF-III MEEZAN CAPITAL PRE PLAN-IX

	2024	2023	2022
Net assets (Rs. '000) (ex-distribution)	234,473	237,352.00	426,632.00
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	72.8706	58.2740	57.8119
Offer price per unit as at June 30, (Rs.) (ex-distribution)			
Highest offer price per unit (Rs.)	-	-	60
Lowest offer price per unit (Rs.)	-	-	59
Highest redemption price per unit (Rs.)	78.3448	64.5018	59
Lowest redemption price per unit (Rs.)	58.2738	57.6557	56
Distribution (%)			
Interim	11.00%	13%	1%
Final			
Date of distribution			
Interim			
Final	28-Jun-24	26-Jun-23	30-Jun-22
Income distribution (Rupees in '000)	16,705.11	23,495	3,665
Growth distribution (Rupees in '000)			
Total return (%)	34.49	11.61	1.37

	One Year	Two Year	Three Year
Average annual return as at June 30, 2024 (%)	34.49%	22.52%	15.02%

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