



**FINANCIAL STATEMENTS
OF
MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND
FOR THE YEAR ENDED JUNE 30, 2025
MANAGED BY MAHAANA WEALTH LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MAHAANA ISLAMIC INDEX EXCHANGE TRADED 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 Mahaana Islamic Index Exchange Traded Fund (the Fund) are of the opinion that Mahaana Wealth Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 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 management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iii) 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.

We would like to draw unit holders attention towards the fact that Management Company has been granted extension by the Commission for filing audited financial statement as a result of which financial statement of the Fund has not been provided to the Trustee therefore we are neither able to obtain the assurances we get from the audited financial statement nor able to verify the methodology and procedures adopted by the Management Company for the calculation of the value of units as on June 30, 2025.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 30, 2025

November 26, 2025



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. Based on the information provided by the management company, all operations of the fund for the year ended June 30, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in Mahaana Islamic Index Exchange Traded Fund managed by Mahanna Wealth Limited are halal and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبيينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz
Member Shariah Council



Faraz Younus Bandukda, CFA
Chief Executive

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS

Report on the audit of the financial statements

Opinion

We have audited the annexed financial statements of Mahaana Islamic Index Exchange Traded Fund (the Fund), which comprise the statement of asset and liabilities as at June 30, 2025 and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund, the statement of cash flows for the year, 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, 2025, and of its financial position and its cash flows for the period then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 judgement, 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(s)	How the matter was addressed in our audit
1.	<p>Existence and valuation of investments</p> <p>As disclosed in note 7 to the accompanying financial statements of the Fund for the year ended June 30, 2025. Investments constitute the most significant component of the Net Assets Value. Investments of the Fund as at June 30, 2025 amounted to Rs. 343.361 million this represents 99.36% of the net assets.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

	<p>In view of the significance of investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.</p>	<ul style="list-style-type: none"> • We evaluated the appropriateness of the classification of investments in accordance with the requirements of IFRS 9. • We assessed the Funds' compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. • We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.
--	--	---

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

Management is responsible for 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 the financial statements in accordance with the 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 Company'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 Company 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the board of directors 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, 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 (Establishment and Regulations) Rules, 2003 and the Non-Banking Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditors' audit report is Tariq Feroz Khan.

KARACHI

DATE: December 2, 2025

UDIN: AR202510166JqoEKV0r1

**BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS**

MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

	Note	2025 (Rupees)	2024 (Rupees)
ASSETS			
Balances with banks	6	10,324,880	1,948,587
Investments	7	343,361,423	54,737,747
Other receivable	8	1,321,374	142,183
Preliminary expenses and floatation costs	9	241,924	355,929
TOTAL ASSETS		355,249,601	57,184,446
LIABILITIES			
Payable to Management Company	10	1,933,622	447,722
Payable to the Trustee	11	152,766	12,955
Payable to Securities and Exchange Commission of Pakistan	12	208,875	3,788
Dividend payable	13	175,732	2,270,000
Accrued expenses and other liabilities	14	7,189,486	133,775
TOTAL LIABILITIES		9,660,481	2,868,240
NET ASSETS		345,589,120	54,316,206
UNIT HOLDERS'S FUND (AS PER STATEMENT ATTACHED)		345,589,120	54,316,206
CONTINGENCIES AND COMMITMENTS	15		
		(Number of units)	(Number of units)
NUMBER OF UNITS IN ISSUE		25,860,000	4,960,000
		(Rupees)	(Rupees)
NET ASSET VALUE PER UNIT		13.36	10.95

The annexed notes from 1 to 31 form an integral part of these financial statements.

Mahaana Wealth Limited
(Management Company)


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees)	2024 (Rupees)
Income			
Profit on savings account		318,890	38,141
Dividend income		6,030,717	819,115
Realised gain on sale of investments		27,649,890	189,576
		33,999,497	1,046,832
Unrealized gain on investments	7.1	34,382,355	3,913,492
Total Income		68,381,852	4,960,324
Expenses			
Remuneration of Mahaana Wealth Limited - Management Company	10.1	1,292,222	51,801
Sindh Sales Tax on remuneration of the Management Company	10.2	193,678	6,734
Remuneration of Central Depository Company of Pakistan Limited - The Trustee	11.1	220,120	11,465
Sales Tax on Trustee Fee	11.2	33,018	1,490
Annual fee of the Securities and Exchange Commission of Pakistan	12	208,875	10,922
Amortisation of preliminary expenses and floatation costs	9	114,005	23,258
Bank charges		4,500	5,508
Legal & Professional Charges		466,850	18,400
Total expenses		2,533,268	129,578
Net income from operating activities during the year		65,848,584	4,830,746
Element of income and capital gains included in prices of units issued less those in units redeemed - net		38,244,112	2,155,458
Net income before taxation		104,092,696	6,986,204
Taxation	18	-	-
Net income for the year		104,092,696	6,986,204
Accounting income available for distribution			
- Relating to capital gains		62,032,245	4,103,068
- Excluding capital gains		42,060,451	2,883,136
		104,092,696	6,986,204
Earnings per unit	19		

The annexed notes from 1 to 31 form an integral part of these financial statements.

Mahaana Wealth Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025 (Rupees)	2024 (Rupees)
Net income for the year	104,092,696	6,986,204
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>104,092,696</u>	<u>6,986,204</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

h

Mahaana Wealth Limited
(Management Company)



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2025

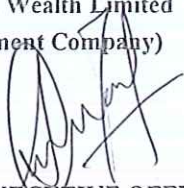
	-----2025-----			-----2024-----		
	Capital value	Undistributed income	Net Aseet	Capital value	Undistributed income	Net Aseet
	------(Rupees)-----			------(Rupees)-----		
Net assets at beginning of the year	49,600,000	4,716,204	54,316,204			
Issuance of 32,620,000 units (2024: 5,370,000 units)						
Capital Value	357,216,661	-	357,216,661	53,700,000	-	53,700,000
Element of Income	69,461,808	-	69,461,808	2,302,695	-	2,302,695
Total proceeds on issuance of units	426,678,469	-	426,678,470	56,002,695	-	56,002,695
Redemption of 11,720,000 units (2024: 410,000 units)						
Capital Value	128,343,940	-	128,343,940	4,100,000	-	4,100,000
Element of Income	31,217,697	-	31,217,697	147,237	-	147,237
Total payments on redemption of units	159,561,637	-	159,561,637	4,247,237	-	4,247,237
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(38,244,112)	-	(38,244,112)	(2,155,458)	-	(2,155,458)
Total comprehensive income for the year	-	104,092,696	104,092,696	-	6,986,204	6,986,204
Distribution during the year	-	(41,692,500)	(41,692,500)	-	(2,270,000)	(2,270,000)
Net assets at end of the year	278,472,720	67,116,400	345,589,120	49,600,000	4,716,204	54,316,204
Accounting income available for distribution						
- Relating to capital gains		62,032,245			4,103,068	
- Excluding capital gains		42,060,451			2,883,136	
		104,092,696			6,986,204	
Distribution during the year		(41,692,500)			(2,270,000)	
Undistributed income carried forward		62,400,196			4,716,204	
Undistributed income carried forward						
- Realised income		34,750,306			802,712	
- Unrealised income		27,649,890			3,913,492	
		62,400,196			4,716,204	
		(Rupees)			(Rupees)	
Net asset value per unit at beginning of the year		10.95				
Net asset value per unit at end of the year		13.36				10.95

The annexed notes from 1 to 31 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER

Mahaana Wealth Limited
(Management Company)



CHIEF EXECUTIVE OFFICER



DIRECTOR

MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees)	2024 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before taxation		104,092,696	6,986,204
Adjustments for:			
Net unrealised gain on investments		(34,382,355)	(3,913,492)
Element of income and capital gains included in prices		(38,244,112)	(2,155,458)
Amortisation of preliminary expenses and floatation costs		114,005	23,258
		<u>31,580,234</u>	<u>940,512</u>
Increase in assets			
Investments - net		(254,241,321)	(50,824,254)
Amortisation of preliminary expenses and floatation cost			(379,187)
Other Receivable		(1,179,191)	(142,183)
		<u>(255,420,512)</u>	<u>(51,345,624)</u>
Decrease in liabilities			
Payable to Management Company		1,485,900	447,722
Payable to the Trustee		139,811	12,955
Payable to Securities and Exchange Commission of Pakistan		205,087	3,788
Accrued expenses and other liabilities		7,055,711	133,775
		<u>8,886,509</u>	<u>598,240</u>
Net cash used in operating activities		<u>(214,953,769)</u>	<u>(49,806,872)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units		426,678,469	56,002,696
Dividend paid		(43,786,769)	
Payments made against redemption of units		(159,561,637)	(4,247,237)
Net cash generated from financing activities		<u>223,330,063</u>	<u>51,755,459</u>
Net increase in cash and cash equivalents during the year		8,376,293	1,948,587
Cash and cash equivalents at beginning of the year		1,948,587	-
Cash and cash equivalents at the end of the year	6	<u>10,324,880</u>	<u>1,948,587</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

Mahaana Wealth Limited
(Management Company)

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The Mahaana Islamic Index Exchange Traded Fund (The fund) has been established under a Trust Deed executed between Mahaana Wealth Management and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed was executed on October 20, 2023 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (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 Fund commenced its operations from March 11, 2024. The registered office of the Company is situated at Suite 203 2nd Floor, The Forum Clifton Block 9, Khayaban-e-Roomi, Karachi.
- 1.2 The Fund is a Shariah Compliant Exchange Traded Fund that aims to provide investors an opportunity to track the performance of Mahaana Islamic Index (MII) that has been constituted and is maintained by the Management Company, and comprises of shariah compliant equity securities selected with high consideration towards market capitalisation and traded value. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Al Hilal Securities 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 a Open Ended Exchange Traded Mutual Fund categorised as "Listed Index Tracking Fund". A new concept of "Authorised Participants "APs" has been introduced who will also act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The Fund is listed on Pakistan Stock Exchange Limited (PSX) Limited. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holder of the units keeps on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between AP and Management Company and cash will be paid / received if there is a difference in the applicable net asset value of a creation unit and the market value of the portfolio deposit.
- 1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (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
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where 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 requirements of the Trust Deed differ from the requirements of IFRS, 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 requirements of the Trust Deed have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated in relevant notes to the financial statements.

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional currency.

3.4 Use of judgments and estimates

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

Classification and valuation of investment

For details please refer notes 4.2.1.1 and 24 to these financial statements.

Impairment of investment

For details please refer notes 4.2.1.1 and 24 to these financial statements.

4. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS APPLICABLE IN PAKISTAN

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following accounting standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations 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.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	

5. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied, unless otherwise stated.

5.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks.

5.2 Financial assets

5.2.1 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.

5.2.2 Classification and subsequent measurement

a) 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.

b) Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) 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.

5.2.3 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.

5.2.4 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 on derecognition of financial assets is taken to the Income Statement.

5.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. 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 or cancelled or expired. Any gain or loss is derecognition of financial liabilities is taken to the Income Statement.

5.4 Offsetting of financial assets and 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 realize the assets and settle the liabilities simultaneously.

5.5 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

5.6 Net asset value per unit

The net assets 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 issue at the year end.

5.7 Issue and redemption of units

Authorised Participant can purchase the units at the offer price and redeem at the redemption price at any of the authorised distribution offices during business hours.

The offer price shall be equal to the sum of:

- The Net Asset Value (NAV) as of the close of the previous business day (historical pricing);
- Such amount as the Management Company may consider an appropriate provision for duties and charges

Units of the Fund may be acquired or redeemed directly from the Fund only in Creation Units lot size or multiples thereof as mentioned in the Offering Document. Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund.

5.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company.

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

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

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.

As clarified by the SECP vide its letter no. SCD/AMCW/ETF/240/2020 dated March 2, 2020 that element of income in case of Exchange Traded Funds shall be taken to Income Statement both at the time of issuance and redemption of units to the extent it pertains to Income Statement.

5.10 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale 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 date of book closure of the investee company / institution declaring the dividend.
- Profit on saving accounts is recognised using

5.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the Commission are recognised in the income statement on an accrual basis.

5.12 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.

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.

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.

5.13 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.

5.14 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.

	Note	2025 (Rupees)	2024 (Rupees)
6. BALANCES WITH BANKS			
Savings account	4.1	<u>10,324,880</u>	<u>1,948,587</u>
6.1	This balance is maintained with Dubai Islamic Bank Limited that had a profit rate of per annum ranging between to 8% to 11% (2024:11% to 13%).		
7. INVESTMENTS			
At fair value through profit or loss			
Investment in equity share	7.1	<u>343,361,423</u>	<u>54,737,747</u>

7.1 INVESTMENTS

Name Of The Investee Company	As At July 1, 2024	Investments made during the year	Bonus / Right Shares	Sold during the year	As At June 30, 2025	Carrying Value as at June 30, 2025	Market Value as at June 30, 2025	Unrealised appreciation/(diminution) as at June 30, 2025	Percentage in Relation to	
									Net Assets of the fund	Total Market Value of Investments
	-----Number of Units-----					-----Rupees-----			-----Percentage (%)-----	
Automobile Assembler										
Millat Tractors Limited	4,464	23,993	-	(15,527)	12,930	7,529,440	7,223,474	(305,966)	2%	2%
Sazgar Engineering Works Limited	-	8,638	-	(6,052)	2,586	2,855,305	2,947,575	92,269	1%	1%
Cable & Electrical Goods										
Pak Elektron Limited	-	252,386	-	(154,118)	98,268	3,640,562	4,025,057	384,495	1%	2%
Cement										
Cherat Cement Company Limited	5,456	33,803	-	(15,985)	23,274	6,068,325	6,756,442	688,117	2%	2%
D.G. Khan Cement Company Limited	9,920	66,702	-	(35,246)	41,376	4,962,620	6,850,211	1,887,591	2%	2%
Fauji Cement Company Limited	36,704	265,951	-	(144,909)	157,746	6,063,413	7,046,514	983,101	2%	2%
Kohat Cement Company Limited	2,480	15,890	-	(18,370)	-	-	-	-	-	-
Lucky Cement Limited	3,968	119,071	-	(42,873)	80,166	21,285,747	28,478,170	7,192,423	8%	8%
Maple Leaf Cement Factory Limited	23,312	130,580	-	(65,968)	87,924	5,186,216	7,410,235	2,224,019	2%	2%
Pioneer Cement Limited	4,464	27,008	-	(13,370)	18,102	3,562,201	4,129,609	567,408	1%	1%
Chemical										
Lucky Core Industries Limited	-	2,590	-	(2)	2,588	4,018,948	4,113,031	94,083	1%	1%
Commercial Bank										
Faysal Bank Limited	14,880	107,334	-	(52,392)	69,822	3,602,011	4,867,990	1,265,979	1%	1%
Meezan Bank Limited	18,352	114,244	-	(47,258)	85,338	22,654,103	28,336,483	5,682,380	8%	8%
Engineering										
International Industries Limited	-	15,715	-	(15,715)	-	-	-	-	-	-
International Steels Limited	-	31,184	-	(31,184)	-	-	-	-	-	-
Fertilizers										
Engro Corporation limited	11,904	33,080	-	(44,984)	-	-	-	-	-	-
Engro Fertilizers Limited	27,280	141,939	-	(60,607)	108,612	20,341,374	20,157,301	(184,072)	6%	6%
Fauji Fertilizer Bin Qasim Limited	18,352	43,196	-	(61,548)	-	-	-	-	-	-
Fatima Fertilizer Company Limited	12,896	79,292	-	(40,468)	51,720	3,948,509	5,141,485	1,192,976	1%	1%
Food & Personal Care Products										
Unity Foods Limited	22,320	1,080	-	(23,400)	-	-	-	-	-	-
National Foods Limited	2,976	144	-	(3,120)	-	-	-	-	-	-
Glass & Ceramics										
Tariq Glass Industries Limited	-	12,950	-	(10)	12,940	2,796,087	3,250,140	454,052	1%	1%
Investment Bank / Investment Companies / Securities Companies										
Engro Holdings Limited	-	176,771	-	(13,756)	163,015	29,357,207	29,760,018	402,812	9%	9%
Oil & Gas Exploration Companies										
Oil & Gas Development Company Limited	28,272	177,827	-	(84,557)	121,542	26,061,550	26,807,304	745,753	8%	8%
Pakistan Petroleum Limited	31,248	195,112	-	(97,060)	129,300	20,627,362	22,002,981	1,375,619	6%	6%
Mari Petroleum Company Limited	992	64,235	7,560	(26,239)	46,548	26,870,407	29,180,476	2,310,068	8%	8%
Oil & Gas Marketing Companies										
Attock Petroleum Limited	1,488	72	-	(1,560)	-	-	-	-	-	-
Pakistan State Oil Company Limited	8,928	69,044	-	(39,182)	38,790	12,532,270	14,644,389	2,112,119	4%	4%
Sui Northern Gas Pipelines Limited	13,888	78,381	-	(36,296)	55,973	5,444,056	6,338,053	893,997	2%	2%
Paper and Board										
Packages Limited	992	7,475	-	(8,467)	-	-	-	-	-	-
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	-	8,565	-	(3,393)	5,172	5,187,466	5,027,443	(160,024)	1%	1%
GlaxoSmithKline Pakistan Limited	-	20,964	-	(8,034)	12,930	5,003,540	5,052,010	48,469	1%	1%
Highnoon Laboratories Limited	992	6,100	-	(1,920)	5,172	4,476,891	5,109,729	632,838	1%	1%
The Searle Company Limited	8,432	69,606	-	(36,662)	41,376	3,412,275	3,628,675	216,400	1%	1%
Power Generation & Distribution										
The Hub Power Company Limited	40,176	300,087	-	(167,001)	173,262	22,162,769	23,877,236	1,714,467	7%	7%
K-Electric Limited	145,328	487,394	-	(632,722)	-	-	-	-	-	-
Refinery										
Attock Refinery Limited	1,984	11,979	-	(6,205)	7,758	4,377,642	5,270,940	893,298	2%	2%
Technology & Communication										
Air link Communication Limited	-	39,790	-	(39,790)	-	-	-	-	-	-
Systems Limited	8,432	237,704	-	(70,288)	175,848	18,422,026	18,840,355	418,329	5%	5%
Textile										
Interloop Limited	13,392	78,381	-	(40,053)	51,720	3,295,672	3,504,547	208,875	1%	1%
Nishat Mills Limited	-	28,490	-	(22)	28,468	3,233,075	3,583,552	350,477	1%	1%
Total as at June 30, 2025						308,979,068	343,361,423	34,382,355	98%	100%

7.1.1 All Shares have a nominal value of Rs.10 each except for the shares of K-electric Limited which has nominal value of Rs. 3.5 each.

	2025	2024
Note	(Rupees)	(Rupees)

8. OTHER RECEIVABLE

Profit receivable from savings account	12,779	12,779
Tax Refundable on bank profits	97,378	11,858
Tax Refundable	1,143,792	117,546
Cash Component receivable from Authorized Participants	67,425	-
	<u>1,321,374</u>	<u>142,183</u>

9. PRELIMINARY EXPENSES AND FLOATATION COSTS

Opening Balance	355,929	-
Add: Incurred during the year	-	379,187
Less: amortisation for the year	(114,005)	(23,258)
Closing balance	<u>241,924</u>	<u>355,929</u>

9.1 The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are being amortized by the Fund over a period of five years commencing from the end of the initial offering period as per the requirements set out in the Trust Deed of the Fund and NBFC Rules.

10. PAYABLE TO MANAGEMENT COMPANY

Management fee	10.1	1,344,023	51,801
Sindh sales tax payable on management fee	10.2	200,412	6,734
Preliminary expenses and floatation costs payable		379,187	379,187
Payable to AMC for Bank Deposit		10,000	10,000
		<u>1,933,622</u>	<u>447,722</u>

10.1 As per Regulation 61 of the NBFC Regulations, the Asset Management Company may charge a variable fee, a fixed fee, or a combination of both, which shall not exceed the limit disclosed in the Offering Document. The maximum limit disclosed in the Offering Document is up to 1% per annum of the average annual net assets. During the period, the fee is being charged at a rate ranging between 0.02% to 0.05%. The fee is payable monthly in arrears.

10.2 The Sindh Government has levied Sindh Sales Tax at the rate of 15% (2024:13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

	Note	2025 (Rupees)	2024 (Rupees)
11. PAYABLE TO TRUSTEE			
Trustee fee payable	11.1	123,368	11,465
Sindh sales tax payable on Trustee Fee	11.2	29,397	1,490
		<u>152,766</u>	<u>12,955</u>

- 11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, as per the tariff specified therein (i.e; 0.1% per annum on average net assets), The fee is paid to the Trustee monthly in arrears.
- 11.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 15% (2024:13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

12. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	12.1	<u>208,875</u>	<u>3,788</u>
12.1 As per Regulation 62 of NBFC Regulations, an Asset Management Company managing a CIS shall pay SECP an annual fee of 0.095% of the average annual nets assets. The fee is payable annually in arrears.			

13. DIVIDEND PAYABLE

Dividend payable	<u>175,732</u>	<u>2,270,000</u>
------------------	----------------	------------------

14. ACCRUED AND OTHER LIABILITIES

Legal and Professional Charges	13,251	13,251
Cash component payable to Authorized Participants	-	120,524
Tax withheld on dividend	6,366,615	-
Zakat withheld on dividend	809,620	-
	<u>7,189,486</u>	<u>133,775</u>

15. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025 (2024:Nil)

Note	2025 (Rupees)	2024 (Rupees)
------	------------------	------------------

16. NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	4,960,000	-
Add: Units issued	32,620,000	5,370,000
Less: Units redeemed	(11,720,000)	(410,000)
Total units in issue at the end of the year	<u>25,860,000</u>	<u>4,960,000</u>

17. TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund based on the current period results is 0.73% which includes 0.15% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Index Tracking Fund.

18. TAXATION

The Fund's income is exempt from income tax as per 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 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 NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2025 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements for 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.

19. EARNINGS PER UNIT

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

20 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

- 20.1 Connected persons and related parties include Mahaana Wealth Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, and other entities under common management and / or directorship and the directors, their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding 10 percent or more units / net assets of the Fund.
- 20.2 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. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 20.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 20.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 20.5 The details of transactions carried out by the Fund with connected persons / related parties during the year from March 11, 2024 to June 30, 2024 and balances with them as at year end are as follows:

Transactions during the year:

	2025 (Rupees)	2024 (Rupees)
Mahaana Wealth Limited - Management Company		
Remuneration of the Management Company	1,344,023	51,801
Sindh Sales Tax on remuneration of the Management Company	200,412	6,734
Payable to AMC for fund Incorporation	389,187	389,187
Units issued: 2,500,000 units		25,000,000
Dividend Payable		(1,250,000)
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	123,368	11,465
Sindh Sales Tax on remuneration of the Trustee	29,397	1,490

	2025 (Rupees)	2024 (Rupees)
20.6 Balance outstanding as at year end		
Mahaana Wealth Limited - Management Company		
Remuneration payable	1,344,023	51,801
Sindh sales tax payable on remuneration of the management company	200,412	6,734
Preliminary expenses and floatation costs payable	389,187	389,187
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	123,368	11,465
Sindh sales tax payable on remuneration of the Trustee	29,397	1,490

21 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2025		
	Fair value through profit or loss	Amortised Cost	Total
	Rupees		
Financial assets			
Bank balances		10,324,880	10,324,880
Investments	343,361,423	-	343,361,423
Profit Receivable		12,779	12,779
	343,361,423	10,337,659	353,699,082
Financial liabilities			
Payable to the Management Company	-	589,599	589,599
Payable to the Trustee	-	29,398	29,398
Accrued expenses and other liabilities	-	822,871	822,871
	-	1,441,868	1,441,868

Particulars	2024		
	Fair value through profit or loss	Amortised Cost	Total
	Rupees		
Financial assets			
Bank balances	-	1,948,587	1,948,587
Investments	54,737,747	-	54,737,747
Profit Receivable	-	12,779	12,779
	54,737,747	1,961,367	56,699,113
Financial liabilities			
Payable to the Management Company	-	395,921	395,921
Payable to the Trustee	-	1,490	1,490
Accrued expenses and other liabilities	-	133,775	133,775
	-	531,187	531,187

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance.

Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk and profit rate risk) credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the NBFC Regulations, and the directives issued by the SECP.

22.1 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 market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk.

22.1.1 Currency risk

Currency risk is a 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, at present, is not exposed to currency risk.

22.1.2 Interest rate risk

Interest rate risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Cash flow interest rate risk

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 8% to 11% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 0.318 million.

b) Fair value interest rate risk

As at June 30, 2025 the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

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, 2025 can be determined as follows:

-----2025-----						
Particulars	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----						
On-balance sheet financial instruments						
Financial assets						10,324,880
Bank balances	8% - 11%	10,324,880	-	-	-	10,324,880
Investments		-	-	-	343,361,423	343,361,423
Profit receivable		12,779	-	-	12,779	25,559
Sub total		10,337,659	-	-	343,374,202	353,711,862
Financial liabilities						
Payable to the Management Company		-	-	-	589,599	589,599
Payable to the Trustee		-	-	-	29,398	29,398
Accrued expenses and other liabilities		-	-	-	822,871	822,871
Sub total		-	-	-	1,441,868	1,441,868
On-balance sheet gap (a)		10,337,659	-	-	341,932,334	352,269,994
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		10,337,659	-	-	341,932,334	352,269,993
Cumulative interest rate sensitivity gap		10,337,659	-	-		

Particulars	-----2025-----					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5% to 9.4%	1,948,587	-	-	-	1,948,587
Investments		-	-	-	54,737,747	54,737,747
Profit receivable		-	-	-	12,779	12,779
Sub total		1,948,587	-	-	54,750,526	56,699,113
Financial liabilities						
Payable to the Management Company		-	-	-	395,921	395,921
Payable to the Trustee		-	-	-	1,490	1,490
Accrued expenses and other liabilities		-	-	-	133,775	133,775
Sub total		-	-	-	531,186	531,187
On-balance sheet gap (a)		1,948,587	-	-	54,219,340	56,167,926
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,948,587	-	-	54,219,340	56,167,927
Cumulative interest rate sensitivity gap		1,948,587	-	-	-	-

22.1.3 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 its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities 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. The Fund's equity investments and their fair values exposed to price risk as at the period end are concentrated in the sectors given in note 7.1.

In case of 1% increase / decrease in MII30 on June 30, 2024, with all other variables held constant, the total comprehensive income of the Fund for the period from March 11, 2024 to June 30, 2024 would increase / decrease by Rs. 0.547 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 MII30, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the MII30, 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 MII30.

22.2 Liquidity risk

Liquidity risk is a risk that the Fund may not be able to generate sufficient cash resources to settle its obligations 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 cash redemptions, if any, 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, without incurring unacceptable losses or risking damage to the Fund's reputation. Its 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 up to 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period from March 11, 2024 to 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 bank balances have been included in the maturity grouping of one month:

Particulars	2025						Total
	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 five years	Financial instruments with no fixed maturity	
Financial Assets							
Balance With Banks	10,324,880	-	-	-	-	-	10,324,880
Investments	-	-	-	-	-	343,361,423	343,361,423
Other Receivable	12,779	-	-	-	-	-	12,779
	10,337,659	-	-	-	-	343,361,423	353,699,082
Financial liabilities							
Payable to the Management Company	1,933,622	-	-	-	-	-	1,933,622
Payable to the Trustee	152,766	-	-	-	-	-	152,766
Accrued expenses and other liabilities	7,189,486	-	-	-	-	-	7,189,486
	9,275,875	-	-	-	-	-	9,275,875
	1,061,785	-	-	-	-	343,361,423	344,423,208

Particulars	2024						Total
	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 five years	Financial instruments with no fixed maturity	
Financial Assets							
Balance With Banks	1,948,587	-	-	-	-	-	1,948,587
Investments	-	-	-	-	-	54,737,747	54,737,747
Other Receivable	12,779	-	-	-	-	-	12,779
	1,961,367	-	-	-	-	54,737,747	56,699,113
Financial liabilities							
Payable to the Management Company	447,722	-	-	-	-	-	447,722
Payable to the Trustee	12,955	-	-	-	-	-	12,955
Accrued expenses and other liabilities	133,775	-	-	-	-	-	133,775
	594,453	-	-	-	-	-	594,453
	1,366,914	-	-	-	-	54,737,747	56,104,660

22.3 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. The Fund's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements.

22.3.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2025.

Name of Banks	Balances held as at June 30, 2025	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2025	Rating agency
Rupees				
Balances with banks by rating category				
Dubai Islamic Bank	10,324,880	1,948,587	AA/ A-1+	VIS
	<u>10,324,880</u>	<u>1,948,587</u>		
Profit receivable	<u>12,779</u>	<u>12,779</u>	AA/ A-1+	VIS

The profit receivable is against the bank deposit.

22.3.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

Rating by rating category	2025 (Percentage)	2024 (Percentage)
AA/ A-1+	100%	100%

22.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial assets is mainly held with credit worthy counterparties thereby mitigating any credit risk.

23. UNITS 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, 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 22, 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.

24 FAIR VALUE MEASUREMENT

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

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

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

24.1 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 the reporting date, the Fund held the following financial instruments measured at fair values:

As at June 30, 2025			
	Level 1	Level 2	Level 3
	(Rupees)		
Financial assets 'at fair value through profit or loss'			
Shares of listed companies -	343,361,423	-	-
	343,361,423	-	-

As at June 30, 2024		
Level 1	Level 2	Level 3
----- (Rupees) -----		

Financial assets 'at fair value through profit or loss'

Shares of listed companies -

54,737,747	-	-
54,737,747	-	-

25. UNIT HOLDING PATTERN OF THE FUND

Category

----- 2025 -----		
No. of unit holders	Investment amount in Rs.	Percentage of Total
2,500,000	179,057,258	330%
686,000	49,133,312	90%
1,774,000	127,059,031	234%
4,960,000	355,249,601	654%

Category

----- 2024 -----		
No. of unit holders	Investment amount in Rs.	Percentage of Total
2,500,000	27,377,120	50%
686,000	7,512,282	14%
1,774,000	19,426,804	36%
4,960,000	54,316,206	100%

26. LIST OF TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID/PAYABLE

The Fund has traded with only one broker during the year.

27. DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall Experience
Muhammad Shamoan Tariq	Chief Executive Officer	CFA	14+
Mubashir Zuberi	Chief Investment Officer	CFA	11+
Syed Shahzad Ali	Fund Ops/Settlement	B.COM	14+
Syed Aqib Hussain	Manager Compliance	MBA	13+

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follows:

Name	Designation	Qualification	Overall Experience
Muhammad Shamoan Tariq	Chief Executive Officer	CFA	13+
Mubashir Zuberi	Chief Investment Officer	CFA	10+
Syed Shahzad Ali	Fund Ops/Settlement	B.COM	13+
Syed Aqib Hussain	Manager Compliance	MBA	12+

28. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Eight meetings of the Board of Directors were held on September 28, 2024, October 23, 2024, December 20, 2024, February 18, 2025, February 28, 2025, April 28, 2025, June 17, 2025 and June 20, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave Granted	
Shibli Islam Rehan	8	8	-	-
Osman Nasir	8	5	3	Dec 20, 2024 Feb 18, 2025 June 20, 2025
Muhammad Shamoan Tariq	8	8	-	-
Mubashir Zuberi	8	8	-	-

Two meetings of the Board of Directors were held on April 29, 2024 and June 28, 2024, respectively. Information in respect of the attendance by the Directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave Granted	
Shibli Islam Rehan	2	2	-	-
Osman Nasir	2	-	2	April 29, 2024 June 28, 2024
Muhammad Shamoan Tariq	2	2	-	-
Mubashir Zuberi	2	2	-	-


29. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

30. GENERAL

30.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

31. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 31, 2025 by the Board of Directors of the Management Company. 

Mahaana Wealth Limited
(Management Company)



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR