



**Al Meezan**  
Investment Management Ltd.

# DISTAGHIL SAR

It is paramount to have smart investment plans to sustain the heights of an adventure-filled life.

Height 7,884 meters,  
belongs to the range Hispar Karakoram



## **MEEZAN BALANCED FUND (MBF)**

Meezan Balanced Fund seeks to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested in both high quality equity securities and Islamic Income Instruments such as TFCs, COIs, Certificates of Musharika, Islamic Sukuks, Ready-future hedges and other Shariah Compliant instruments.



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

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

## BOARD RISK MANAGEMENT COMMITTEE

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

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

## BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	Member
Mr. Faiz ur Rehman	Subject Matter Expert

## TRUSTEE

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

## AUDITORS

EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road,  
P.O. Box 15541, Karachi 75530

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited  
Al Baraka Islamic Bank B.S.C (E.C)  
Askari Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited - Islamic Banking

Habib Metropolitan Bank Limited - Islamic Banking  
MCB Islamic Bank  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Samba Bank Limited  
Sindh Bank Limited  
The Bank Of Khyber - Islamic Banking  
UBL Ameen - Islamic Banking

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN BALANCED FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2022**

	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
Note	(Rupees in '000)	
<b>Assets</b>		
Balances with banks	5 608,650	314,974
Investments	6 1,924,861	2,356,901
Receivables against conversion of units	486	91
Dividend receivable	5,876	694
Receivable against sale of investments	-	1,991
Advances, deposits and other receivables	50,547	25,094
<b>Total assets</b>	<u>2,590,419</u>	<u>2,699,745</u>
<b>Liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	7 9,946	3,432
Payable to Central Depository Company of Pakistan Limited - Trustee	331	339
Payable to the Securities and Exchange Commission of Pakistan	131	798
Payable to Meezan Bank Limited	9	50
Payable against purchase of investments	3,446	2,579
Payable against redemption and conversion of units	1,409	770
Dividend payable	7,498	7,498
Accrued expenses and other liabilities	8 41,234	43,458
<b>Total liabilities</b>	<u>64,003</u>	<u>58,924</u>
<b>Net assets</b>	<u>2,526,416</u>	<u>2,640,821</u>
<b>Unit holders' fund (as per statement attached)</b>	<u>2,526,416</u>	<u>2,640,821</u>
<b>Contingencies and commitments</b>	9	
	<b>(Number of units)</b>	
<b>Number of units in issue</b>	<u>160,059,728</u>	<u>169,117,750</u>
	<b>(Rupees)</b>	
<b>Net asset value per unit</b>	<u>15.7842</u>	<u>15.6153</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN BALANCED FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	Note	September 30,	
		2022	2021
(Rupees in '000)			
<b>Income</b>			
Profit on saving accounts with banks		21,399	16,475
Dividend income		19,134	30,673
Profit on sukuk certificates		28,518	32,181
Net realised loss on sale of investments		(5,377)	(3,609)
Reversal of provision for Sindh Workers' Welfare Funds (SWWF)		-	60,542
		63,674	136,262
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6	(10,632)	(117,904)
<b>Total income</b>		53,042	18,358
<b>Expenses</b>			
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	13,095	23,958
Sindh Sales Tax on remuneration of the Management Company		1,702	3,115
Allocated expenses	7.2	720	1,318
Selling and marketing expenses	7.3	6,547	11,979
Remuneration of Central Depository Company of Pakistan Limited - Trustee		907	1,450
Sindh Sales Tax on remuneration of the Trustee		118	189
Annual fee to the Securities and Exchange Commission of Pakistan		131	240
Auditors' remuneration		136	154
Charity expense		451	1,010
Fees and subscription		162	28
Legal and professional charges		-	184
Printing expense		3	-
Brokerage expense		552	1,212
Bank and settlement charges		38	163
Provision against sukuk		-	28,125
<b>Total expenses</b>		24,561	73,124
<b>Net income / (loss) for the quarter before taxation</b>		28,481	(54,766)
Taxation	12	-	-
<b>Net income / (loss) for the quarter after taxation</b>		28,481	(54,766)
<b>Allocation of net income for the period</b>			
Net income for the quarter after taxation		28,481	-
Income already paid on units redeemed		-	-
		28,481	-
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		28,481	-
		28,481	-

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

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

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

\_\_\_\_\_  
Director



**MEEZAN BALANCED FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	<u>September 30,</u>	
	<u>2022</u>	<u>2021</u>
	<u>(Rupees in '000)</u>	
<b>Net income / (loss) for the quarter after taxation</b>	28,481	(54,766)
Other comprehensive income for the quarter	-	-
<b>Total comprehensive income / (loss) for the quarter</b>	<u>28,481</u>	<u>(54,766)</u>

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

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

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

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

**MEEZAN BALANCED FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September 30, 2022			September 30, 2021		
	Capital value	Undistri-buted income	Total	Capital value	Undistri-buted income	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the quarter</b>	2,104,770	536,051	2,640,821	4,059,835	653,302	4,713,137
Issue of 1,552,454 units (2021: 19,394,988 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	24,242	-	24,242	314,203	-	314,203
- Element of income	364	-	364	2,417	-	2,417
Total proceeds on issuance of units	24,606	-	24,606	316,620	-	316,620
Redemption of 10,610,476 units (2021: 21,813,571 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	165,686	-	165,686	353,384	-	353,384
- Element of loss	1,807	-	1,807	1,836	-	1,836
Total payments on redemption of units	167,492	-	167,492	355,220	-	355,220
Total comprehensive income / (loss) for the quarter	-	28,481	28,481	-	(54,766)	(54,766)
Distribution during the quarter	-	-	-	-	-	-
Net income for the quarter less distribution	-	28,481	28,481	-	(54,766)	(54,766)
<b>Net assets at the end of the quarter</b>	<b>1,961,884</b>	<b>564,532</b>	<b>2,526,416</b>	<b>4,021,235</b>	<b>598,536</b>	<b>4,619,771</b>
<b>Undistributed income brought forward</b>						
- Realised income		720,037			218,892	
- Unrealised (loss) / income		(183,986)			434,410	
		536,051			653,302	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		28,481			-	
		28,481			-	
Net loss for the quarter after taxation		-			(54,766)	
Distribution during the quarter		-			-	
Undistributed income carried forward		564,532			598,536	
<b>Undistributed income carried forward</b>						
- Realised income		575,164			716,440	
- Unrealised loss		(10,632)			(117,904)	
		564,532			598,536	
Net assets value per unit at the beginning of the quarter			(Rupees)			(Rupees)
			15.6153			16.2002
Net assets value per unit at the end of the quarter			15.7842			16.0123

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

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

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

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



**MEEZAN BALANCED FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September 30,	
	2022	2021
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the quarter before taxation	28,481	(54,766)
<b>Adjustments for:</b>		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	10,632	117,904
	<u>39,113</u>	<u>63,138</u>
<b>decrease / (Increase) in assets</b>		
Investments - net	421,409	(189,068)
Dividend receivable	(5,182)	(6,927)
Receivable against sale of investments	1,991	(18,265)
Advances, deposits and other receivables	(25,453)	29,733
	<u>392,765</u>	<u>(184,527)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	6,514	8,710
Payable to Central Depository Company of Pakistan Limited - Trustee	(8)	19
Payable to the Securities and Exchange Commission of Pakistan	(667)	(636)
Payable to Meezan Bank Limited	(41)	33
Payable against purchase of investments	867	10,666
Accrued expenses and other liabilities	(2,224)	(62,852)
	<u>4,440</u>	<u>(44,060)</u>
<b>Net cash generated from / (used in) operating activities</b>	<u>436,319</u>	<u>(165,449)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	24,211	322,030
Payment against redemption and conversion of units	(166,853)	(345,342)
<b>Net cash used in financing activities</b>	<u>(142,642)</u>	<u>(23,312)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the quarter</b>	<u>293,676</u>	<u>(188,761)</u>
Cash and cash equivalents at the beginning of the quarter	314,974	1,116,066
<b>Cash and cash equivalents at the end of the quarter</b>	<u><u>608,650</u></u>	<u><u>927,305</u></u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN BALANCED FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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

**1.1** Meezan Balanced Fund (the Fund) was initially established as a closed-end scheme under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 15, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 8, 2004 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

Subsequently, on May 3, 2013, SECP vide its letter No. SCD/AMCW/MBF /512/2013 had approved the conversion of the closed end structure into an open end scheme through the establishment of the Unit Trust Scheme under the name of Meezan Balanced Fund (MBF). On June 27, 2013, SECP vide its letter No SCD/AMCW/MBF/613/2013 registered MBF (the open-end scheme) as a notified entity and had withdrawn the registration of MBF as a closed end scheme with effect from the effective date i.e. July 1, 2013 and therefore from July 1, 2013, the Fund had been converted into an open end scheme and, accordingly, the certificate holders of the closed end scheme at June 30, 2013 were converted to unitholders of the open end scheme.

**1.2** The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP.

**1.3** The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah compliant equity securities and Islamic income instruments such as Islamic Sukuks (certificates of Islamic investment), musharaka certificates, Government Securities, cash in bank accounts, Money Market Placements, Deposits, Certificates of Deposits, Term Deposits Receipts, Commercial Papers, Islamic alternatives of Reverse Repos, Spread Transactions, and other Shariah compliant instruments as indicated by the SECP. Under the Trust Deed all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

**1.4** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. The Fund is categorised as a Shariah Compliant Balanced Fund in accordance with Circular 7 of 2009 issued by the SECP.

**1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan (CDC) as the Trustee of the Fund.

**1.6** The Management Company has been assigned a quality rating of AM1 by VIS dated December 27, 2021 (2020: AM1 dated December 31, 2020) and by PACRA dated June 23, 2022 (2021: AM1 dated June 23, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of 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 International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

These condensed interim financial statements are unaudited. However, in compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2022.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2022.

4.3 There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5	BALANCES WITH BANKS	Note	September 30,	June 30,
			2022 (Unaudited) (Rupees in '000)	2022 (Audited)
	In saving accounts	5.1	600,488	306,713
	In current accounts		8,162	8,261
			<u>608,650</u>	<u>314,974</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.00% to 16.00% per annum (June 30, 2022: 3.00% to 16.25% per annum).

6	INVESTMENTS	Note	September 30,	June 30,
			2022 (Unaudited) (Rupees in '000)	2022 (Audited)
	<b>'At fair value through profit or loss'</b>			
	Shares of listed companies - 'ordinary shares'	6.1	1,236,578	1,241,797
	Sukuk certificates	6.1.2.1 & 6.1.2.2	688,283	699,588
	Commercial papers		-	415,516
			<u>1,924,861</u>	<u>2,356,901</u>

## 6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2022	Purchases during the quarter	Right / Bonus issue	Sales during the quarter	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised gain / (loss) as at September 30, 2022	Percentage in relation to			
									Net Assets of the Fund	Paid-up-Capital of the investee company (with face value of investments)	Total market value of investments	
								Number of shares	(Rupees in '000)	%		
<b>Sectors / companies</b>												
<b>Commercial Banks</b>												
Bank Islami Pakistan Limited	436,962	-	-	-	436,962	5,261	4,680	(581)	0.19	0.04	0.24	
Meezan Bank Limited (an associate company of the Fund)	822,816	59,933	74,274	140,000	817,023	84,335	89,668	5,333	3.55	0.05	4.66	
									<b>3.73</b>	<b>0.09</b>	<b>4.90</b>	
<b>Automobile assemblers</b>												
Ghandhara Industries Limited	2,100	-	-	-	2,100	332	307	(25)	0.01	-	0.02	
Ghandhara Nissan Limited	39,600	-	-	-	39,600	2,351	2,226	(125)	0.09	0.07	0.12	
Millat Tractors Company Limited	26,052	-	-	-	26,052	22,733	21,468	(1,265)	0.85	0.03	1.12	
									<b>0.95</b>	<b>0.10</b>	<b>1.25</b>	
<b>Chemicals</b>												
Dynea Pakistan Limited (note 6.1.1.1)	28,000	5,100	-	-	33,100	5,824	6,074	250	0.24	0.18	0.32	
Engro Polymer and Chemicals Limited	365,954	-	-	365,954	-	-	-	-	-	-	-	
ICI Pakistan Limited	29,616	2,500	-	-	32,116	23,235	21,387	(1,848)	0.85	0.03	1.11	
									<b>1.09</b>	<b>0.21</b>	<b>1.43</b>	
<b>Cement</b>												
Attock Cement Limited	4,528	-	-	-	4,528	301	369	68	0.01	-	0.02	
Cherat Cement Company Limited	137,400	20,000	-	-	157,400	15,056	18,191	3,135	0.72	0.08	0.95	
Fauji Cement Limited	200,000	250,000	-	-	450,000	6,646	6,746	100	0.27	0.02	0.35	
Kohat Cement Limited	324,320	-	-	-	324,320	42,204	51,891	9,687	2.05	0.16	2.70	
Lucky Cement Limited	119,947	32,000	-	-	151,947	69,853	75,451	5,598	2.99	0.05	3.92	
Maple Leaf Cement Limited	570,987	290,000	-	-	860,987	24,063	23,987	(76)	0.95	0.08	1.25	
									<b>6.99</b>	<b>0.39</b>	<b>9.18</b>	
<b>Fertilizers</b>												
Engro Corporation Limited (note 6.1.1.2)	268,014	-	-	12,415	255,599	65,712	59,176	(6,536)	2.34	0.04	3.07	
Engro Fertilizer Limited	676,924	-	-	225,968	450,956	39,973	35,184	(4,789)	1.39	0.03	1.83	
									<b>3.73</b>	<b>0.07</b>	<b>4.90</b>	
<b>Technology &amp; Communication</b>												
Air Link Communication Limited	80,156	-	-	-	80,156	3,238	2,899	(339)	0.11	0.02	0.15	
Avanceon Limited	126,875	-	-	-	126,875	9,885	9,445	(440)	0.37	0.04	0.49	
Octopus Digital Limited	24,836	-	-	-	24,836	1,771	1,598	(173)	0.06	0.02	0.08	
Supernet Limited	-	120,000	-	-	120,000	1,630	1,919	289	0.08	0.11	0.10	
Systems Limited	249,230	-	-	-	249,230	82,211	94,079	11,868	3.72	0.09	4.89	
									<b>4.35</b>	<b>0.28</b>	<b>5.71</b>	
<b>Paper &amp; Board</b>												
Century Paper & Board Mills Limited	328,345	-	32,834	-	361,179	20,292	24,094	3,802	0.95	0.16	1.25	
Cherat Packaging Limited	40	-	4	-	44	5	5	-	-	-	-	
Packages Limited	74,773	4,000	-	25,000	53,773	21,457	21,942	485	0.87	0.06	1.14	
Roshan Packages Limited	42,500	-	-	-	42,500	632	678	46	0.03	0.03	0.04	
									<b>1.85</b>	<b>0.25</b>	<b>2.43</b>	
<b>Oil &amp; Gas Exploration</b>												
Mari Petroleum Company Limited	77,554	-	-	5,000	72,554	126,225	113,533	(12,692)	4.49	0.05	5.90	
Oil and Gas Developed Company Limited	1,292,931	-	-	-	1,292,931	101,715	97,901	(3,814)	3.88	0.03	5.09	
Pakistan Oilfield Limited	85,007	-	-	5,000	80,007	32,468	27,932	(4,536)	1.11	0.03	1.45	
Pakistan Petroleum Limited	1,386,997	50,000	-	-	1,436,997	97,329	88,303	(9,026)	3.50	0.05	4.59	
									<b>12.97</b>	<b>0.16</b>	<b>17.02</b>	
<b>Oil and Gas Marketing</b>												
Attock Petroleum Limited	-	22,233	5,558	-	27,791	8,479	7,751	(728)	-	0.02	-	
Hascol Petroleum Limited	1,901	-	-	-	1,901	8	12	4	-	-	-	
Pakistan State Oil Company Limited	297,066	50,000	-	25,000	322,066	55,452	52,313	(3,139)	2.07	0.07	2.72	
Sui Northern Gas Pipeline Limited	410,888	250,000	-	-	660,888	23,373	22,219	(1,154)	0.88	0.10	1.15	
									<b>2.95</b>	<b>0.19</b>	<b>3.87</b>	
<b>Pharmaceuticals</b>												
Abbott Laboratories Pakistan Limited	2,250	-	-	-	2,250	1,473	1,312	(161)	0.05	-	0.07	
AGP Limited	500	-	-	-	500	44	40	(4)	0.00	-	0.00	
GlaxoSmithKline Consumer Healthcare Limited	42,900	-	-	-	42,900	10,224	9,356	(868)	0.37	0.04	0.49	
Highnoon Laboratories Limited	529	-	-	-	529	280	280	-	0.01	-	0.01	
IBL Health Care Limited	247,520	14,000	-	-	261,520	13,511	12,030	(1,481)	0.48	0.40	0.62	
The Searle Company Limited	15,369	40,000	-	-	55,369	6,172	5,629	(543)	0.22	0.02	0.29	
									<b>1.13</b>	<b>0.46</b>	<b>1.49</b>	
<b>Food &amp; Personal Care Products</b>												
Al-Shaheer Corporation Limited	8,546	-	-	-	8,546	77	97	20	-	-	-	
Al Tahir Limited	312,880	-	-	-	312,880	5,967	6,962	995	0.28	0.16	0.36	
									<b>0.28</b>	<b>0.16</b>	<b>0.36</b>	
<b>Power Generation &amp; Distribution</b>												
K-Electric Limited (note 6.1.1.1)	3,578,500	2,200,000	-	-	5,778,500	17,810	17,220	(590)	0.68	0.02	0.89	
The Hub Power Company Limited	760,291	240,000	-	-	1,000,291	67,779	69,930	2,151	2.77	0.08	3.63	
									<b>3.45</b>	<b>0.10</b>	<b>4.53</b>	
<b>Real Estate Investment Trust</b>												
Dolmen City REIT	1,909,000	-	-	-	1,909,000	25,810	26,478	668	1.05	0.09	1.38	
<b>Refinery</b>												
Attock Refinery Limited	6,000	-	-	6,000	-	-	-	-	-	-	-	
National Refinery Limited	13,500	-	-	13,500	-	-	-	-	-	-	-	
Cheryyico PK Limited (Formerly Byco Petroleum Pakistan Limited)	2,075,978	600,000	-	2,075,978	600,000	3,477	2,940	(537)	0.12	0.01	0.15	
									<b>0.12</b>	<b>0.01</b>	<b>0.15</b>	
<b>Textile composite</b>												
Feroze1888 Mills Limited	82,468	-	-	-	82,468	5,148	5,607	459	0.22	0.02	0.29	
Interloop Limited	761,700	25,000	-	148,005	638,695	39,094	40,206	1,112	1.59	0.07	2.09	
Kohinoor Textile Mills Limited	100,000	-	-	-	100,000	5,000	5,371	371	0.21	0.03	0.28	
Nishat Mills Limited	86,427	-	-	25,000	61,427	4,540	4,184	(356)	0.17	0.02	0.22	
									<b>2.19</b>	<b>0.14</b>	<b>2.88</b>	

Name of the investee company	As at July 1, 2022	Purchases during the quarter	Right / Bonus issue	Sales during the quarter	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised gain / (loss) as at September 30, 2022	Percentage in relation to		
									Net Assets of the Fund	Paid-up-Capital of the investee company (with face value of investments)	Total market value of investments
					Number of shares			%			
					(Rupees in '000)						
<b>Engineering</b>											
International Steel Limited	-	100,000	-	-	100,000	5,914	5,513	(401)	0.22	0.02	0.29
Mughal Iron and Steel Industries Limited	245,098	237,049	-	-	482,147	28,667	31,426	2,759	1.24	0.14	1.63
									<b>1.46</b>	<b>0.16</b>	<b>1.92</b>
<b>Glass &amp; Ceramics</b>											
Shabbir Tiles and Ceramics Limited (note 6.1.1.1)	807,500	-	-	294,000	513,500	7,513	7,014	(499)	0.28	0.21	0.36
<b>Leather &amp; Tanneries</b>											
Service Global Footwear Limited	40,430	-	-	-	40,430	1,624	1,555	(69)	0.04	0.02	0.02
<b>Total as at September 30, 2022</b>						<b>1,244,173</b>	<b>1,236,578</b>	<b>(7,595)</b>			
<b>Total as at June 30, 2022</b>						<b>1,432,337</b>	<b>1,241,797</b>	<b>(190,540)</b>			

**6.1.1.1** All shares have a nominal value of Rs 10 each except for the shares of Dynea Pakistan Limited and Shabbir Tiles and Ceramics Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.

**6.1.1.2** Investments include 153,500 shares of Engro Corporation Limited, having market value of Rs 35.538 million as at September 30, 2022 (June 30, 2022: 150,000 shares Rs. 38.564 million) and 1,000 shares of Pakistan Petroleum Limited, having market value of Rs. 0.061 million as at September 30, 2022 (June 30, 2022: nil) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

**6.1.1.3** As at September 30, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 4.086 million (June 30, 2022: 4.347 million).

## 6.1.2 Sukuk certificates

### 6.1.2.1 Corporate sukuks

Name of the investee company	Maturity	Profit rate	As at July 1, 2022	Purchases during the quarter	Sales / Redemptions / matured during the quarter	As at September 30, 2022	Carrying value as at September 30, 2022*	Market value as at September 30, 2022*	Unrealised gain / (loss) as at September 30, 2022	Percentage in relation to		
										Net Assets of the Fund	Total issue (with face value of investment)	Total market value of investments
					Number of certificates			%				
					(Rupees in '000)							
<b>Secured</b>												
Security Leasing Corporation Limited II (note 6.1.2.1.2)	January 19, 2022	N/A	5,000	-	-	5,000	-	-	-	-	-	
Eden Housing Limited * (note 6.1.2.1.2)	September 29, 2014	N/A	5,000	-	-	5,000	-	-	-	-	-	
Arzoo Textile Mills Limited * (note 6.1.2.1.2)	April 15, 2014	N/A	5,000	-	-	5,000	-	-	-	-	-	
Hascol Petroleum Limited - Sukuk (note 6.1.2.1.2)	January 7, 2022	N/A	50,000	-	-	50,000	-	-	-	-	-	
Dubai Islamic Bank Pakistan Limited - Sukuk (AA-, VIS, non-traded) (note 6.1.2.1.1)	July 14, 2027	6 months KIBOR plus base rate of 0.50%	141	-	-	141	145,724	145,724	-	5.77	3.64	7.57
Shakarganj Food Products Limited (BBB+, VIS, non-traded) (note 6.1.2.1.1)	July 10, 2025	3 months KIBOR plus base rate of 1.75%	82	-	-	82	51,389	51,270	(119)	2.03	7.07	2.66
Agha Steel Industries Limited (A, VIS, non-traded) (note 6.1.2.1.1)	October 9, 2026	3 months KIBOR plus base rate of 0.80%	100	-	-	100	84,219	81,250	(2,969)	3.22	1.63	4.22
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) (note 6.1.2.1.1)	June 29, 2026	6 months KIBOR plus base rate of 1.13%	230	-	-	230	10,629	10,759	130	0.43	-	0.56
Hub Power Holdings Limited (AA+, PACRA) (note 6.1.2.1.1)	November 12, 2025	6 months KIBOR plus base rate of 2.50%	2,000	-	-	2,000	200,000	200,000	-	7.92	-	10.39
<b>Total as at September 30, 2022</b>						<b>491,961</b>	<b>489,003</b>	<b>(2,958)</b>				
<b>Total as at June 30, 2022</b>						<b>493,214</b>	<b>500,228</b>	<b>7,014</b>				

\* In case of debt securities against which provision has been made, these are carried at carrying value less provision.

**6.1.2.1.1** The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Eden Housing Limited having nominal value of Rs 984.375, Hub Power Holdings Limited and Neelum Jhelum Hydropower Company (Private) Limited having nominal value of Rs. 100,000 each and Dubai Islamic Bank Pakistan Limited, Shakarganj Food Products Limited and Agha Steel Industries Limited having nominal value of Rs 1,000,000 each respectively.

**6.1.2.1.2 Details of non-compliant investments with the investment criteria of the assigned category**

The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Balanced Fund (the Fund) as a 'Balanced Scheme' in accordance with the said circular. As at September 30, 2022. Following investments of the Funds are in sukuku which are non compliant securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of the investee company	Type of investments	Value of investments before provision	Provision held as at September 30, 2022	Value of investments after provision	Percentage of net assets	Percentage of total assets
----- (Rupees in '000) -----				----- % -----		
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	62,037	62,037	-	-	-
Shakarganj Food Products Limited	Non-traded sukuk certificates	51,270	-	51,270	2.03	1.98
		<b>150,930</b>	<b>99,660</b>	<b>51,270</b>		

**6.1.2.2 Government securities - GOP Ijarah Sukuk**

Name of the Security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the quarter	Sales / redemptions / maturity during the quarter	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised gain / (loss) as at September 30, 2022	Percentage in relation to	
										Net Assets of the Fund	Total market value of investments
			----- (Number of certificates) -----				----- (Rupees in '000) -----			----- % -----	
GOP ijarah sukuk certificates XXV (Note 6.1.2.2.2)	April 27, 2027	Weighted Average 6 months T-Bills	2,000	-	-	2,000	199,360	199,280	(80)	7.89	10.35
<b>Total as at September 30, 2022</b>							<b>199,360</b>	<b>199,280</b>	<b>(80)</b>	<b>10.35</b>	
<b>Total as at June 30, 2022</b>							<b>199,820</b>	<b>199,360</b>	<b>(460)</b>		

**6.1.2.2.2** The nominal value of GoP Ijarah Sukuk certificates is Rs 100,000 each.

**6.2.3 Commercial papers**

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the quarter	Sales / redemptions / maturity during the quarter	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised appreciation / (diminution) as at September 30, 2022	Percentage in relation to	
										Net assets of the Fund	Total market value of investment
			----- (Number of certificates) -----				----- (Rupees in '000) -----			----- % -----	
Mughal Iron & Steel Industries Limited	July 21, 2022	6 months KIBOR plus base rate of 1.75%	165	-	165	-	-	-	-	-	-
Lucky Electric Power Company Limited (II)	July 12, 2022	6 months KIBOR plus base rate of 1.50%	250	-	250	-	-	-	-	-	-
<b>Total as at September 30, 2022</b>							<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total as at June 30, 2022</b>							<b>415,516</b>	<b>415,516</b>	<b>-</b>		

The nominal value of these commercial papers is Rs 1,000,000 each and these are redeemable at maturity.



7	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	September 30,	June 30,
			2022 (Unaudited)	2022 (Audited)
			(Rupees in '000)	
	Management fee payable	8.1	689	867
	Sindh Sales Tax on management fee payable		90	113
	Sales load payable		21	64
	Sindh Sales Tax on sales load payable		3	8
	Allocated expenses payable	8.2	232	16
	Selling and marketing expenses payable	8.3	8,911	2,364
			9,946	3,432

**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 2% (June 30, 2022: 2%) per annum of the average net assets of the Fund during the quarter ended September 30, 2022. The remuneration is payable to the Management Company monthly in arrears.

**7.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its own discretion, has currently charged allocated expenses at the rate of 0.11% (June 30, 2022: 0.11%) per annum of the average annual net assets of the Fund during the quarter ended September 30, 2022 subject to the total expense charged being lower than actual expense incurred.

**7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at 1% (June 30, 2022: 1%) per annum of the average annual net assets of the Fund during the quarter ended September 30, 2022 subject to the total expense charged being lower than actual expense incurred.

8	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	June 30,
			2022 (Unaudited)	2022 (Audited)
			(Rupees in '000)	
	Withholding tax payable and capital gain tax payable		435	510
	Provision for Federal Excise Duty and related Sindh Sales Tax on Management Fee	8.1	31,961	31,961
	Provision for Federal Excise Duty and related Sindh Sales Tax on Sales load		6,838	6,838
	Brokerage expenses payable		455	41
	Charity payable		629	3,466
	Shariah advisory fee		371	237
	Auditors' remuneration payable		537	401
	Zakat payable		9	4
			41,234	43,458

**8.1** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2022. Had the provision not been made, the NAV per unit of the Fund as at September 30, 2022 would have been higher by Re 0.24 (June 30, 2022: Re 0.23) per unit.

## 9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2022 and June 30, 2022.

## 10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

**10.1** Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, directors and executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more units of the Fund's net assets.

- 10.2** 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 management considers that the transactions between the related parties 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. 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.
- 10.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 10.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 10.5** The details of transactions carried out by the Fund with connected persons during the period and balances with them as at period end are as follows:

	<b>September 30, 2022 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited)</b>
<b>AI Meezan Investment Management Limited - Management Company</b>		
Management fee payable	689	867
Sindh Sales Tax on management fee payable	90	113
Sales load payable	21	64
Sindh Sales Tax on sales load payable	3	8
Allocated expenses payable	232	16
Selling and marketing expenses payable	8,911	2,364
Outstanding of 947,787 units (June 30, 2022: 947,787 units)	14,960	14,800
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	293	300
Sindh Sales Tax on trustee fee payable	38	39
Security deposit	300	300
<b>Meezan Bank Limited</b>		
Bank balance	23,163	24,042
Profit receivable on savings account	113	38
Sales load payable	8	44
Sindh Sales Tax on sales load payable	1	6
Shariah advisory fee payable	371	237
Outstanding 18,886,746 units (June 30, 2022: 18,886,746 units)	298,112	294,922
Investment in 817,023 shares (June 30, 2022: 822,816 shares)	89,668	92,962
<b>AI Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Outstanding of 473,186 units (June 30, 2022: 473,186 units)	7,469	7,389
<b>Directors and Executives of the Management Company</b>		
Outstanding of 6,521,441 units (June 30, 2022: 6,522,868 units)	102,936	101,857

**For the quarter ended  
September 30**

	2022	2021
	(Unaudited)	
	(Rupees in '000)	

**Transactions during the quarter**

**Al Meezan Investment Management Limited - Management Company**

Remuneration for the quarter	13,095	23,958
Sindh Sales Tax on management fee	1,702	3,115
Selling and Marketing expenses	6,547	11,979
Allocated expenses	720	1,318

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration for the quarter	907	1,450
Sindh Sales Tax on trustee fee	118	189
CDS charges	11	32

**Meezan Bank Limited**

Profit on saving account	280	162
Shares purchased: 59,933 shares (September 30, 2021: 40,000 shares)	7,227	5,120
Shares sold: 140,000 shares (September 30, 2021: 10,000 shares)	18,917	1,606
Bonus shares: 74,274 shares (September 30, 2021: 138,190)	-	-
Profit on sukuk certificates	-	1,625
Dividend income	1,300	1,382
Shariah advisory fee	134	-

**Directors and Executives of the Management Company**

Units issued: 3,612 units (September 30, 2021: 3,309 units)	57	54
Units redeemed: 5,039 units (September 30, 2021: 9,255 units)	80	150

**11 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund for the period ended September 30, 2022 is 3.75% which include 0.31% representing government levy such as sales taxes and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Balanced Scheme.

**12 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 unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unitholders. 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, 2023 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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.

**13 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

Financial assets which are tradeable in an open market are revalued at 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: Fair value measurements using quoted price (unadjusted) in an active market 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: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at September 30, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

<b>As at September 30, 2022</b>				
<b>ASSETS</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees in '000) -----				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	1,236,578	-	-	1,236,578
Shares of listed companies - 'ordinary shares'	-	688,283	-	688,283
Commercial papers	-	-	-	-
	<u>1,236,578</u>	<u>688,283</u>	<u>-</u>	<u>1,924,861</u>
<b>As at June 30, 2022</b>				
<b>ASSETS</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees in '000) -----				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	1,241,797	-	-	1,241,797
Sukuk certificates	-	699,588	-	699,588
Commercial papers*	-	415,516	-	415,516
	<u>1,241,797</u>	<u>1,115,104</u>	<u>-</u>	<u>2,356,901</u>

\* The valuation of commercial papers has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

### 14 GENERAL

Figures have been rounded off to the nearest thousand rupees.

### 15 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on October 13, 2022 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director



**Al Meezan**  
Investment Management Ltd.

# GASHERBRUM II K4

An investor should not be overwhelmed by  
volatile conditions in pursuit of heights.

Height 8,035 meters,  
belongs to the range Baltoro Karakoram



## MEEZAN ENERGY FUND (MEF)

Meezan Energy Fund is a Shariah Compliant Energy Sector (Equity) Scheme. It is an actively managed fund offering a simple way to take exposure to Shariah Compliant equity stocks, primarily from the energy sector/ segment/ industry as defined in the constitutive documents.



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

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

## BOARD RISK MANAGEMENT COMMITTEE

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

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

## BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	Member
Mr. Faiz ur Rehman	Subject Matter Expert

## TRUSTEE

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

## AUDITORS

EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road,  
P.O. Box 15541, Karachi 75530

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited  
Al Baraka Islamic Bank B.S.C (E.C)  
Bank Al Habib Limited - Islamic Banking  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT SEPTEMBER 30, 2022**

		<b>September 30, 2022 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>Assets</b>			
Balances with banks	5	3,283	5,571
Investments	6	394,569	430,357
Receivable against conversion of units		836	61
Dividend receivable		13,730	197
Receivable against sale of investments		-	6,571
Advance, deposits and other receivable		3,105	3,062
Preliminary expenses and floatation costs		-	-
<b>Total assets</b>		<b>415,523</b>	<b>445,819</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	7	755	343
Payable to Central Depository Company of Pakistan Limited - Trustee		76	81
Payable to Meezan Bank Limited		-	2
Payable to the Securities and Exchange Commission of Pakistan (SECP)		22	101
Payable against redemption and conversion of units		2,102	5,103
Payable against purchase of investments		1,690	-
Accrued expenses and other liabilities	8	1,261	2,275
<b>Total liabilities</b>		<b>5,906</b>	<b>7,905</b>
<b>Net assets</b>		<b>409,617</b>	<b>437,914</b>
<b>Unit holders' funds (as per statement attached)</b>		<b>409,617</b>	<b>437,914</b>
<b>Contingencies and commitments</b>	9		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>13,661,346</b>	<b>13,892,447</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>29.9837</b>	<b>31.5217</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	Note	September 30,	
		2022	2021
		(Rupees in '000)	
<b>Income</b>			
Dividend income		15,145	12,267
Net realised loss on sale of investments		(1,715)	(2,502)
Profit on balances with banks		130	115
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	8.1	-	2,709
		<u>13,560</u>	<u>12,589</u>
Net unrealised diminution on re-measurement of investments - 'at fair value through profit or loss'	6.1	<u>(29,702)</u>	<u>(43,196)</u>
<b>Total loss</b>		<b>(16,142)</b>	<b>(30,607)</b>
<b>Expenses</b>			
Remuneration of Al Meezan Investment Management Limited - Management Company		2,162	2,736
Sindh Sales Tax on remuneration of the Management Company		281	356
Allocated expenses		119	151
Selling and marketing expense		432	547
Remuneration to Central Depository Company of Pakistan Limited - Trustee		216	274
Sindh Sales Tax on remuneration of the Trustee		28	36
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)		22	27
Auditors' remuneration		78	102
Charity expense		504	667
Fees and subscription		143	142
Legal and professional charges		-	184
Brokerage expense		104	405
Bank and settlement charges		90	109
Amortisation of preliminary expenses and floatation costs		-	50
<b>Total expenses</b>		<b>4,179</b>	<b>5,786</b>
<b>Net loss for the quarter before taxation</b>		<b>(20,321)</b>	<b>(36,393)</b>
Taxation	13	-	-
<b>Net loss for the quarter after taxation</b>		<b>(20,321)</b>	<b>(36,393)</b>
<b>Allocation of net income for the quarter</b>			
Net income for the quarter after taxation		-	-
Income already paid on units redeemed		-	-
		<u>-</u>	<u>-</u>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		<u>-</u>	<u>-</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

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



**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	<u>September 30,</u>	
	<u>2022</u>	<u>2021</u>
	<u>(Rupees in '000)</u>	
<b>Net loss for the quarter after taxation</b>	(20,321)	(36,393)
Other comprehensive income for the quarter	-	-
<b>Total comprehensive loss for the quarter</b>	<u>(20,321)</u>	<u>(36,393)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director







**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the quarter before taxation	(20,321)	(36,393)
<b>Adjustments for:</b>		
Amortisation of preliminary expenses and floatation costs	-	50
Net unrealised diminution on re-measurement investments - 'at fair value through profit or loss'	29,702	43,196
	<u>9,381</u>	<u>6,853</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	6,086	56,637
Receivable against sale of investments	6,571	-
Dividend receivable	(13,533)	(8,692)
Advances, deposits and other receivables	(43)	-
	<u>(919)</u>	<u>47,945</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	412	805
Payable to Central Depository Company of Pakistan Limited - Trustee	(5)	(17)
Payable to Meezan Bank Limited	(2)	(31)
Payable to Securities and Exchange Commission of Pakistan - (SECP)	(79)	(78)
Payable against purchase of investments	1,690	-
Accrued expenses and other liabilities	(1,014)	(2,757)
	<u>1,002</u>	<u>(2,078)</u>
<b>Net cash generated from operating activities</b>	9,464	52,720
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	89,240	183,552
Payment against redemption and conversion of units	(100,992)	(238,974)
<b>Net cash used in financing activities</b>	(11,752)	(55,422)
<b>Net decrease in cash and cash equivalents during the quarter</b>	(2,288)	(2,702)
Cash and cash equivalents at the beginning of the quarter	5,571	18,782
<b>Cash and cash equivalents at the end of the quarter</b>	<u>3,283</u>	<u>16,080</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN ENERGY FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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

- 1.1** Meezan Energy Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 09, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 26, 2016 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shariah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The objective of the Fund is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The Fund is categorised as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 27, 2021 (2021: 'AM1' dated December 31, 2020) and by PACRA dated June 23, 2022 (2021: AM1 dated June 23, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2022.

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

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.
- 4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2022.
- 4.3 There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		<b>September 30, 2022 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>5. BALANCES WITH BANKS</b>			
In saving accounts	5.1	3,043	3,675
In current accounts		240	1,896
		<u>3,283</u>	<u>5,571</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 5.50% to 16.00% per annum (June 30, 2022: 4.29% to 16.25% per annum).

		<b>September 30, 2022 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>6. INVESTMENTS</b>			
<b>Investments - 'at fair value through profit or loss'</b>			
Shares of listed companies 'ordinary shares'	6.1	<u>394,569</u>	<u>430,357</u>

## 6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2022	Purchases during the quarter	Bonus / Right issue	Sales during the quarter	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised (loss) / gain as at September 30, 2022	Percentage in relation to				
									Net Assets of the Fund	Paid-up capital of investee company (with face	Total market value of investment		
					Number of shares			Rupees in '000			--%--		
<b>Sectors / companies</b>													
<b>Oil and Gas Exploration Companies</b>													
Mari Petroleum Company Limited (note 6.1.3)	49,424	-	-	1,000	48,424	84,245	75,774	(8,471)	18.50	0.04	19.21		
Oil and Gas Development Company Limited	922,016	50,000	-	-	972,016	76,619	73,601	(3,018)	17.97	0.02	18.65		
Pakistan Oilfields Limited (note 6.1.3)	191,717	-	-	2,500	189,217	76,786	66,059	(10,727)	16.13	0.07	16.74		
Pakistan Petroleum Limited (note 6.1.3)	985,036	50,000	-	-	1,035,036	69,966	63,603	(6,363)	15.53	0.04	16.12		
									<b>68.13</b>	<b>0.17</b>	<b>70.72</b>		
<b>Oil and Gas Marketing Companies</b>													
Attock Petroleum Limited	31,500	-	7,875	-	39,375	10,121	10,981	860	2.68	0.03	2.78		
Pakistan State Oil Company Limited (note 6.1.2 & 6.1.3)	175,878	30,000	-	-	205,878	35,766	33,441	(2,325)	8.16	0.04	8.48		
Sui Northern Gas Pipelines Limited	322,300	50,000	-	-	372,300	12,716	12,517	(199)	3.06	0.06	3.17		
									<b>13.90</b>	<b>0.13</b>	<b>14.43</b>		
<b>Power Generation and Distribution</b>													
The Hub Power Company Limited	656,444	75,000	-	105,000	626,444	42,455	43,795	1,340	10.69	0.05	11.10		
K - Electric Limited (note 6.1.1)	2,553,500	-	-	-	2,553,500	7,763	7,609	(154)	1.86	0.01	1.93		
									<b>12.55</b>	<b>0.06</b>	<b>13.03</b>		
<b>Refinery</b>													
Attock Refinery Limited	25,500	-	-	25,500	-	-	-	-	-	-	-		
Nergyico PK Limited	2,597,000	-	-	1,130,000	1,467,000	7,834	7,189	(645)	1.76	0.03	1.82		
National Refinery Limited	21,000	-	-	21,000	-	-	-	-	-	-	-		
									<b>1.76</b>	<b>0.03</b>	<b>1.82</b>		
<b>Total as at September 30, 2022</b>						<b>424,271</b>	<b>394,569</b>	<b>(29,702)</b>	<b>96.34</b>		<b>100.00</b>		
<b>Total as at June 30, 2022</b>						<b>478,011</b>	<b>430,357</b>	<b>(47,654)</b>	<b>98.28</b>		<b>100.00</b>		

6.1.1 All shares have a nominal value of Rs.10 each except for the shares of K-Electric Limited which has nominal value of Rs. 3.50 each.

6.1.2 The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2022. As at September 30, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.947 million (June 30, 2022: Rs. 1.002 million).

6.1.3 Investments include 65,000 shares of Pakistan Petroleum Limited, 26,500 shares of Pakistan Oilfields Limited, 4,000 shares of Mari Petroleum Limited and 5,000 shares of Pakistan State Oil Company Limited, having market value of Rs 3.994 million, Rs. 9.252 million, Rs. 6.259 million and Rs. 0.812 million respectively as at September 30, 2022 (June 30, 2022: 65,000 shares of Pakistan Petroleum Limited, 26,500 shares of Pakistan Oilfields Limited, 4,000 shares of Mari Petroleum Limited and 5,000 shares of Pakistan State Oil Company Limited, having market value of Rs. 4.388 million, Rs. 10.754 million, Rs. 6.959 million and Rs. 0.859 million respectively) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	September 30,	June 30,
		2022 (Unaudited)	2022 (Audited)
		(Rupees in '000)	
Remuneration payable	7.1	115	146
Sindh Sales Tax payable on of the Management Company		15	19
Sales load		6	24
Sindh Sales Tax payable on sales load		1	3
Allocated expense payable	7.2	38	3
Selling and marketing expenses	7.3	580	148
		<b>755</b>	<b>343</b>



- 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 2% per annum of the average net assets of the Fund during the quarter. The remuneration is payable to the Management Company monthly in arrears.
- 7.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its own discretion has currently fixed a maximum capping of 0.11% (September 30, 2021: 0.11%) of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period.

- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged during the period selling and marketing expense at 0.4% (September 30, 2021: 0.4%) per annum of average annual net assets of the Fund.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	June 30,
		2022 (Unaudited)	2022 (Audited)
		(Rupees in '000)	
Auditors' remuneration payable		273	195
Printing charges payable		-	-
Shariah advisor fee payable		400	264
Charity payable		505	1,623
Capital gain tax payable		3	112
Brokerage Payable		80	81
		1,261	2,275

#### 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2022 and June 30, 2022.

#### 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

Transactions and balances with related parties are as follows:

	September 30,	June 30,
	2022 (Unaudited)	2022 (Audited)
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	115	146
Sindh Sales Tax on management fee payable	15	19
Sales load payable	6	24
Sindh Sales Tax on sales load payable	1	3
Allocated expenses	38	3
Selling and marketing expense payable	580	148
Investment of 2,671,102 units (June 30, 2022: 2,671,102 units)	80,090	84,198

**Meezan Bank Limited**

Bank balance	306	5,159
Profit receivable on saving accounts	5	20
Sales load payable	-	2
Sindh Sales Tax on sales load payable	-	-
Shariah advisor fee payable	400	264

**Central Depository Company of Pakistan Limited - the Trustee**

Trustee fee payable	68	72
Sindh Sales Tax on trustee fee payable	8	9
Security deposit	100	100

**Directors and executives of the Management Company**

Investment of 539,196 units (June 30, 2022: 439,242 units)	16,167	13,846
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**Unitholders holding 10 percent or more of the Fund**

Investment of 4,135,031 units (June 30, 2022: 4,134,635 units)	123,984	130,331
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**For the quarter ended  
September 30,**

**2022                      2021**  
**(Rupees in '000)**

**AI Meezan Investment Management Limited - the Management Company**

Remuneration for the quarter	2,162	2,736
Sindh Sales Tax on management fee	281	356
Allocated expenses	119	151
Selling and marketing expense	432	547
Units redeemed: nil (September 30, 2021: 592,891 units)	-	20,000

**For the quarter ended  
September 30,**

**2022                      2021**  
**(Rupees in '000)**

**Meezan Bank Limited**

Profit on saving accounts	47	37
Shariah advisory fee expense	136	135

**Central Depository Company of Pakistan Limited - the Trustee**

Trustee fee	216	274
Sindh Sales Tax on trustee fee	28	36
CDS charges	5	13

**Directors and executives of the Management Company**

Units issued: 217,398 units (September 30, 2021: 167,085 units)	6,821	5,623
Units redeemed: 117,444 units (September 30, 2021: 344,272 units)	3,834	11,300

**Unitholders holding 10 percent or more of the Fund**

Units issued: 397 units (September 30, 2021: nil)	12	-
---	----	---

**11. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

### 11.1 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: Fair value measurements using quoted price (unadjusted) in an active market 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: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at September 30, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

ASSETS	As at September 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies 'ordinary shares'	394,569	-	-	394,569

  

ASSETS	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies 'ordinary shares'	430,357	-	-	430,357

### 12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2022 is 3.87% (September 30, 2021: 4.23%) which includes 0.32% (September 30, 2021: 0.34%) representing government levies on the Fund such as sales taxes, annual fee to the SECP. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Equity Scheme.

### 13. 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 unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the quarter.

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.

### 14. GENERAL

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

### 15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on October 13, 2022 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
 Director



**Al Meezan**  
Investment Management Ltd.

# MASHERBRUM, K1

An appropriate route and strategy are crucial to reaching peaks of success.

Height 7,821 meters,  
belongs to the range Masherbrum Karakoram





## **MEEZAN GOLD FUND (MGF)**

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



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

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

## BOARD RISK MANAGEMENT COMMITTEE

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

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

## BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	Member
Mr. Faiz ur Rehman	Subject Matter Expert

## TRUSTEE

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

## AUDITORS

EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road,  
P.O. Box 15541, Karachi 75530

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN GOLD FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT SEPTEMBER 30, 2022**

		<b>September 30, 2022 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>		
<b>Assets</b>			
Balances with banks	5	168,573	86,766
Investment in gold	6	531,599	518,611
Receivable against conversion of units		-	-
Advances and other receivables		5,040	1,044
<b>Total assets</b>		<u>705,212</u>	<u>606,421</u>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	8	1,042	318
Payable to Central Depository Company of Pakistan Limited - Trustee		113	97
Payable to the Securities and Exchange Commission of Pakistan		33	112
Payable against conversion and redemption of units		239	17
Accrued expenses and other liabilities	9	2,582	1,879
<b>Total liabilities</b>		<u>4,009</u>	<u>2,423</u>
<b>Net assets</b>		<u>701,203</u>	<u>603,998</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>701,203</u>	<u>603,998</u>
<b>Contingencies and commitments</b>	7		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<u>6,592,520</u>	<u>5,812,706</u>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<u>106.3635</u>	<u>103.9100</u>

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

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

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

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

\_\_\_\_\_  
Director

**MEEZAN GOLD FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

		<b>September 30,</b>	
		<b>2022</b>	<b>2021</b>
		<b>(Rupees in '000)</b>	
<b>Note</b>			
<b>Income</b>			
	Profit on balances with banks	4,229	664
	Price adjustment charges	1,407	1,132
11	Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	-	5,068
		5,636	6,864
6	Net unrealised appreciation / (diminution) on re-measurement of investment in gold	12,989	(2,756)
	<b>Total income</b>	<b>18,625</b>	<b>4,108</b>
<b>Expenses</b>			
8.1	Remuneration of AI Meezan Investment Management Limited - Management Company	1,666	1,248
	Sindh Sales Tax on remuneration of Management Company	217	162
8.2	Allocated expenses	183	137
8.3	Selling and marketing expenses	666	499
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	283	212
	Sindh Sales Tax on remuneration of the Trustee	37	28
	Annual fees to the Securities and Exchange Commission of Pakistan	33	25
	Auditors' remuneration	74	82
	Fees and subscription	109	109
	Legal and professional charges	-	184
	Bank and settlement charges	3	6
	Custodian fee	1,362	1,009
	<b>Total expenses</b>	<b>4,633</b>	<b>3,701</b>
	<b>Net income for the quarter before taxation</b>	<b>13,992</b>	<b>407</b>
13	Taxation	-	-
	<b>Net income for the quarter after taxation</b>	<b>13,992</b>	<b>407</b>
<b>Allocation of net income for the quarter</b>			
	Net income for the quarter after taxation	13,992	407
	Income already paid on units redeemed	(1,223)	-
		<b>12,769</b>	<b>407</b>
<b>Accounting income available for distribution</b>			
	- Relating to capital gains	12,769	-
	- Excluding capital gains	-	407
		<b>12,769</b>	<b>407</b>

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

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

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

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

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



**MEEZAN GOLD FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	<b>September, 30</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Rupees in '000)</b>	
<b>Net income for the quarter after taxation</b>	13,992	407
Other comprehensive income for the quarter	-	-
<b>Total comprehensive income for the quarter</b>	<u>13,992</u>	<u>407</u>

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

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

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

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

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

**MEEZAN GOLD FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	2022			2021		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the quarter	377,392	226,606	603,998	367,432	120,098	487,530
Issue of 1,040,037 units (2021: 674,824 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	108,070	-	108,070	56,439	-	56,439
- Element of income	3,481	-	3,481	579	-	579
Total proceeds on issuance of units	111,551	-	111,551	57,018	-	57,018
Redemption of 260,223 units (2021: 680,613 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	27,040	-	27,040	56,924	-	56,924
- Element of loss	75	1,223	1,298	654	-	654
Total payments on redemption of units	27,115	1,223	28,338	57,578	-	57,578
Total comprehensive income for the quarter	-	13,992	13,992	-	407	407
Distribution during the quarter	-	-	-	-	-	-
Net income for the period less distribution	-	13,992	13,992	-	407	407
<b>Net assets at end of the quarter</b>	<b>461,828</b>	<b>239,375</b>	<b>701,203</b>	<b>366,872</b>	<b>120,505</b>	<b>487,377</b>
<b>Undistributed income brought forward</b>						
- Realised Income		104,267			114,051	
- Unrealised income		122,339			6,047	
		<u>226,606</u>			<u>120,098</u>	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains	12,769			-		
- Excluding capital gains	-			407		
	<u>12,769</u>			<u>407</u>		
Distribution for the quarter		-			-	
Undistributed income carried forward		<u>239,375</u>			<u>120,505</u>	
<b>Undistributed income carried forward</b>						
- Realised income		226,386			120,505	
- Unrealised income		12,989			-	
		<u>239,375</u>			<u>120,505</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net assets value per unit at beginning of the quarter		<u>103.9100</u>			<u>83.6357</u>	
Net assets value per unit at end of the quarter		<u>106.3635</u>			<u>83.6927</u>	

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

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

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

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

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



**MEEZAN GOLD FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the quarter before taxation	13,992	407
<b>Adjustments for:</b>		
Unrealised (appreciation) / diminution on re-measurement of investment in gold	(12,989)	2,756
	<u>1,003</u>	<u>3,163</u>
<b>(Increase) / Decrease in assets</b>		
Advances and other receivables	(3,996)	17
<b>Increase / (Decrease) in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	724	(38)
Payable to Central Depository Company of Pakistan Limited - Trustee	16	(1)
Payable to the Securities and Exchange Commission of Pakistan	(79)	(76)
Payable to Meezan Bank Limited	-	20
Accrued expenses and other liabilities	704	(7,566)
	<u>1,365</u>	<u>(7,661)</u>
<b>Net cash used in operating activities</b>	<u>(1,628)</u>	<u>(4,481)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	111,551	57,442
Payment against conversion and redemption of units	(28,116)	(57,085)
<b>Net cash generated from financing activities</b>	<u>83,435</u>	<u>357</u>
<b>Net increase / (decrease) in cash and cash equivalents during the quarter</b>	<u>81,807</u>	<u>(4,124)</u>
Cash and cash equivalents at beginning of the quarter	86,766	99,260
<b>Cash and cash equivalents at end of the quarter</b>	<u><u>168,573</u></u>	<u><u>95,136</u></u>

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

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

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

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

\_\_\_\_\_  
Director

**MEEZAN GOLD FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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

- 1.1** Meezan Gold Fund is an open ended mutual fund constituted under a Trust Deed executed under the Trust Act, 1882 entered into on October 15, 2014 between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The Fund commenced its operations from August 18, 2015. The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shariah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is an open-ended Shariah Compliant (Islamic) Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange Limited (PMEX). Furthermore, all investments of the Fund's property are in accordance with the Shariah as advised by the Shariah Advisor. The investments in Gold contracts listed at the Commodity Exchange are subject to the PMEX Regulations. The management company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the fund are in compliance with the principles of Shariah. The investment objectives and policies are more fully explained in the Fund's Offering document.
- 1.3** The Fund has been categorised as a Shariah compliant Commodity Scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 13, 2015 and are transferable and redeemable by surrendering them to the Fund. The supply of physical gold has still remained restricted and, as a result, the Fund was not able to invest in physical gold through PMEX. Therefore, In order to protect the interests of existing unit holders, the Management Company in accordance with clause 4.13.2 of the Offering Document and clause 13.5.1 of the Trust Deed of the Fund, suspended "fresh issuance" of units of the Fund till further notice. However, redemptions and conversions from the Fund shall continue to be honoured.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS dated December 27, 2021 (2021: AM1 dated December 31, 2020) and by PACRA dated June 23, 2022 (2021: AM1 dated June 23, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund. The fund is listed on Pakistan Stock Exchange Limited.

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement Of Compliance**

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

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



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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2022.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2022.

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

5. BALANCES WITH BANKS	Note	September 30, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
In saving accounts	5.1	168,573	86,766
		<u>168,573</u>	<u>86,766</u>

5.1 The balance in saving accounts have an expected profit ranging from 3.00% to 14.00% per annum (June 30, 2022: 3.00% to 15.50% per annum).

6. INVESTMENTS	Note	September 30, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
Investment in gold	6.1	531,599	518,611

## 6.1 Investment in gold

Commodity	As at July 1, 2021	Purchases during the quarter	Sales during the quarter	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised gain / (loss)	Percentage in relation to Net assets of the Fund
	----- (Tola) -----				----- (Rupees in '000) -----			--- (%) ---
TOLAGOLD	3,675	-	-	3,675	516,503	529,439	12,936	75.50%
MITOLA	15,000	-	-	15,000	2,108	2,160	52	0.31%
<b>Total as at September 30, 2022</b>					<b>518,611</b>	<b>531,599</b>	<b>12,988</b>	

- 6.1.1** The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX under their custody in the vaults of a commercial bank.
- 6.1.2** The investment in gold of Rs 531.599 million (June 30, 2022: Rs 518.611 million) has been measured at fair value based on the quoted market price in active markets.

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2022 and June 30, 2022.

	Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
-----Rupees in 000-----			
<b>8. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED- MANAGEMENT COMPANY</b>			
Management fee payable	8.1	97	101
Sindh Sales Tax on Management fee payable Management Company		13	13
Allocated expenses payable	8.2	65	4
Sales load payable		-	-
Sindh Sales Tax Payable on sales load		-	-
Selling and marketing expenses payable	8.3	867	200
		<u>1,042</u>	<u>318</u>

- 8.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (June 30, 2022: 1%) per annum of the average net assets of the Fund during the quarter ended September 30, 2022. The remuneration is payable to the Management Company monthly in arrears.
- 8.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).  
The management company based on its own discretion has currently fixed a maximum capping of 0.11% of the average annual net assets of the scheme for allocation of such expenses to the Fund.
- 8.3** The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 0.4% of the average annual net assets of the Fund which has also been approved by the Board.



9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
Auditor's remuneration		249	175
Custodian fee payable		1,355	366
Withholding tax payable		-	371
Capital gain tax payable		26	93
Shariah advisory fee payable		239	159
Zakat Payable		2	4
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.1	414	414
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.1	297	297
		<u>2,582</u>	<u>1,879</u>

**9.1** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2022. Had the provision for Federal Excise Duty not being made, the Net Asset Value of the Fund as at September 30, 2022 would have been higher by Re 0.11 (June 30, 2022: Re 0.12) per unit.

## 10. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2022 is 2.78% which includes 0.17% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 3% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as a Commodity Scheme.

## 11. PRICE ADJUSTMENT CHARGES

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

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

## 12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	September 30, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	97	101
Sindh Sales Tax on management fee payable	13	13
Selling and marketing expenses payable	867	200
Allocated expenses payable	65	4
<b>Meezan Bank Limited</b>		
Bank balance	11,298	491
Profit receivable on saving account	50	141
Investment of 1,084,115 units (June 30, 2022: 1,084,115 units)	115,310	112,650
Shariah advisor fee payable	239	159
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	100	86
Sindh Sales Tax on trustee fee payable	13	11
<b>Directors and Executives of the Management Company</b>		
Investment of 523,862 units (June 30, 2022: 468,253 units)	55,720	48,656
<b>Unit holders holding 10% or more of units of the Fund</b>		
Investment of 1,038,397 units (June 30, 2022: nil units)	110,448	-
	<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the quarter	1,666	1,248
Sindh Sales Tax on management fee for the quarter	217	162
Allocated expenses	183	137
Selling and marketing expense	666	499
<b>Meezan Bank Limited</b>		
Profit on saving account	258	578
Shariah Advisor fee	81	81
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration for the quarter	283	212
Sindh Sales Tax on trustee fee for the quarter	37	28
<b>Directors and Executives of the Management Company</b>		
Units issued: 55,609 units (September 30, 2021: 11,398 units)	5,968	965
Units redeemed: nil units (September 30, 2021: 37 units)	-	3

### 13. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unitholders.



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

#### 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

##### **Fair value hierarchy**

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

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

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

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

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

#### 15. GENERAL

Figures have been rounded off to the nearest thousand rupees.

#### 16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 13, 2022 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director



**Al Meezan**  
Investment Management Ltd.

# BATURA SAR

Mountain climbing and investments both require intrinsic understanding for marginal benefits.

Height 7,795 meters,  
belongs to the range Batura Karakoram



# MEEZAN ASSET ALLOCATION FUND (MAAF)

Meezan Asset Allocation Fund is a Shariah Compliant Asset Allocation Scheme. It aims to earn a potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instrument as permitted by the SECP and Shariah Advisor.



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

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

## BOARD RISK MANAGEMENT COMMITTEE

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

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

## BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	Member
Mr. Faiz ur Rehman	Subject Matter Expert

## TRUSTEE

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

## AUDITORS

EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road,  
P.O. Box 15541, Karachi 75530

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)  
Bank Al Habib Limited - Islamic Banking  
Bank Islami Pakistan Limited  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited  
Dubai Islamic Bank Pakistan Limited

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited





**MEEZAN ASSET ALLOCATION FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2022**

		<b>September 30, 2022 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited)</b>
<b>Assets</b>			
Balances with banks	5	79,387	94,883
Investments	6	665,586	759,097
Dividend receivable		5,760	240
Receivable against sale of investments		-	3,981
Receivable against conversion of units		30	2,873
Advances, deposits and other receivables		8,745	5,992
<b>Total assets</b>		<u>759,508</u>	<u>867,066</u>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company	9	3,128	1,062
Payable to Central Depository Company of Pakistan Limited - Trustee		146	159
Payable to the Securities and Exchange Commission of Pakistan		41	268
Payable to Meezan Bank Limited		-	66
Payable against purchase of investments		2,273	5,179
Payable against redemption and conversion of units		148	7,287
Accrued expenses and other liabilities	7	2,547	2,860
<b>Total liabilities</b>		<u>8,283</u>	<u>16,881</u>
<b>Net assets</b>		<u>751,225</u>	<u>850,185</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>751,225</u>	<u>850,185</u>
<b>Contingencies and commitments</b>	8		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<u>18,902,159</u>	<u>21,248,845</u>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<u>39.7429</u>	<u>40.0109</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN ASSET ALLOCATION FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	Note	September 30,	
		2022	2021
(Rupees in '000)			
<b>Income</b>			
Net realised loss on sale of investments		(4,830)	(13,584)
Dividend income		10,091	16,701
Profit on balances with banks		3,119	3,230
Reversal of provision for Sindh Workers' Welfare Fund			21,839
		<u>8,380</u>	<u>28,186</u>
Net unrealised diminution on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	<u>(3,632)</u>	<u>(84,364)</u>
<b>Total income / (loss)</b>		<u>4,748</u>	<u>(56,178)</u>
<b>Expenses</b>			
Remuneration of AI Meezan Investment Management Limited - Management Company	9.1	3,109	6,186
Sindh Sales Tax on remuneration of the Management Company		404	804
Allocated expenses	9.2	228	454
Selling and marketing expenses	9.3	2,073	4,124
Remuneration of Central Depository Company of Pakistan Limited - Trustee		415	664
Sindh Sales Tax on remuneration of the Trustee		54	86
Annual fee to the Securities and Exchange Commission of Pakistan		41	82
Auditors' remuneration		79	87
Brokerage expenses		586	1,893
Charity expense		215	425
Bank and settlement charges		116	169
Fees and subscription		162	162
Legal and professional charges		-	184
<b>Total expenses</b>		<u>7,482</u>	<u>15,320</u>
<b>Net loss for the quarter before taxation</b>		<u>(2,734)</u>	<u>(71,498)</u>
Taxation	11		-
<b>Net loss for the quarter after taxation</b>		<u>(2,734)</u>	<u>(71,498)</u>
<b>Allocation of net income for the quarter</b>			
Net income for the quarter after taxation		-	-
Income already paid on units redeemed		-	-
		<u>-</u>	<u>-</u>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		<u>-</u>	<u>-</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN ASSET ALLOCATION FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**



**Meezan**  
Asset Allocation  
Fund

	<u>September 30,</u>	
	<u>2022</u>	<u>2021</u>
	<u>(Rupees in '000)</u>	
<b>Net loss for the quarter after taxation</b>	(2,734)	(71,498)
Other comprehensive income for the quarter	-	-
<b>Total comprehensive loss for the quarter</b>	<u>(2,734)</u>	<u>(71,498)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September, 2022			September, 2021		
	Capital Value	Accumulated losses	Total	Capital Value	Accumulated losses	Total
	----- Rupees in 000-----			----- Rupees in 000-----		
<b>Net assets at beginning of the quarter</b>	1,680,295	(830,110)	850,185	2,243,280	(571,049)	1,672,231
Issuance of 741,933 units (2021: 5,680,682 units)						
- Capital value (at net asset value per unit beginning of the quarter)	29,685	-	29,685	290,832	-	290,832
- Element of income	483	-	483	1,276	-	1,276
Total proceeds on issuance of units	30,168	-	30,168	292,108	-	292,108
Redemption of 3,088,620 units (2021: 6,568,410 units)						
- Capital value (at net asset value per unit beginning of the quarter)	123,578	-	123,578	383,224	-	383,224
- Element of loss	2,816	-	2,816	4,902	-	4,902
Total payments on redemption of units	126,394	-	126,394	388,126	-	388,126
Total comprehensive loss for the quarter	-	(2,734)	(2,734)	-	(71,498)	(71,498)
Distribution during the quarter	-	-	-	-	-	-
Net loss for the quarter less distribution	-	(2,734)	(2,734)	-	(71,498)	(71,498)
<b>Net assets at end of the quarter</b>	<b>1,584,069</b>	<b>(832,844)</b>	<b>751,225</b>	<b>2,147,262</b>	<b>(642,547)</b>	<b>1,504,715</b>
<b>Accumulated loss brought forward</b>						
- Realised loss		(665,000)			(768,055)	
- Unrealised income		(165,110)			197,006	
		<u>(830,110)</u>			<u>(571,049)</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
Net loss for the quarter after taxation		(2,734)			(71,498)	
Distribution during the quarter		-			-	
Accumulated loss carried forward		<u>(832,844)</u>			<u>(642,547)</u>	
Accumulated loss carried forward						
- Realised loss		(829,212)			(558,183)	
- Unrealised (loss) / income		(3,632)			(84,364)	
		<u>(832,844)</u>			<u>(642,547)</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net assets value per unit at beginning of the quarter		<u>40.0109</u>			<u>49.4600</u>	
Net assets value per unit at end of the quarter		<u>39.7429</u>			<u>47.1081</u>	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

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

**MEEZAN ASSET ALLOCATION FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**



**Meezan**  
Asset Allocation  
Fund

	Note	September 30,	
		2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss for the quarter before taxation		(2,734)	(71,498)
<b>Adjustments for:</b>			
Net unrealised diminution on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	3,632	84,364
		898	12,866
<b>Decrease / (Increase) in assets</b>			
Investments		89,879	38,644
Dividend receivable		(5,520)	(4,403)
Receivable against sale of investments		3,981	(9,334)
Advances, deposits and other receivables		(2,753)	21,779
		85,587	46,686
<b>(Decrease) / Increase in liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		2,066	2,142
Payable to Central Depository Company of Pakistan Limited - Trustee		(13)	(9)
Payable to the Securities and Exchange Commission of Pakistan		(227)	(228)
Payable to Meezan Bank Limited		(66)	(24)
Payable against purchase of investments - net		(2,906)	32,651
Accrued expenses and other liabilities		(313)	(22,644)
		(1,459)	11,888
<b>Net cash generated from operating activities</b>		85,026	71,440
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		33,011	288,268
Payment against redemption and conversion of units		(133,533)	(387,132)
<b>Net cash used in financing activities</b>		(100,522)	(98,864)
<b>Net decrease in cash and cash equivalents during the quarter</b>		(15,496)	(27,424)
Cash and cash equivalents at beginning of the quarter		94,883	249,862
<b>Cash and cash equivalents at end of the quarter</b>		79,387	222,438

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN ASSET ALLOCATION FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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

**1.1** Meezan Asset Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on November 25, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 16, 2015 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

**1.2** The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts 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 Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

**1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 27, 2021 (2021: 'AM1' dated December 31, 2020) and by PACRA dated June 23, 2022 (2021: 'AM1' dated June 23, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

**1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement Of Compliance**

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2022.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2022.

4.3 There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	September 30, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
In saving accounts	5.1	78,257	92,714
In current accounts		1,130	2,169
		<u>79,387</u>	<u>94,883</u>

5.1 The balance in saving accounts have an expected profit ranging from 6.50% to 16.00% per annum (June 30, 2022: 4.00% to 15.50% per annum).

6. INVESTMENTS	Note	September 30, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
<b>Investments at 'fair value through profit or loss'</b>			
Shares of listed companies 'ordinary shares'	6.1	<u>665,586</u>	<u>759,097</u>

## 6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2022	Purchased during the quarter	Bonus / right shares	Sold during the quarter	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised (diminution)/ appreciation as at September 30, 2022	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
----- (Number of shares) -----						----- (Rupees in '000) -----		----- % -----			
<b>Cement</b>											
Attock Cement Pakistan Limited	3,100	-	-	-	3,100	206	253	47	0.03	-	0.04
Cherat Cement Company Limited	74,600	20,000	-	-	94,600	9,213	10,933	1,720	1.46	0.05	1.64
Fauji Cement Company Limited	245,000	-	-	-	245,000	3,472	3,673	201	0.49	0.02	0.55
Gharibwal Cement Limited	442,000	-	-	-	442,000	8,619	9,282	663	1.24	0.11	1.39
Kohat Cement Company Limited	125,800	-	-	7,500	118,300	15,394	18,928	3,534	2.52	0.06	2.84
Lucky Cement Limited	58,031	31,000	-	8,000	81,031	36,831	40,237	3,406	5.36	0.03	6.05
Maple Leaf Cement Factory Limited	489,707	150,000	-	28,033	611,674	16,992	17,041	49	2.27	0.06	2.56
									<b>13.37</b>	<b>0.33</b>	<b>15.07</b>
<b>Chemicals</b>											
Descon Oxychem Limited	-	400,000	-	-	400,000	8,930	8,416	(514)	1.12	0.23	1.26
Dynea Pakistan Limited (note 6.1.1)	59,600	100	-	-	59,700	10,389	10,955	566	1.46	0.32	1.65
Engro Polymer and Chemicals Limited	199,761	-	-	199,761	-	-	-	-	-	-	-
ICI Pakistan Limited	12,400	-	-	-	12,400	8,984	8,257	(727)	1.10	0.01	1.24
									<b>3.68</b>	<b>0.56</b>	<b>4.15</b>
<b>Commercial Banks</b>											
BankIslami Pakistan Limited	852,000	-	-	-	852,000	10,258	9,125	(1,133)	1.21	0.08	1.37
Meezan Bank Limited (a related party of the Fund)	539,167	-	49,516	62,000	526,683	54,095	57,803	3,708	7.69	0.03	8.68
									<b>8.90</b>	<b>0.11</b>	<b>10.05</b>
<b>Engineering</b>											
International Industries Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
International Steels Limited	-	50,000	-	45,000	5,000	285	276	(9)	0.04	-	0.04
Mughal Iron and Steel Industries Limited	186,190	160,000	-	51,033	295,157	17,396	19,238	1,842	2.56	0.09	2.89
									<b>2.60</b>	<b>0.09</b>	<b>2.93</b>
<b>Fertilizer</b>											
Engro Corporation Limited (note 6.1.2)	95,778	55,000	-	43,763	107,015	26,171	24,776	(1,395)	3.30	0.02	3.72
Engro Fertilizers Limited	423,348	-	-	304,000	119,348	10,579	9,312	(1,267)	1.24	0.01	1.40
									<b>4.54</b>	<b>0.03</b>	<b>5.12</b>
<b>Food And Personal Care Products</b>											
Al-Shaheer Corporation Limited (note 6.1.3)	7,704	-	-	-	7,704	70	87	17	0.01	-	0.01
At-Tahur Limited	169,200	-	-	-	169,200	3,227	3,765	538	0.50	0.09	0.57
									<b>0.51</b>	<b>0.09</b>	<b>0.58</b>
<b>Glass and Ceramics</b>											
Shabbir Tiles and Ceramics Limited (note 6.1.1)	1,326,500	-	-	1,010,000	316,500	4,630	4,323	(307)	0.58	0.13	0.65
<b>Leather &amp; Tanneries</b>											
Service GlobalFootwear Limited	15,005	-	-	-	15,005	603	577	(26)	0.08	0.01	0.09
<b>Oil And Gas Exploration Companies</b>											
Mari Petroleum Company Limited	55,936	-	-	15,167	40,769	70,927	63,796	(7,131)	8.49	0.03	9.58
Oil and Gas Development Company Limited (note 6.1.2)	874,650	-	-	87,000	787,650	61,965	59,641	(2,324)	7.94	0.02	8.96
Pakistan Oilfields Limited	40,667	-	-	10,500	30,167	12,242	10,532	(1,710)	1.40	0.01	1.58
Pakistan Petroleum Limited	1,002,841	-	-	128,000	874,841	59,061	53,759	(5,302)	7.16	0.03	8.08
									<b>24.99</b>	<b>0.09</b>	<b>28.20</b>
<b>Oil And Gas Marketing Companies</b>											
Attock Petroleum Limited	-	25,000	6,250	-	31,250	9,077	8,715	(362)	1.16	0.03	1.31
Pakistan State Oil Company Limited (note 6.1.3)	126,561	22,000	-	15,000	133,561	23,027	21,694	(1,333)	2.89	0.03	3.26
Sui Northern Gas Pipelines Limited	442,336	110,000	-	137,000	415,336	14,500	13,964	(536)	1.86	0.07	2.10
									<b>5.91</b>	<b>0.13</b>	<b>6.67</b>
<b>Paper and Board</b>											
Century Paper and Board Mills Limited	166,100	-	10,610	60,000	116,710	6,557	7,786	1,229	1.04	0.06	1.17
Packages Limited	33,250	-	-	10,000	23,250	9,273	9,487	214	1.26	0.03	1.43
									<b>2.30</b>	<b>0.09</b>	<b>2.60</b>
<b>Pharmaceuticals</b>											
GlaxoSmithKline Consumer Healthcare Pakistan Limited	19,800	-	-	-	19,800	4,719	4,318	(401)	0.57	0.02	0.65
IBL Healthcare Limited	473,300	-	-	136,000	337,300	17,536	15,516	(2,020)	2.07	0.52	2.33
The Searle Company Limited (note 6.1.3)	3,682	-	-	-	3,682	401	374	(27)	0.05	-	0.06
									<b>2.69</b>	<b>0.54</b>	<b>3.04</b>



Name of the investee company	As at July 1, 2022	Purchased during the quarter	Bonus / right shares	Sold during the quarter	As at September 30, 2022	Carrying value as at September 30, 2022	Market value as at September 30, 2022	Unrealised (diminution)/ appreciation as at September 30, 2022	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
								%			
<b>Power Generation And Distribution</b>											
The Hub Power Company Limited	150,797	200,000	-	-	350,797	23,480	24,524	1,044	3.26	0.03	3.68
K-Electric Limited (note 6.1.1)	1,779,500	300,000	-	-	2,079,500	6,292	6,197	(95)	0.82	0.01	0.93
								<b>4.08</b>	<b>0.04</b>	<b>4.61</b>	
<b>Refinery</b>											
Attock Refinery Limited	4,500	-	-	4,500	-	-	-	-	-	-	-
Cnergyico PK Limited	1,898,000	750,000	-	1,898,000	750,000	4,411	3,675	(736)	0.49	0.01	0.55
National Refinery Ltd	20,956	-	-	20,956	-	-	-	-	-	-	-
								<b>0.49</b>	<b>0.01</b>	<b>0.55</b>	
<b>Technology and Communication</b>											
Air Link Communication Limited	46,737	-	-	24,000	22,737	918	822	(96)	0.11	0.01	0.12
Avanceon Limited	43,000	-	-	-	43,000	3,350	3,201	(149)	0.43	0.01	0.48
Octopus Digital Limited	25,524	-	-	-	25,524	1,820	1,642	(178)	0.22	0.02	0.25
Supernet Limited	500,000	-	-	-	500,000	9,655	7,995	(1,661)	1.06	0.45	1.20
Systems Limited	145,260	-	-	-	145,260	47,916	54,833	6,917	7.30	0.05	8.24
Worldcall Telecom Limited	3,150,000	-	-	-	3,150,000	4,190	3,497	(693)	0.47	0.10	0.53
								<b>9.59</b>	<b>0.64</b>	<b>10.82</b>	
<b>Textile Composite</b>											
Feroze1888 Mills Limited	63,600	-	-	-	63,600	3,971	4,324	353	0.58	0.02	0.65
Interloop Limited	279,626	220,000	-	295,797	203,829	13,161	12,831	(330)	1.71	0.02	1.93
Kohinoor Textile Mills Limited	260,500	-	-	10,000	250,500	12,525	13,455	930	1.79	0.08	2.02
Nishat Mills Limited	75,700	-	-	50,000	25,700	1,899	1,751	(148)	0.23	0.01	0.26
								<b>4.31</b>	<b>0.13</b>	<b>4.86</b>	
<b>Total as at September 30, 2022</b>						<b>669,217</b>	<b>665,586</b>	<b>(3,632)</b>	<b>88.63</b>	<b>100.00</b>	
<b>Total as at June 30, 2022</b>						<b>924,207</b>	<b>759,097</b>	<b>(165,110)</b>	<b>89.29</b>	<b>100.00</b>	

**6.1.1** All shares have a nominal value of Rs 10 each except for the shares of Dynea Pakistan Limited and Shabbir Tiles and Ceramics Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.

**6.1.2** Investments include 34,000 shares of Engro Corporation Limited and 140,000 shares of Oil and Gas Development Company Limited, having market value of Rs 7.922 million and Rs. 10.463 million respectively as at September 30, 2022 (June 30, 2022: 34,000 shares of Engro Corporation Limited and 140,000 shares of Oil and Gas Development Company Limited, having market value of Rs 8.741 million and Rs. 11.014 million respectively) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

**6.2** The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2022. As at September 30, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.29 million (June 30, 2022: Rs. 1.70 million).

7. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	June 30,
		2022 (Unaudited)	2022 (Audited)
		(Rupees in '000)	
Charity payable		442	1,417
Brokerage payable		739	318
Auditors' remuneration payable		287	208
Capital gain tax payable		38	26
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.1	482	482
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.1	145	145
Shariah advisory fee payable		399	264
Zakat payable		15	-
		<b>2,547</b>	<b>2,860</b>

- 7.1 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2022. Had the provision for Federal Excise Duty not being made, the Net Asset Value per unit of the Fund as at September 30, 2022 would have been higher by Re 0.03 (June 30, 2022: Re 0.02) per unit.

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2022 and June 30, 2022.

	Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
-----Rupees in 000-----			
<b>9. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED- MANAGEMENT COMPANY</b>			
Management fee payable	9.1	154	211
Sindh Sales Tax on Management fee payable Management Company		20	27
Allocated expenses payable	9.2	71	5
Sales load payable		4	13
Sindh Sales Tax Payable on sales load		1	1
Selling and marketing expenses payable	9.3	2,878	805
		<u>3,128</u>	<u>1,062</u>

- 9.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.5% (2022: 1.5%) per annum of the average net assets of the Fund during the quarter ended September 30, 2022. The remuneration is payable to the Management Company monthly in arrears.

- 9.2 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion has currently fixed a maximum capping of 0.11% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 9.3 The SECP vide circular # 11 dated July 05, 2019 has revised the conditions for charging of Selling and Marketing expenses to the fund. Accordingly, effective from July 22, 2019 the Management Company, based on its own discretion has charged selling and marketing expense at 1% of the average annual net assets of the Fund which has also been approved by the Board.

## 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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



	September 30, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	154	211
Sindh Sales Tax on management fee payable	20	27
Sales load payable	4	13
Sindh sales tax on sales load payable	1	1
Allocated expense payable	71	5
Selling & marketing expense payable	2,878	805
<b>Meezan Bank Limited</b>		
Sales load payable	-	58
Sindh Sales Tax on sales load payable	-	8
Bank balance	4,874	1,472
Profit receivable on saving account	43	60
Investment in 526,683 shares (June,30 2022: 539,167 shares)	57,926	60,915
Shariah Advisor fee payable	399	264
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	129	141
Sindh Sales Tax on trustee fee payable	17	18
Security deposit	100	100
<b>Directors and Executives of the Management Company</b>		
Investments of 284,791 units (June 30, 2022: 295,585 units)	11,318	11,827
<b>Unit holders holding 10% or more of units of the Fund</b>		
Investment of 1,905,742 units (June 30, 2022: nil units)	75,740	-
<b>For the quarter ended September 30,</b>		
	<b>2022</b>	<b>2021</b>
	<b>(Rupees in '000)</b>	
	<b>(Unaudited)</b>	
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the quarter	3,109	6,186
Sindh Sales Tax on management fee for the quarter	404	804
Allocated expenses	228	454
Selling and marketing expense	2,073	4,124
<b>Meezan Bank Limited</b>		
Profit on savings account	162	162
Purchase of nil shares (2021: 216,234 shares)	-	28,947
Bonus shares issued: 49,516 shares (2021: 71,108 shares)	-	-
Sale 62,000 shares (2021: 25,000 shares)	8,022	3,990
Dividend income	867	711
Shariah Advisor fee	134	134
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration for the quarter	415	664
Sindh Sales Tax on trustee fee for the quarter	54	86
CDS charges	13	41
<b>Directors and Executives of the Management Company</b>		
Units issued: 263 units (2021: 409,901 units)	11	19,748
Units redeemed: 11,057 units (2021: 772,934 units)	460	38,936

## 11. 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 unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the quarter.

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.

## 12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2022 is 3.61% which includes 0.27% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Asset Allocation scheme.

## 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

### Fair value hierarchy

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

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

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

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

As at September 30, 2022, the Fund held the following financial instruments measured at fair values:

	As at September 30, 2022			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies 'ordinary shares'	665,586	-	-	665,586
	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies 'ordinary shares'	759,097	-	-	759,097

**14. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

**15. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on October 13, 2022 by the Board of Directors of the Management Company.

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

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**Chief Executive**

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**Chief Financial Officer**

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**Director**