



**Al Meezan**  
Investment Management Ltd.

# NANGA PARBAT

Any peak can be conquered if you  
just keep climbing.

Height 8,126 meters,  
belongs to the range Himalaya





# MEEZAN ISLAMIC FUND (MIF)

Meezan Islamic Fund seeks to optimize total investor returns by investing in Shariah Compliant equities focusing on both capital gains and dividend income.



# 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 Bank Limited -Islamic Banking

Habib Metropolitan Bank Limited - Islamic Banking  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Samba Bank Limited  
Sindh Bank Limited  
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



**Head Office:**

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

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN ISLAMIC FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Islamic Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 23, 2023

## **INDEPENDENT AUDITORS' REVIEW REPORT**

**To the Unit holders of Meezan Islamic Fund**

**Report on Review of Interim Financial Statements**

### **Introduction**

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Meezan Islamic Fund** (the Fund) as at **31 December 2022**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Movement in Unit Holders' Fund and condensed interim Cash Flow Statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2022.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



-: 2 :-

**Other matter**

The condensed interim financial statements for the half year ended 31 December 2021 and the annual financial statements for the year ended 30 June 2022 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated 26 February 2022 and audit report dated 21 September 2022 expressed an unmodified conclusion and an unmodified opinion respectively, on the aforementioned financial statements.

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 27 February 2023

**Place:** Karachi

**UDIN Number:** RR202210076WfI8AkDcd



**MEEZAN ISLAMIC FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2022**

		December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
<b>Assets</b>			
Balances with banks	5	690,182	1,208,150
Investments	6	20,452,709	23,278,367
Receivable against sale of investments		62,228	33,457
Receivable against conversion of units		24,357	57,085
Dividend receivable		9,234	7,762
Deposits, prepayments and other receivables		11,791	14,009
<b>Total assets</b>		<b>21,250,501</b>	<b>24,598,830</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	7	75,256	31,021
Payable to Central Depository Company of Pakistan Limited - Trustee		2,136	2,326
Payable to Meezan Bank Limited		60	214
Payable to the Securities and Exchange Commission of Pakistan		2,322	6,039
Payable against redemption and conversion of units		78,050	416,758
Payable against purchase of investments		4,051	186
Accrued expenses and other liabilities	8	310,445	320,762
<b>Total liabilities</b>		<b>472,320</b>	<b>777,306</b>
<b>Net assets</b>		<b>20,778,181</b>	<b>23,821,524</b>
<b>Contingencies and commitments</b>	9		
<b>Unit holders' funds (as per statement attached)</b>		<b>20,778,181</b>	<b>23,821,524</b>
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>376,689,882</b>	<b>423,632,865</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>55.1599</b>	<b>56.2315</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 ISLAMIC FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2022**

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
		(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
Net realised loss on sale of investments		(368,370)	(332,045)	(247,484)	(403,233)
Dividend income		978,775	1,056,059	635,140	604,486
Profit on saving accounts with banks		44,904	59,169	18,057	26,692
		<b>655,309</b>	783,183	<b>405,713</b>	227,945
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	(553,520)	(1,630,410)	(413,570)	(11,245)
<b>Total income / (loss)</b>		<b>101,789</b>	(847,227)	<b>(7,857)</b>	216,700
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	232,203	332,205	113,236	158,794
Sindh Sales Tax on management fee		30,186	43,187	14,720	20,644
Allocated expenses	7.2	12,771	18,271	6,228	8,733
Selling and marketing expense	7.3	116,101	166,103	56,617	79,398
Remuneration of Central Depository Company of Pakistan Limited - Trustee		12,114	17,114	5,914	8,191
Sindh Sales Tax on remuneration of the Trustee		1,575	2,225	769	1,065
Annual fee to the Securities and Exchange Commission of Pakistan		2,322	3,322	1,132	1,588
Auditors' remuneration		499	527	287	261
Charity expense		34,474	26,393	26,084	13,038
Fees and subscription		1,314	1,871	658	935
Legal and professional charges		170	698	170	514
Brokerage expense		11,564	20,312	5,110	7,704
Bank and settlement charges		1,038	1,690	494	613
Printing expense		23	-	-	-
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(525,426)	-	-
<b>Total expenses</b>		<b>456,354</b>	108,492	<b>231,419</b>	301,478
<b>Net loss for the period before taxation</b>		<b>(354,565)</b>	(955,719)	<b>(239,276)</b>	(84,778)
Taxation	13	-	-	-	-
<b>Net loss for the period after taxation</b>		<b>(354,565)</b>	(955,719)	<b>(239,276)</b>	(84,778)

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 ISLAMIC FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2022

	Six months period ended, December 31,		Quarter ended, December 31,	
	2022 (Rupees in '000)	2021	2022 (Rupees in '000)	2021
Net loss for the period after taxation	(354,565)	(955,719)	(239,276)	(84,778)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(354,565)</b>	<b>(955,719)</b>	<b>(239,276)</b>	<b>(84,778)</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 ISLAMIC FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	2022			2021				
	Capital value	Undistributed income	Over distribution	Total	Capital value	Undistributed income	Over distribution	Total
	(Rupees in '000)				(Rupees in '000)			
<b>Net assets at the beginning of the period</b>	<b>23,419,662</b>	<b>401,862</b>	<b>-</b>	<b>23,821,524</b>	30,603,590	3,670,433	-	34,274,023
Issue of 133,629,016 units (December 31, 2021: 249,435,577 units)								
- Capital value (at net asset value per unit at the beginning of the period)	7,514,160	-	-	7,514,160	15,808,254	-	-	15,808,254
- Element of income	118,819	-	-	118,819	14,891	-	-	14,891
Total proceeds on issuance of units	7,632,979	-	-	7,632,979	15,823,145	-	-	15,823,145
Redemption of 180,571,999 units (December 31, 2021: 294,701,472 units)								
- Capital value (at net asset value per unit at the beginning of the period)	10,153,834	-	-	10,153,834	18,677,030	-	-	18,677,030
- Element of income / (loss)	167,923	-	-	167,923	(14,476)	-	-	(14,476)
Total payments on redemption of units	10,321,757	-	-	10,321,757	18,662,554	-	-	18,662,554
Total comprehensive loss for the period	-	(354,565)	-	(354,565)	-	(955,719)	-	(955,719)
Distribution during the period	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(354,565)	-	(354,565)	-	(955,719)	-	(955,719)
<b>Net assets at the end of the period</b>	<b>20,730,884</b>	<b>47,297</b>	<b>-</b>	<b>20,778,181</b>	27,764,181	2,714,714	-	30,478,895

**Undistributed income brought forward**

- Realised income / (loss)	4,127,791	(2,652,037)
- Unrealised (loss) / income	<u>(3,725,929)</u>	<u>6,322,470</u>
	401,862	3,670,433

**Accounting income available for distribution**

- Relating to capital gains	-	-
- Excluding capital gains	-	-

Net loss for the period after taxation (354,565) (955,719)

Undistributed income carried forward 47,297 2,714,714

**Undistributed income carried forward**

- Realised income	600,817	4,345,124
- Unrealised loss	<u>(553,520)</u>	<u>(1,630,410)</u>
	<u>47,297</u>	<u>2,714,714</u>

Net asset value per unit at the beginning of the period	(Rupees) <u>56.2315</u>	(Rupees) <u>63.3761</u>
Net asset value per unit at the end of the period	<u>55.1599</u>	<u>61.5067</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 ISLAMIC FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Six months period ended December 31,	
	2022	2021
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(354,565)	(955,719)
<b>Adjustments for:</b>		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	553,520	1,630,410
	<u>198,955</u>	<u>674,691</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	2,272,138	1,987,041
Receivable against sale of investments	(28,771)	8,080
Dividend receivable	(1,472)	77,604
Deposits, prepayments and other receivables	2,218	177,627
	<u>2,244,113</u>	<u>2,250,352</u>
<b>Increase / (Decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - the Management Company	44,235	19,910
Payable to Central Depository Company of Pakistan Limited - the Trustee	(190)	(303)
Payable to Meezan Bank Limited	(154)	(707)
Payable to the Securities and Exchange Commission of Pakistan	(3,717)	(2,879)
Payable against purchase of investments	3,865	30,934
Accrued expenses and other liabilities	(10,317)	(543,751)
	<u>33,722</u>	<u>(496,796)</u>
<b>Net cash generated from operating activities</b>	<u>2,476,790</u>	<u>2,428,247</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	7,665,707	15,937,182
Payment against redemption and conversion of units	(10,660,465)	(18,667,107)
Dividend paid	-	-
<b>Net cash used in financing activities</b>	<u>(2,994,758)</u>	<u>(2,729,925)</u>
<b>Net decrease in cash and cash equivalents during the period</b>	<u>(517,968)</u>	<u>(301,678)</u>
Cash and cash equivalents at the beginning of the period	1,208,150	2,061,391
<b>Cash and cash equivalents at the end of the period</b>	<u>690,182</u>	<u>1,759,713</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 ISLAMIC FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

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

- 1.1** Meezan Islamic Fund (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 21, 2008 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) notified through S.R.O. 1203 (I) / 2008. The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. 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 categorized as a Equity Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2022 (2022: AM1 dated June 23, 2022). 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 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 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 are 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, a limited scope review has been performed by the statutory auditors. 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 December 31, 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 of the Fund for the year ended June 30, 2022.

#### **4.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period:**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 01, 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.

#### **4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standards, interpretations and amendments</b>	<b>Effective date (annual periods beginning on or after)</b>
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.	

<b>Standards</b>		<b>IASB Effective date (annual periods beginning on or after)</b>	
IFRS 1 - First-time Adoption of International Financial Reporting Standards		July 01, 2009	
IFRS 17 – Insurance Contracts		January 01, 2023	
<b>5. BALANCES WITH BANKS</b>	<b>Note</b>	<b>December 31, 2022 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited)</b>
In current accounts		6,190	1,201,534
In saving accounts	5.1	<u>683,992</u>	<u>6,616</u>
		<u><u>690,182</u></u>	<u><u>1,208,150</u></u>
<b>5.1</b>	These include a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.50% (2022: 6.01%) per annum. Other profit and loss sharing accounts of the Fund have an expected profit ranging from 5.00% to 15.90% per annum (June 30, 2022: 3.00% to 16.40% per annum).		
<b>6. INVESTMENTS</b>	<b>Note</b>	<b>December 31, 2022 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited)</b>
<b>At fair value through profit or loss</b>			
Shares of listed companies - 'ordinary shares'	6.1	<u><u>20,452,709</u></u>	<u><u>23,278,367</u></u>



**6.1 Shares of listed companies - 'ordinary shares'**

Name of the investee company	As at July 1, 2022	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation/ (diminution) as at December 31, 2022	Percentage in relation to							
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)					
								-----Number of shares-----			-----Rupees in '000-----			-----%-----		
<b>Sectors / companies</b>																
<b>Automobile assembler</b>																
Gandhara Industries Limited	123,000	-	-	-	123,000	19,431	13,366	(6,065)	0.06	0.07	0.29					
Gandhara Nissan Limited	223,800	-	-	-	223,800	13,290	9,400	(3,890)	0.05	0.05	0.39					
Millat Tractors Limited	789,228	-	151,985	259,488	681,725	495,722	330,712	(165,010)	1.59	1.62	0.59					
									<b>1.70</b>	<b>1.74</b>	<b>1.27</b>					
<b>Automobile parts and accessories</b>																
Agriauto Industries Limited (note 6.1.1)	140,700	-	13,925	154,625	-	-	-	-	-	-	-					
Panther Tyres Limited	513,508	-	-	485,500	28,008	907	580	(327)	-	-	0.02					
									-	-	<b>0.02</b>					
<b>Chemicals</b>																
Engro Polymer & Chemicals Limited	6,708,221	-	-	6,708,221	-	-	-	-	-	-	-					
Dynea Pakistan Limited (Note 6.1.1)	303,000	-	-	-	303,000	52,710	46,962	(5,748)	0.23	0.23	1.61					
ICI Pakistan Limited	828,885	5,000	-	26,600	807,285	585,059	518,713	(66,346)	2.50	2.54	0.87					
Sitara Chemicals Industries Limited	45,500	-	-	-	45,500	14,105	9,449	(4,656)	0.05	0.05	0.21					
									<b>2.78</b>	<b>2.82</b>	<b>2.69</b>					
<b>Cement</b>																
Attock Cement Pakistan Limited	523,300	-	-	-	523,300	34,799	29,593	(5,206)	0.14	0.14	0.38					
Bestway Cement Limited	-	284,500	-	-	284,500	36,158	36,419	261	0.18	0.18	0.05					
Cherat Cement Company Limited	3,545,000	466,868	-	-	4,011,868	382,029	408,809	26,780	1.97	2.00	2.06					
D.G. Khan Cement Company Limited	454,440	1,000,000	-	1,454,440	-	-	-	-	-	-	-					
Fauji Cement Company Limited	5,322,500	2,725,000	738,312	2,116,000	6,669,812	87,720	80,171	(7,549)	0.39	0.39	0.27					
Kohat Cement Company Limited	5,732,850	466,270	-	100,000	6,099,120	807,374	900,840	93,466	4.34	4.40	3.04					
Lucky Cement Limited	2,350,144	758,680	-	343,770	2,765,054	1,297,075	1,234,818	(62,257)	5.94	6.04	0.86					
Pioneer Cement Limited	650,000	-	-	650,000	-	-	-	-	-	-	-					
Maple Leaf Cement Factory Limited	13,568,850	6,790,000	-	6,945,885	13,412,965	374,176	302,731	(71,445)	1.46	1.48	1.25					
									<b>14.42</b>	<b>14.63</b>	<b>7.91</b>					
<b>Paper and Board</b>																
Cherat Packaging Limited	161,847	-	16,184	-	178,031	18,276	17,954	(322)	0.09	0.09	0.38					
Century Paper & Board Mills Limited	4,454,840	60,000	451,484	-	4,966,324	279,399	245,734	(33,665)	1.18	1.20	2.23					
Roshan Packages Limited	3,332,500	-	-	1,332,000	2,000,500	29,727	21,885	(7,842)	0.11	0.11	1.41					
Packages Limited	1,379,715	2,500	-	308,600	1,073,615	428,200	397,409	(30,791)	1.91	1.94	1.20					
									<b>3.29</b>	<b>3.34</b>	<b>5.22</b>					
<b>Technology and communication</b>																
Avanceon Limited	1,380,820	-	-	100,000	1,280,820	99,789	84,573	(15,216)	0.41	0.41	0.39					
Airlink communication Limited	1,632,712	-	-	965,500	667,212	26,949	19,736	(7,213)	0.09	0.10	0.17					
Octopus Digital Limited	65,207	-	-	-	65,207	4,650	3,694	(956)	0.02	0.02	0.05					
Systems Limited	4,513,040	60,487	-	248,011	4,325,516	1,432,132	2,093,247	661,115	10.07	10.23	14.90					
									<b>10.59</b>	<b>10.76</b>	<b>15.51</b>					
<b>Refinery</b>																
Attock Refinery Limited	215,000	100,000	-	215,000	100,000	16,930	14,356	(2,574)	0.07	0.07	0.09					
National Refinery Limited	237,000	-	-	237,000	-	-	-	-	-	-	-					
Cnergyco PK Limited (Formerly Byco petroleum Limited)	44,462,500	-	-	10,088,813	34,373,687	183,555	126,839	(56,716)	0.61	0.62	0.64					
									<b>0.68</b>	<b>0.69</b>	<b>0.74</b>					
<b>Commercial Banks</b>																
Meezan Bank Limited (a related party of the Fund)	13,762,144	1,162,735	1,428,074	1,272,970	15,079,983	1,554,844	1,501,062	(53,782)	7.22	7.34	0.84					
BankIslami Pakistan Limited	17,401,000	1,870,000	-	1,200,000	18,071,000	217,501	241,429	23,928	1.16	1.18	1.63					
									<b>8.38</b>	<b>8.52</b>	<b>2.47</b>					

Name of the investee company	As at July 1, 2022	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation/ (diminution) as at December 31, 2022	Percentage in relation to							
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)					
								-----Number of shares-----			-----Rupees in '000-----			-----%-----		
<b>Oil and Gas Marketing Companies</b>																
Attock Petroleum Limited	798,334	35,000	198,333	30,000	1,001,667	259,632	290,193	30,561	1.40	1.42	0.81					
Hascol Petroleum Limited (note 6.1.3)	39,192	-	-	-	39,192	165	220	55	-	-	0.00					
Pakistan State Oil Company Limited (note 6.1.3)	3,327,669	710,711	-	288,000	3,750,380	649,591	540,017	(109,574)	2.60	2.64	0.80					
Sui Northern Gas Pipelines Limited	6,009,512	400,000	-	380,697	6,028,815	205,517	226,382	20,865	1.09	1.11	0.95					
									<b>5.09</b>	<b>5.17</b>	<b>2.56</b>					
<b>Oil and Gas Exploration Companies</b>																
Oil and Gas Development Company Limited	19,446,871	854,703	-	1,785,872	18,515,702	1,453,436	1,474,961	21,525	7.10	7.21	0.43					
Pakistan Oilfields Limited	1,447,011	-	-	364,075	1,082,936	439,466	425,431	(14,035)	2.05	2.08	0.38					
Pakistan Petroleum Limited	19,390,644	3,617,454	-	504,500	22,503,598	1,494,389	1,533,395	39,006	7.38	7.50	0.83					
Mari Petroleum Company Limited (note 6.1.3)	1,888,097	-	-	152,170	1,735,927	3,020,062	2,685,410	(334,652)	12.92	13.13	1.30					
									<b>29.45</b>	<b>29.92</b>	<b>2.94</b>					
<b>Pharmaceuticals</b>																
Abbott Laboratories (Pakistan) Limited	60,050	-	-	-	60,050	39,311	27,822	(11,489)	0.13	0.14	0.06					
GlaxoSmithkline Consumer Healthcare Products Limited	279,156	-	-	-	279,156	66,531	45,754	(20,777)	0.22	0.22	0.24					
IBL Healthcare Limited	306,840	-	30,684	-	337,524	15,953	12,691	(3,262)	0.06	0.06	0.47					
Highnoon Laboratories Limited (note 6.1.3)	144,934	-	-	-	144,934	76,796	78,286	1,490	0.38	0.38	0.35					
The Searle Company Limited (note 6.1.3)	1,612,069	198,965	374,008	1,531,000	654,042	56,676	38,503	(18,173)	0.19	0.19	0.17					
									<b>0.98</b>	<b>0.99</b>	<b>1.29</b>					
<b>Power Generation and Distribution</b>																
The Hub Power Company Limited	17,993,008	4,016,754	-	4,701,621	17,308,141	1,176,000	1,091,798	(84,202)	5.25	5.34	1.33					
K - Electric Limited (6.1.1)	103,014,000	6,000,000	-	10,138,500	98,875,500	301,518	266,964	(34,554)	1.28	1.31	0.36					
									<b>6.53</b>	<b>6.65</b>	<b>1.69</b>					
<b>Fertilizer</b>																
Fauji Fertilizer Bin Qasim Limited	2,518,000	-	-	2,518,000	-	-	-	-	-	-	-					
Engro Corporation Limited (note 6.1.2)	4,933,090	184,570	-	942,761	4,174,899	1,073,714	1,093,865	20,151	5.26	5.35	0.72					
Engro Fertilizers Limited	11,301,107	100,000	-	5,326,287	6,074,820	538,009	467,093	(70,916)	2.25	2.28	0.45					
									<b>7.51</b>	<b>7.63</b>	<b>1.18</b>					
<b>Engineering</b>																
International Industries Limited	685,572	-	-	665,709	19,863	2,060	1,503	(557)	0.01	0.01	0.02					
Mughal Iron & Steel Industries Limited	6,444,318	-	-	2,657,790	3,786,528	218,255	182,927	(35,328)	0.88	0.89	1.13					
KSB Pumps Company Limited	37,900	-	-	37,900	-	-	-	-	-	-	-					
									<b>0.89</b>	<b>0.90</b>	<b>1.14</b>					
<b>Food and Personal Care Products</b>																
Al-Shaheer Corporation Limited (note 6.1.3)	62,711	-	-	3,744	58,967	533	601	68	-	-	0.02					
At-Tahir Limited	2,236,854	-	223,685	-	2,460,539	42,657	42,051	(606)	0.20	0.21	1.13					
National Foods Limited (note 6.1.1)	317,687	-	-	209,500	108,187	15,663	10,753	(4,910)	0.05	0.05	0.05					
The Organic Meat Company Limited	-	1,348,500	121,875	-	1,470,375	34,751	30,378	(4,373)	0.15	0.15	1.09					
Unity Foods Limited	265,683	150,000	-	415,683	-	-	-	-	-	-	-					
									<b>0.40</b>	<b>0.41</b>	<b>2.28</b>					
<b>Glass and Ceramics</b>																
Shabbir Tiles and Ceramics Limited (Note 6.1.1)	3,295,000	-	-	60,000	3,235,000	47,329	27,821	(19,508)	0.13	0.14	1.35					
Tariq Glass Industries Limited	248,393	1,676,504	460,436	375,263	2,010,070	187,563	130,896	(56,667)	0.63	0.64	1.17					
Ghani Glass Limited	1,253,200	-	-	-	1,253,200	51,168	47,371	(3,797)	0.23	0.23	0.15					
									<b>0.99</b>	<b>1.01</b>	<b>2.67</b>					

Name of the investee company	As at July 1, 2022	Purchases during the period	Bonus / Right issue / Subdivision of shares	Sales / rights exercise during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation/ (diminution) as at December 31, 2022	Percentage in relation to				
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)		
					Number of shares			Rupees in '000			%		
<b>Textile Composite</b>													
Feroze1888 Mills Limited	1,474,086	-	-	-	1,474,086	92,028	93,236	1,208	0.45	0.46	0.37		
Interloop Limited	13,443,118	575,000	525,326	3,565,653	10,977,791	645,503	621,892	(23,611)	2.99	3.04	1.17		
Kohinoor Textile Mills Limited (note 6.1.3)	2,756,514	-	-	70,000	2,686,514	134,327	126,938	(7,389)	0.61	0.62	0.90		
Nishat Mills Limited	2,488,299	-	-	2,346,475	141,824	10,483	7,799	(2,684)	0.04	0.04	0.04		
									<b>4.09</b>	<b>4.16</b>	<b>2.48</b>		
<b>Leather &amp; Tanneries</b>													
Service Global Footwear Limited	816,325	-	-	20,000	796,325	31,996	26,390	(5,606)	0.13	0.13	0.39		
									<b>0.13</b>	<b>0.13</b>	<b>0.39</b>		
<b>Miscellaneous</b>													
Pakistan Aluminum Beverage Cans Limited	349,000	-	-	-	349,000	11,005	13,552	2,547	0.07	0.07	0.10		
Synthetic Products Enterprises Limited (note 6.1.1)	2,247,534	-	-	241,500	2,006,034	28,266	19,860	(8,406)	0.10	0.10	1.00		
									<b>0.17</b>	<b>0.17</b>	<b>1.10</b>		
<b>Property &amp; Real Estate</b>													
TPL Properties Limited	-	4,250,000	425,000	-	4,675,000	93,369	79,475	(13,894)	0.38	0.39	0.83		
									<b>0.38</b>	<b>0.39</b>	<b>0.83</b>		
<b>Total as at December 31, 2022</b>					<b>338,237,418</b>	<b>21,006,229</b>	<b>20,452,709</b>	<b>(553,520)</b>					
<b>Total as at June 30, 2022</b>					<b>367,753,029</b>	<b>27,004,296</b>	<b>23,278,367</b>	<b>(3,725,929)</b>					

- 6.1.1** All shares have a nominal value of Rs.10 each except for the shares of Agriauto Industries Limited, Dynea Pakistan Limited, Shabbir Tiles and Ceramics Limited, Synthetic Products Enterprise Limited and National Foods 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 1,060,000 shares of Engro Corporation Limited, having market value of Rs 277.7306 million as at Dec 31, 2022 (June 30, 2022: Rs.272.52 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.3** The 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, 2020. As at December 31, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.39.774 million (June 30, 2022: Rs.48.964 million).

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31, 2022	June 30, 2022
		(Unaudited)	(Audited)
		(Rupees in '000)	
Management fee payable	7.1	6,755	7,906
Sindh Sales Tax payable on remuneration of the Management Company		877	1,027
Allocated expenses payable	7.2	1,985	144
Selling and marketing expenses payable	7.3	65,527	21,249
Sales load payable		99	615
Sindh Sales Tax on sales load payable		13	80
		<b>75,256</b>	<b>31,021</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% (2021: 2%) per annum of the average net assets of the Fund during the period. 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 charged allocated expense at a rate of 0.11% (2021: 0.11%) of the average annual net assets of the scheme for allocation of such expenses to the Fund subject to the total expense charged being lower than actual expense incurred.

7.3 In accordance with Circular 11 dated July 05, 2019 with respect to selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at 1% (2021: 1%) of the average annual net assets of the Fund for the period subject to the total expense charged being lower than actual expense incurred.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2022 (Unaudited)	2022 (Audited)
		(Rupees in '000)	
Charity payable		35,737	48,320
Capital gain tax payable		2,885	3,768
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.1	231,868	231,867
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.1	32,607	32,607
Auditors' remuneration		425	515
Zakat payable		19	129
Printing expenses payable		-	-
Shariah advisory fee payable		1,854	1,840
Brokerage payable		5,050	1,716
		310,445	320,762

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 for FED not been made, the Net Asset Value of the Fund as at December 31, 2022 would have been higher by Re.0.70 (June 30, 2022: Re.0.62) per unit.

## 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

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



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

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

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

	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	6,755	7,906
Sindh Sales Tax payable on remuneration of the Management Company	877	1,027
Sales load payable	99	615
Sindh Sales Tax and on sales load payable	13	80
Allocated expenses payable	1,985	144
Selling and marketing expenses payable	65,527	21,249
Investment of 1,324,699 units (June 30, 2022: 437,592 units)	73,070	24,606
<b>Meezan Bank Limited</b>		
Balance with bank	58,283	132,143
Profit receivable on saving accounts	252	303
Sales load payable	53	190
Sindh Sales Tax on sales load payable	7	24
Shariah advisor fee payable	1,854	1,840
Investment in 15,079,983 shares (June 30, 2022: 13,762,144 shares)	1,501,062	1,554,847
Investment of 12,475,049 units (June 30, 2022: 12,475,049 units)	688,122	701,491
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Payable to Central Depository Company of Pakistan Limited - Trustee	1,890	2,058
Sindh Sales Tax on trustee fee payable	246	268
Security deposit	100	100
Investment of 2,125,742 units (June 30, 2022: 2,125,742 units)	117,256	119,534
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investment of 189,837 units (June 30, 2022: 189,837 units)	10,471	10,675
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Investment of 3,164,258 units (June 30, 2022: 3,876,672 units)	174,540	217,991
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Investment of 669,755 units (June 30, 2022: 853,646 units)	36,944	48,002
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Investment of 337,222 units (June 30, 2022: 631,840 units)	18,601	35,529
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Investment of 218,376 units (June 30, 2022: 840,906 units)	12,046	47,285
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Investment of 360,853 units (June 30, 2022: 2,283,025 units)	19,905	128,378
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Investment of 333,930 units (June 30, 2022: 324,453 units)	18,420	18,244
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Investment of 15,663 units (June 30, 2022: nil units)	864	-
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Investment of 46,929 units (June 30, 2022: 14,424 units)	2,589	811
<b>Directors and executives of the Management Company</b>		
Investment of 8,465,463 units (June 30, 2022: 3,751,087 units)	466,954	210,929

**Transactions during the period**

**Six months period ended**  
**December 31,**  
**2022**      **2021**  
**(Unaudited)**  
**(Rupees in '000)**

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

 Remuneration of Al Meezan Investment Management Limited -  
Management Company

	<u>232,203</u>	<u>332,205</u>
Sindh Sales Tax on management fee	<u>30,186</u>	<u>43,187</u>
Allocated expenses	<u>12,771</u>	<u>18,271</u>
Selling and marketing expense	<u>116,101</u>	<u>166,103</u>
Units issued: 2,650,756 units (2021: 4,055,707 units)	<u>149,000</u>	<u>260,000</u>
Units redeemed: 1,763,648 units (2021: 5,347,626 units)	<u>103,500</u>	<u>335,000</u>

**Meezan Bank Limited**

 Profit on saving accounts  
 Shares purchased: 1,162,735 shares (2021: 750,000 shares)  
 Shares sold: 1,272,970 shares (2021: 1,715,939 shares)  
 Bonus issue: 1,428,074 (2021: 2,113,106 shares)  
 Shariah advisor fee  
 Dividend income

	<u>1,725</u>	<u>613</u>
	<u>133,420</u>	<u>103,447</u>
	<u>155,142</u>	<u>239,231</u>
	<u>-</u>	<u>-</u>
	<u>1,300</u>	<u>1,857</u>
	<u>55,711</u>	<u>45,278</u>

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

 Trustee fee  
 Sindh Sales Tax on trustee fee  
 CDS charges

	<u>12,114</u>	<u>17,114</u>
	<u>1,575</u>	<u>2,225</u>
	<u>254</u>	<u>518</u>

**Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan**

 Units issued: 105,320 units (2021: 320,490 units)  
 Units redeemed: 817,735 units (2021: 332,253 units)

	<u>5,724</u>	<u>19,696</u>
	<u>45,975</u>	<u>21,000</u>

**Meezan Financial Planning Fund of Funds - Moderate Allocation Plan**

 Units issued: 77,357 units (2021: 355,287 units)  
 Units redeemed: 261,248 units (2021: 573,323 units)

	<u>4,255</u>	<u>22,542</u>
	<u>14,820</u>	<u>35,250</u>

**Meezan Financial Planning Fund of Funds - Conservative Allocation Plan**

 Units issued: 34,632 units (2021: 166,082 units)  
 Units redeemed: 329,249 units (2021: 136,933 units)

	<u>1,896</u>	<u>10,280</u>
	<u>18,775</u>	<u>8,375</u>

**Meezan Financial Planning Fund of Funds - MAAP - I**

 Units issued: Nil (2021: 47,581 units)  
 Units redeemed: Nil (2021: 47,581 units)

	<u>-</u>	<u>3,000</u>
	<u>-</u>	<u>2,844</u>

**Meezan Strategic Allocation Fund - MSAP - I**

 Units issued: Nil (2021: 316,621 units)  
 Units redeemed: 622,530 units (2021: 1,806,550 units)

	<u>-</u>	<u>20,048</u>
	<u>34,020</u>	<u>110,450</u>

**Meezan Strategic Allocation Fund - MSAP - II**

 Units issued: 87,437 units (2021: 2,607,990 units)  
 Units redeemed: 2,009,609 units (2021: 663,891 units)

	<u>4,972</u>	<u>168,546</u>
	<u>109,500</u>	<u>41,480</u>

**Meezan Strategic Allocation Fund - MSAP - III**

 Units issued: 122,059 units (2021: 158,604 units)  
 Units redeemed: 112,583 units (2021: 1,806,796 units)

	<u>6,941</u>	<u>10,000</u>
	<u>6,500</u>	<u>113,050</u>

**Meezan Strategic Allocation Fund - MSAP - IV**

 Units issued: 15,663 units (2021: 47,581 units)  
 Units redeemed: Nil (2021: 70,090 units)

	<u>891</u>	<u>3,000</u>
	<u>-</u>	<u>4,300</u>



**Transactions during the period**

**Six months period ended  
December 31,**

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

**Meezan Strategic Allocation Fund - MSAP - V**

Units issued: 32,505 units (2021: 7,930 units)

Units redeemed: Nil (2021: 8,366 units)

<b>1,848</b>	<b>500</b>
<b>-</b>	<b>500</b>

**Directors and executives of the Management Company**

Units issued: 11,439,641 units (2021: 4,343,946 units)

Units redeemed: 6,716,310 units (2021: 927,935 units)

<b>654,865</b>	<b>277,821</b>
<b>392,036</b>	<b>57,942</b>

**11. FAIR VALUE MEASUREMENT**

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

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

Financial assets which are 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.

**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 December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

<b>As at December 31, 2022</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>ASSETS</b>	<b>(Rupees in '000)</b>			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	<b>20,452,709</b>	-	-	<b>20,452,709</b>
	<b>As at June 30, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>ASSETS</b>	<b>(Rupees in '000)</b>			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	<b>23,278,367</b>	-	-	<b>23,278,367</b>

**12. TOTAL EXPENSE RATIO**

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2022 is 3.93% (December 31, 2021: 3.82%) which includes 0.31% (December 31, 2021: 0.31%) 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 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 unit holders. 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 period.

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

14.1 Figures have been rounded off to the nearest thousand rupees.

14.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

### 15. DATE OF AUTHORISATION

These condensed interim financial statements was authorised for issue on February 13, 2023 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.

# GASHERBRUM I HIDDEN PEAK, K5

A wise investor needs to be as resilient as a mountain climber to reach new heights.

Height 8,080 meters,  
belongs to the range Baltoro Karakoram





# AL MEEZAN MUTUAL FUND (AMMF)

Al Meezan Mutual Fund aims to optimize the total investment returns in the form of capital gains & dividend income, through prudent investment management.



# 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	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Islamic Bank Limited
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islami Pakistan Limited	Sindh Bank Limited
Dubai Islamic Bank Pakistan Limited	UBL Ameen - Islamic Banking
Faysal Bank Limited - 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



**Head Office:**

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

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AL MEEZAN MUTUAL FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Al Meezan Mutual Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 23, 2023

## INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of Al Meezan Mutual Fund

Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of Al Meezan Mutual Fund (the Fund) as at 31 December 2022, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Movement in Unit Holders' Fund and condensed interim Cash Flow Statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2022.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

-: 2 :-

**Other matter**

The condensed interim financial statements for the half year ended 31 December 2021 and the annual financial statements for the year ended 30 June 2022 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated 26 February 2022 and audit report dated 21 September 2022 expressed an unmodified conclusion and an unmodified opinion respectively, on the aforementioned financial statements.

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 27 February 2023

**Place:** Karachi

**UDIN Number:** RR202210076tBbnHvTDu



AL MEEZAN MUTUAL FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2022

		December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
<b>Assets</b>			
Balances with banks	5	146,931	124,935
Investments	6	3,977,152	4,357,083
Receivable against sale of investments		2,454	24,807
Receivable against conversion of units		4,317	14,127
Dividend receivable		1,502	1,276
Deposits, prepayments and profit receivable		3,893	4,747
<b>Total assets</b>		<b>4,136,249</b>	<b>4,526,975</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	7	14,343	5,622
Payable to Central Depository Company of Pakistan Limited - Trustee		490	510
Payable to the Securities and Exchange Commission of Pakistan		438	967
Payable to Meezan Bank Limited		20	10
Payable against purchase of investments		2,142	1,788
Payable against redemption and conversion of units		8,695	12,318
Accrued expenses and other liabilities	8	50,965	50,300
Dividend payable		4,917	4,917
<b>Total liabilities</b>		<b>82,010</b>	<b>76,432</b>
<b>Net assets</b>		<b>4,054,239</b>	<b>4,450,543</b>
<b>Contingencies and commitments</b>	9		
<b>Unit holders' fund (as per statement attached)</b>		<b>4,054,239</b>	<b>4,450,543</b>
		(Number of units)	
<b>Number of units in issue</b>		<b>259,398,091</b>	<b>283,099,100</b>
		(Rupees)	
<b>Net asset value per unit</b>		<b>15.6294</b>	<b>15.7208</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



**AL MEEZAN MUTUAL FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2022**

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2022	2021	2022	2021
		(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
Net realised loss on sale of investments		(39,747)	(68,288)	(19,415)	(66,072)
Dividend income		203,218	145,439	126,642	86,629
Profit on savings accounts with banks		6,424	7,792	3,263	3,678
		169,895	84,943	110,490	24,235
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	(97,045)	(238,403)	(49,787)	(27,008)
<b>Total income / (loss)</b>		72,850	(153,460)	60,703	(2,773)
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	43,782	48,593	21,553	24,395
Sindh Sales Tax on remuneration of the Management Company		5,692	6,317	2,802	3,171
Allocated expenses	7.2	2,408	2,673	1,185	1,342
Selling and marketing expenses	7.3	21,891	24,297	10,777	12,198
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,693	2,934	1,330	1,472
Sindh Sales Tax on remuneration of the Trustee		350	381	173	191
Annual fee to the Securities and Exchange Commission of Pakistan		438	486	216	244
Auditors' remuneration		665	469	437	223
Legal and professional charges		-	184	-	-
Charity expense		7,101	3,705	5,092	1,857
Fees and subscription		285	260	122	152
Brokerage expense		2,588	5,399	1,087	2,761
Printing Expenses		3	-	-	-
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(77,691)	-	-
Bank and settlement charges		400	558	195	278
<b>Total expenses</b>		88,296	18,565	44,969	48,284
<b>Net (loss) / income for the period before taxation</b>		(15,446)	(172,025)	15,734	(51,057)
Taxation	12	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		(15,446)	(172,025)	15,734	(51,057)
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
		-	-	-	-
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		-	-	-	-

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**



AL MEEZAN MUTUAL FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2022

	Six months period ended, December 31,		Quarter ended, December 31,	
	2022	2021	2022	2021
	(Rupees in '000)		(Rupees in '000)	
Net (loss) / income for the period after taxation	(15,446)	(172,025)	15,734	(51,057)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(15,446)</b>	<b>(172,025)</b>	<b>15,734</b>	<b>(51,057)</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

**AL MEEZAN MUTUAL FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Six months period ended December 31, 2022			Six months period ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- Rupees in 000-----			----- Rupees in 000-----		
<b>Net assets at the beginning of the period</b>	4,250,146	200,397	4,450,543	4,144,037	773,804	4,917,841
Issuance of 49,042,770 units (2021: 138,041,719 units)						
- Capital value (at net asset value per unit at the beginning of the period)	770,992	-	770,992	2,435,967	-	2,435,967
- Element of income	12,577	-	12,577	13,564	-	13,564
Total proceeds on issuance of units	783,569	-	783,569	2,449,531	-	2,449,531
Redemption of 72,743,778 units (2021: 121,499,830 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,143,590	-	1,143,590	2,144,059	-	2,144,059
- Element of loss	20,837	-	20,837	1,346	-	1,346
Total payments on redemption of units	1,164,427	-	1,164,427	2,145,405	-	2,145,405
Total comprehensive loss for the period	-	(15,446)	(15,446)	-	(172,025)	(172,025)
Distribution for the period	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(15,446)	(15,446)	-	(172,025)	(172,025)
<b>Net assets at the end of the period</b>	<b>3,869,288</b>	<b>184,951</b>	<b>4,054,239</b>	<b>4,448,163</b>	<b>601,779</b>	<b>5,049,942</b>
<b>Undistributed income brought forward</b>						
- Realised income / (loss)		771,954			(27,472)	
- Unrealised (loss) / income		(571,557)			801,276	
		<u>200,397</u>			<u>773,804</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
Net loss for the period after taxation		(15,446)			(172,025)	
Undistributed income carried forward		<u>184,951</u>			<u>601,779</u>	
<b>Undistributed income carried forward</b>						
- Realised income		281,996			840,182	
- Unrealised loss		(97,045)			(238,403)	
		<u>184,951</u>			<u>601,779</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		<u>15.7208</u>			<u>17.6466</u>	
Net asset value per unit at the end of the period		<u>15.6294</u>			<u>17.1053</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**



AL MEEZAN MUTUAL FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

Note	Six months period ended December 31,	
	2022	2021
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	(15,446)	(172,025)
<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 97,045	238,403
	<b>81,599</b>	<b>66,378</b>
<b>Decrease / (Increase) in assets</b>		
Investments - net	282,886	(535,061)
Receivable against sale of investments	22,353	(3,799)
Dividend receivable	(226)	20,753
Deposits, prepayments and profit receivable	854	67,422
	<b>305,867</b>	<b>(450,685)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	8,721	4,044
Payable to Central Depository Company of Pakistan Limited - Trustee	(20)	27
Payable to Meezan Bank Limited	10	(58)
Payable to the Securities and Exchange Commission of Pakistan	(529)	(451)
Payable against purchase of investments	354	84
Accrued expenses and other liabilities	665	(77,055)
	<b>9,201</b>	<b>(73,409)</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>396,667</b>	<b>(457,716)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	793,379	2,479,166
Payment against redemption and conversion of units	(1,168,050)	(2,146,345)
<b>Net cash (used in) / generated from financing activities</b>	<b>(374,671)</b>	<b>332,821</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>21,996</b>	<b>(124,895)</b>
Cash and cash equivalents at the beginning of the period	124,935	296,501
<b>Cash and cash equivalents at the end of the period</b>	<b>146,931</b>	<b>171,606</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



**AL MEEZAN MUTUAL FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

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

- 1.1** Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme 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 September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 21, 2008 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) notified through S.R.O. 1203 (I) / 2008. The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide maximum total return to the unit holders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by the regulations and any other prevailing rules and regulations. At least seventy percent of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining net assets shall be invested in cash and cash equivalents. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund 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 categorised as an Equity Scheme.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) 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 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, 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 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 are 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, a limited scope review has been performed by the statutory auditors. 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 December 31, 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 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 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period:**

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.

#### **4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after 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.

<b>Standards, interpretations and amendments</b>	<b>Effective date (annual periods beginning on or after)</b>
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

		<b>December 31, 2022 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
<b>5. BALANCES WITH BANKS</b>	<b>Note</b>		
Balances with banks in:			
Savings accounts	5.1	<b>139,968</b>	114,745
Current accounts		<b>6,963</b>	10,190
		<b><u>146,931</u></b>	<b><u>124,935</u></b>
<b>5.1</b>	These include a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.50% (2022: 6.01%) per annum. Other profit and loss sharing accounts of the Fund have expected profit rates of profit ranging from 5% to 15.90% per annum (2022: 3% to 16.25% per annum).		

**December 31, 2022**  
**(Unaudited)**  
**(Rupees in '000)**

**June 30, 2022**  
**(Audited)**

**6. INVESTMENTS**
**At fair value through profit or loss**

Shares of listed companies - 'ordinary shares'

**Note**

6.1

**3,977,152**
**4,357,083**
**6.1 Shares of listed companies - 'ordinary shares'**

Investments - 'at fair value through profit or loss'

Name of the investee company	As at July 1, 2022	Purchased during the quarter	Bonus / right shares	Sold during the quarter	As at December 31, 2022	Carrying value as at December 31, 2022	Market Value as at December 31, 2022	Unrealised (diminution) / appreciation as at December 31, 2022	Percentage in relation to							
									Net assets of the Fund	Market value of total investments	Paid-up capital of investee company (with face value of					
								(Number of shares)			(Rupees in '000)			%		
<b>Automobile Assembler</b>																
Gandhara Industries Limited	29,700	-	-	29,700	-	-	-	-	-	-	-	-				
Millat Tractors Limited	130,694	-	23,938	110,336	44,296	32,210	21,488	(10,722)	0.53	0.54	0.04					
									<b>0.53</b>	<b>0.54</b>	<b>0.04</b>					
<b>Cement</b>																
Attock Cement Pakistan Limited **	400	-	-	-	400	27	23	(4)	0.0	0.00	-					
Cherat Cement Company Limited	855,000	367,500	-	223,260	999,240	98,906	101,823	2,917	2.51	2.56	0.51					
Kohat Cement Company Limited	739,320	25,000	-	10,500	753,820	98,842	111,339	12,497	2.75	2.80	0.38					
Lucky Cement Limited	411,130	233,144	-	59,000	585,274	274,110	261,372	(12,738)	6.45	6.57	0.18					
Maple Leaf Cement Factory Limited	2,702,082	575,000	-	1,100,000	2,177,082	59,282	49,137	(10,145)	1.21	1.24	0.20					
									<b>12.92</b>	<b>13.17</b>	<b>1.27</b>					
<b>Chemicals</b>																
Dynea Pakistan Limited (note 6.1.1)	119,500	-	-	-	119,500	20,788	18,521	(2,267)	0.46	0.47	0.63					
Engro Polymer and Chemicals Limited	823,041	-	-	823,041	-	-	-	-	-	-	-					
ICI Pakistan Limited	129,829	7,700	-	-	137,529	99,720	88,368	(11,352)	2.18	2.22	0.15					
Sitara Chemical Industries Limited	93,100	-	-	-	93,100	28,861	19,334	(9,527)	0.48	0.49	0.43					
									<b>3.12</b>	<b>3.18</b>	<b>1.21</b>					
<b>Commercial Banks</b>																
BankIslami Pakistan Limited	8,154,000	2,540,000	-	755,000	9,939,000	121,674	132,785	11,111	3.28	3.34	0.90					
Meezan Bank Limited	2,732,907	100,000	263,290	225,000	2,871,197	295,124	285,799	(9,325)	7.05	7.19	0.16					
(an associate of the Fund) (note 6.1.3)	-	-	-	-	-	-	-	-	<b>10.33</b>	<b>10.53</b>	<b>1.06</b>					
<b>Engineering</b>																
International Industries Limited	-	51,332	-	50,000	1,332	141	101	(40)	0.00	0.00	-					
International Steels Limited	-	100,000	-	100,000	-	-	-	-	-	-	-					
Mughal Iron & Steel Industries Limited	1,116,300	397,491	-	864,635	649,156	37,946	31,361	(6,585)	0.77	0.79	0.19					
									<b>0.77</b>	<b>0.79</b>	<b>0.19</b>					
<b>Fertilizer</b>																
Engro Corporation Limited (note 6.1.2)	971,629	100,000	-	55,000	1,016,629	262,710	266,367	3,657	6.57	6.70	0.18					
Engro Fertilizers Limited	2,088,300	-	-	1,405,000	683,300	60,568	52,539	(8,029)	1.30	1.32	0.05					
									<b>7.87</b>	<b>8.02</b>	<b>0.23</b>					
<b>Food and Personal Care Products</b>																
At-Tahur Limited	1,534,840	100,000	163,484	-	1,798,324	31,066	30,733	(333)	0.76	0.77	0.82					
The Organic Meat Company Limited	-	450,000	-	-	450,000	10,626	9,297	(1,329)	0.23	0.23	0.33					
Al-Shaheer Corporation Limited **	12,997	-	-	1,458	11,539	104	118	14	0.00	0.00	-					
National Foods Limited (note 6.1.1 & 6.1.3)	7,687	-	-	7,687	-	-	-	-	-	-	-					
									<b>0.99</b>	<b>1.00</b>	<b>1.15</b>					
<b>Glass and Ceramics</b>																
Ghani Glass Limited	498,125	-	-	-	498,125	20,338	18,829	(1,509)	0.46	0.47	0.06					
<b>Miscellaneous</b>																
Pakistan Aluminium Beverage Cans Limited	141,500	14,000	-	5,000	150,500	4,725	5,844	1,119	0.14	0.15	0.04					



Name of the investee company	As at July 1, 2022	Purchased during the quarter	Bonus / right shares	Sold during the quarter	As at December 31, 2022	Carrying value as at December 31, 2022	Market Value as at December 31, 2022	Unrealised (diminution) / appreciation as at December 31, 2022	Percentage in relation to				
									Net assets of the Fund	Market value of total investments	Paid-up capital of investee company (with face value of investment)		
					(Number of shares)			(Rupees in '000)			%		

#### Oil and Gas Exploration Companies

Mari Petroleum Company Limited	331,178	12,200	-	4,000	339,378	589,488	525,004	(64,484)	12.95	13.20	0.25
Oil and Gas Development Company Ltd	3,996,888	261,500	-	125,000	4,133,388	324,408	329,266	4,858	8.12	8.28	0.10
Pakistan Oilfields Limited	428,409	25,000	-	90,000	363,409	146,996	142,765	(4,231)	3.52	3.59	0.13
Pakistan Petroleum Limited	3,528,271	397,500	-	125,000	3,800,771	255,377	258,985	3,608	6.39	6.51	0.14
									<b>30.98</b>	<b>31.58</b>	<b>0.62</b>

#### Oil and Gas Marketing Companies

Attock Petroleum Limited	66,238	-	16,559	-	82,797	21,283	23,987	2,704	0.59	0.60	0.07
Hascol Petroleum Limited	7,946	-	-	-	7,946	34	45	11	0.00	0.00	-
Pakistan State Oil Company Limited	1,093,913	-	-	30,000	1,063,913	182,823	153,193	(29,630)	3.78	3.85	0.23
Sui Northern Gas Pipelines Limited	2,367,000	450,000	-	-	2,817,000	97,804	105,778	7,974	2.61	2.66	0.44
									<b>6.98</b>	<b>7.11</b>	<b>0.74</b>

#### Paper and Board

Century Paper & Board Mills Limited (note 6.1.3)	802,650	415,000	110,115	16,500	1,311,265	77,121	64,881	(12,240)	1.60	1.63	0.59
Packages Limited	238,678	5,000	-	50,000	193,678	77,182	71,692	(5,490)	1.77	1.80	0.22
									<b>3.37</b>	<b>3.43</b>	<b>0.81</b>

#### PROPERTY

TPL Properties Limited	-	250,000	25,000	250,000	25,000	516	425	(91)	0.01	0.01	-
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#### Pharmaceuticals

GlaxoSmithKline Consumer Healthcare Limited	130,500	-	-	-	130,500	31,102	21,389	(9,713)	0.53	0.54	0.04
Highnoon Laboratories Limited	2,118	-	-	-	2,118	1,122	1,144	22	0.03	0.03	0.01
The Searle Company Limited	173,146	11,000	43,286	205,223	22,209	1,675	1,307	(368)	0.03	0.03	0.01
									<b>0.59</b>	<b>0.60</b>	<b>0.06</b>

#### Power Generation and Distribution

K-Electric Limited (note 6.1.1)	17,973,000	6,000,000	-	2,800,000	21,173,000	64,704	57,167	(7,537)	1.41	1.44	0.08
The Hub Power Company Limited	3,026,409	850,000	-	1,100,000	2,776,409	189,921	175,136	(14,785)	4.32	4.40	0.21
									<b>5.73</b>	<b>5.84</b>	<b>0.29</b>

#### Refinery

Attock Refinery Limited	270,000	-	-	270,000	-	-	-	-	-	-	-
Nenergyco Pk Limited (formerly Byco Petroleum Pakistan Limited)	9,370,000	1,000,000	-	900,000	9,470,000	50,912	34,944	(15,968)	0.86	0.88	0.18
National Refinery Limited	112,000	-	-	112,000	-	-	-	-	-	-	-
									<b>0.86</b>	<b>0.88</b>	<b>0.18</b>

#### Technology and Communication

Air Link Communication Limited	329,025	250,000	-	80,500	498,525	19,064	14,746	(4,318)	0.36	0.37	0.13
Systems Limited (note 6.1.3)	752,550	35,000	-	45,000	742,550	249,667	359,342	109,675	8.86	9.04	0.26
									<b>9.22</b>	<b>9.41</b>	<b>0.39</b>

#### Textile Composite

Interloop Limited	2,251,189	-	84,444	468,088	1,867,545	109,539	105,796	(3,743)	2.61	2.66	0.21
Kohinoor Textile Mills Limited	306,500	-	-	30,500	276,000	13,800	13,041	(759)	0.32	0.33	0.09
Nishat Mills Limited	355,300	-	-	350,000	5,300	392	291	(101)	0.01	0.01	-
Feroze1888 Mills Limited	211,682	-	-	27,500	184,182	11,498	11,650	152	0.29	0.29	0.05
									<b>3.23</b>	<b>3.29</b>	<b>0.35</b>

#### Total as at December 31, 2022

4,074,197	3,977,152	(97,045)	98.10	100.00
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#### Total as at June 30, 2022

4,928,640	4,357,083	(571,557)	97.90	100.00
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- 6.1.1** All shares have a nominal value of Rs.10 each except for the shares of National Foods Limited and Dynea Pakistan 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** 202,000 shares (June 30, 2022: 202,000 shares) of Engro Corporation Limited, having market value of Rs.52.93 million (June 30, 2022: Rs.51.93 million) as at December 31, 2022, have been pledged as collateral in favour of National Clearing Company Pakistan Limited against exposure margins and mark to market losses.
- 6.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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

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

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

As at December 31, 2022, the market value of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.6.226 million (2022: Rs.7.434 million).

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31,	June 30,
		2022 (Unaudited)	2022 (Audited)
		(Rupees in '000)	
Remuneration payable	7.1	1,320	1,463
Sindh Sales Tax payable on remuneration of the Management Company		172	190
Allocated expenses payable	7.2	384	29
Selling and marketing expenses payable	7.3	12,443	3,843
Sales load payable		21	86
Sindh Sales Tax payable on sales load		3	11
		<b>14,343</b>	<b>5,622</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% (2021: 2%) per annum of the average annual net assets of the Fund during the period ended December 31, 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, charged 0.11% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the year ended December 31, 2022 (2021: 0.11%), subject to 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 the rate of 1% (2021: 1%) per annum of the average annual net assets of the Fund during the period ended December 31, 2022, subject to total expense charged being lower than actual expense incurred.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
Auditors' remuneration payable		557	577
Brokerage payable		485	710
Shariah advisor fee payable		184	196
Charity payable		7,100	7,251
Capital gain tax payable		1,378	302
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	8.1	37,524	37,524
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.1	3,732	3,732
Zakat payable		5	8
		<u>50,965</u>	<u>50,300</u>

- 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 for FED not been made, the Net Asset Value of the Fund as at December 31, 2022 would have been higher by Re.0.16 (June 30, 2022: Re.0.15) per unit.

## 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

## 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties 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, other collective investment schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

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.

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

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

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



Balances	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	1,320	1,463
Sindh Sales Tax payable on remuneration of the Management Company	172	190
Sales load payable	21	86
Sindh Sales Tax payable on sales load	3	11
Selling and marketing expenses payable	12,443	3,843
Allocated expenses payable	384	29
Investment of 17,879,458 units (June 30, 2022: 17,879,458 units)	<b>279,445</b>	<b>281,079</b>
<b>Meezan Bank Limited</b>		
Profit receivable on saving account	140	136
Balances with bank	33,857	51,710
Sales load payable	18	9
Sindh Sales Tax on sales load payable	2	1
Shariah advisor fee payable	184	196
Investment of 2,871,197 shares (June 30, 2022: 2,732,907 shares)	<b>285,799</b>	<b>308,764</b>
Investment of 22,984,581 units (June 30, 2022: 22,984,581 units)	<b>359,235</b>	<b>361,336</b>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Security deposits	238	238
Remuneration payable	434	452
Sindh Sales Tax payable on remuneration of the Trustee	56	58
<b>MSAF- Meezan Strategic Allocation Plan- I</b>		
Investment of 4,387,060 units (June 30, 2022: 7,821,802 units)	<b>68,567</b>	<b>122,965</b>
<b>MSAF - Meezan Strategic Allocation Plan II</b>		
Investment of 4,710,004 units (June 30, 2022: 3,453,209 units)	<b>73,615</b>	<b>54,287</b>
<b>MSAF - Meezan Strategic Allocation Plan - III</b>		
Investment of 2,206,145 units ( June 30,2022: 2,682,179 units)	<b>34,481</b>	<b>42,166</b>
<b>MSAF- Meezan Strategic Allocation Plan IV</b>		
Investment of 518,354 units (June 30, 2022: 518,354 units)	<b>8,102</b>	<b>8,149</b>
<b>MSAF - Meezan Strategic Allocation Plan - V</b>		
Investment of 959,171 units (June 30,2022: 1,273,912 units)	<b>14,991</b>	<b>20,027</b>
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Investment of 1,171,499 units ( June 30, 2022: 1,280,478 units)	<b>18,310</b>	<b>20,130</b>
<b>Pakistan Kuwait Investment Company (Private) Limited</b>		
Investment of 16,895,690 units (June 30, 2022: 16,895,690 units)	<b>264,069</b>	<b>265,614</b>
<b>Directors and executives of the Management Company</b>		
Investment of 1,773,480 units (June 30 2022: 8,216,880 units)	<b>27,718</b>	<b>129,176</b>
<b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investment of 438,459 units (June 30 2022: 438,459 units)	<b>6,853</b>	<b>6,893</b>



**Transactions during the period**

**Six months period ended**  
**December 31,**  
**2022**      **2021**  
**(Unaudited)**  
**(Rupees in '000)**

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

Remuneration of the Management Company	<u>43,782</u>	<u>48,593</u>
Sindh Sales Tax on remuneration of the Management Company	<u>5,692</u>	<u>6,317</u>
Allocated expenses	<u>2,408</u>	<u>2,673</u>
Selling and marketing expense	<u>21,891</u>	<u>24,297</u>
Units issued: Nil (December 31, 2021: 839,960 units)	<u>-</u>	<u>15,000</u>
Units redeemed: Nil (December 31, 2021: 3,963,250 units)	<u>-</u>	<u>70,000</u>

**Meezan Bank Limited**

Profit on savings account	<u>927</u>	<u>181</u>
Shariah advisor fee	<u>258</u>	<u>247</u>
Shares purchased: 100,000 shares (December 31, 2021: 250,000 shares)	<u>10,497</u>	<u>34,600</u>
Shares sold: 225,000 shares (December 31, 2021: 400,000 shares)	<u>28,434</u>	<u>57,349</u>
Bonus shares received: 263,290 shares (December 31, 2021: 291,593 shares)	<u>-</u>	<u>-</u>
Dividend income from shares	<u>10,150</u>	<u>6,344</u>

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

Remuneration of the Trustee	<u>2,693</u>	<u>2,934</u>
Sindh Sales Tax on remuneration of the Trustee	<u>350</u>	<u>381</u>
CDS charges	<u>69</u>	<u>159</u>

**MSAF - Meezan Strategic Allocation Plan - I**

Issuance of Nil (December 31, 2021: Nil)	<u>-</u>	<u>-</u>
Units redeemed: 3,434,742 units (December 31, 2021: Nil)	<u>52,190</u>	<u>-</u>

**MSAF - Meezan Strategic Allocation Plan - II**

Units issued: 1,256,795 units (December 31, 2021: 611,135 units)	<u>20,000</u>	<u>11,000</u>
Units redeemed: Nil (December 31, 2021: 9,144,901 units)	<u>-</u>	<u>165,000</u>

**MSAF - Meezan Strategic Allocation Plan - III**

Units issued: Nil (December 31, 2021: 611,135 units)	<u>-</u>	<u>11,000</u>
Units redeemed: 476,034 units (December 31, 2021: 630,417 units)	<u>7,660</u>	<u>11,000</u>

**MSAF - Meezan Strategic Allocation Plan IV**

Units issued: Nil (December 31, 2021: Nil)	<u>-</u>	<u>-</u>
Units redeemed: Nil (December 31, 2021: 877,764 units)	<u>-</u>	<u>15,930</u>

**MSAF - Meezan Strategic Allocation Plan - V**

Units issued: Nil (December 31, 2021: Nil)	<u>-</u>	<u>-</u>
Units redeemed: 314,741 units (December 31, 2021: Nil)	<u>5,010</u>	<u>-</u>

**Meezan Financial Planning Fund of Funds - MAAP - I**

Units issued: Nil (December 31, 2021: Nil)	<u>-</u>	<u>-</u>
Units redeemed: 108,979 units (December 31, 2021: 2,378,463 units)	<u>1,730</u>	<u>40,320</u>

**AI Meezan Investment Management Limited - Employees Gratuity Fund**

Units issued: Nil (December 31, 2021: Nil)	<u>-</u>	<u>-</u>
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**Directors and executives of the Management Company**

Units issued: 674,690 units (December 31, 2021: 965,445 units)	<u>10,711</u>	<u>16,911</u>
Units redeemed: 7,117,968 units (December 31, 2021: 478,921 units)	<u>116,698</u>	<u>8,155</u>



**14. GENERAL**

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

**14.1** Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

**15. DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on February 13, 2023 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**

---

**Director**



**Al Meezan**  
Investment Management Ltd.

# BROAD PEAK

Just like an able mountaineer, an investor  
needs to be consistent.

Height 8,051 meters,  
belongs to the range Baltoro Karakoram





## KSE-MEEZAN INDEX FUND (KMIF)

KSE Meezan Index Fund is a Shariah Compliant Index Fund that aims to provide investors an opportunity to closely track the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the Index in proportion to their weightages.



# 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

Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited  
National Bank of Pakistan - 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



**Head Office:**

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

Tel : (92-21) 111-111-500

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URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)

Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**KSE MEEZAN INDEX FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of KSE Meezan Index Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 23, 2023

## **INDEPENDENT AUDITORS' REVIEW REPORT**

**To the Unit holders of KSE Meezan Index Fund**

**Report on Review of Interim Financial Statements**

### **Introduction**

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **KSE Meezan Index Fund** (the Fund) as at **31 December 2022**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Movement in Unit Holders' Fund and condensed interim Cash Flow Statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2022.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



-: 2 :-

**Other matter**

The condensed interim financial statements for the half year ended 31 December 2021 and the annual financial statements for the year ended 30 June 2022 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated 26 February 2022 and audit report dated 21 September 2022 expressed an unmodified conclusion and an unmodified opinion respectively, on the aforementioned financial statements.

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 27 February 2023

**Place:** Karachi

**UDIN Number:** RR202210076IFSRaWK0h





**KSE MEEZAN INDEX FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2022**

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Balances with banks	5	4,645	16,481
Investments	6	2,659,439	2,609,402
Receivable against conversion of units		56	368
Dividend receivable		285	260
Receivable against sale of investments		65,763	3,048
Deposits and other receivables		2,633	2,695
<b>Total assets</b>		<b>2,732,821</b>	<b>2,632,254</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - the Management Company	8	773	569
Payable to Central Depository Company of Pakistan Limited - the Trustee		354	337
Payable to the Securities and Exchange Commission of Pakistan		272	559
Payable to Meezan Bank Limited		16	6
Payable on redemption and conversion of units		-	1,138
Payable against purchase of investments		57,627	-
Accrued expenses and other liabilities	9	13,752	19,549
<b>Total liabilities</b>		<b>72,794</b>	<b>22,158</b>
<b>Net assets</b>		<b>2,660,027</b>	<b>2,610,096</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,660,027</b>	<b>2,610,096</b>
<b>Contingencies and commitments</b>	7		
<b>Number of units in issue</b>		<b>41,687,945</b>	<b>40,106,278</b>
		(Rupees)	
<b>Net asset value per unit</b>		<b>63.8081</b>	<b>65.0795</b>

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

**KSE MEEZAN INDEX FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2022**

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
(Rupees in '000)					
<b>Income</b>					
Net realised loss on sale of investments		(37,404)	(44,371)	(31,253)	(43,202)
Dividend income		163,862	109,550	109,239	58,140
Profit on saving accounts with banks		721	247	461	67
Other income		953	1,361	221	333
		<u>128,132</u>	<u>66,788</u>	<u>78,668</u>	<u>15,338</u>
Net unrealised diminution on re-measurement of investments at 'fair value through profit or loss'	6.1	(148,396)	(255,358)	(48,395)	(35,962)
<b>Total (loss) / income</b>		<u>(20,264)</u>	<u>(188,571)</u>	<u>30,273</u>	<u>(20,624)</u>
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - the Management Company	8.1	13,584	14,409	6,962	7,039
Sindh Sales Tax on remuneration of the Management Company		1,766	1,873	905	915
Allocated expenses	8.2	1,494	1,585	766	774
Remuneration to Central Depository Company of Pakistan Limited - the Trustee		1,862	1,945	948	956
Sindh Sales Tax on remuneration of the trustee		242	253	123	124
Annual fee to the Securities and Exchange Commission of Pakistan		272	288	140	141
Auditors' remuneration		290	233	176	193
Brokerage fees		2,514	1,500	1,299	728
Charity expense		6,252	3,322	4,497	1,259
Bank and settlement charges		352	325	236	104
Printing charges		2	-	-	-
Fees and subscription		307	272	140	148
Legal and professional charges		-	276	-	-
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(23,931)	-	-
<b>Total expenses</b>		<u>28,937</u>	<u>2,350</u>	<u>16,192</u>	<u>12,381</u>
<b>Net (loss) / income for the period before taxation</b>		<u>(49,201)</u>	<u>(190,921)</u>	<u>14,081</u>	<u>(33,005)</u>
Taxation	12	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<u>(49,201)</u>	<u>(190,921)</u>	<u>14,081</u>	<u>(33,005)</u>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		<u>-</u>	<u>-</u>	<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**



**KSE MEEZAN INDEX FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2022**

	<u>Six months period ended,</u> <u>December 31,</u>		<u>Quarter ended,</u> <u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
<b>Net (loss) / income for the period after taxation</b>	<b>(49,201)</b>	<b>(190,921)</b>	<b>14,081</b>	<b>(33,005)</b>
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b><u>(49,201)</u></b>	<b><u>(190,921)</u></b>	<b><u>14,081</u></b>	<b><u>(33,005)</u></b>

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

**KSE MEEZAN INDEX FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Six months period ended December 31, 2022			Six months period ended December 31, 2021		
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period</b>	<b>2,781,964</b>	<b>(171,868)</b>	<b>2,610,096</b>	2,559,822	136,682	2,696,504
Issuance of 5,869,358 units (2021: 7,513,150 units)						
- Capital value (at net asset value per unit at the beginning of the period)	<b>381,977</b>		<b>381,977</b>	547,492		547,492
- Element of loss	<b>(636)</b>		<b>(636)</b>	(2,688)		(2,688)
Total proceeds on issuance of units	<b>381,341</b>	-	<b>381,341</b>	544,804	-	544,804
Redemption of 4,287,691 units (2021: 4,001,577 units)						
- Capital value (at net asset value per unit at the beginning of the period)	<b>279,040</b>		<b>279,040</b>	291,599		291,599
- Element of loss / (income)	<b>3,169</b>	-	<b>3,169</b>	(5,230)	-	(5,230)
Total payments on redemption of units	<b>282,209</b>	-	<b>282,209</b>	286,369	-	286,369
Total comprehensive loss for the period		<b>(49,201)</b>	<b>(49,201)</b>		(190,921)	(190,921)
Distribution during the period		-	-		-	-
Net loss for the period less distribution	-	<b>(49,201)</b>	<b>(49,201)</b>	-	(190,921)	(190,921)
<b>Net assets at the end of the period</b>	<b>2,881,096</b>	<b>(221,069)</b>	<b>2,660,027</b>	<b>2,818,257</b>	<b>(54,239)</b>	<b>2,764,018</b>
<b>(Accumulated losses) / Undistributed income brought forward</b>						
- Realised income / (loss)		<b>242,950</b>			(267,341)	
- Unrealised (loss) / income		<b>(414,818)</b>			404,023	
		<b>(171,868)</b>			136,682	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
Net loss for the period after taxation		<b>(49,201)</b>			(190,921)	
Distribution during the period		-			-	
Accumulated losses carried forward		<b>(221,069)</b>			<b>(54,239)</b>	
<b>Accumulated losses carried forward</b>						
- Realised (loss) / income		<b>(72,673)</b>			201,119	
- Unrealised loss		<b>(148,396)</b>			(255,358)	
		<b>(221,069)</b>			<b>(54,239)</b>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net assets value per unit at the beginning of the period		<b>65.0795</b>			<b>72.8711</b>	
Net assets value per unit at the end of the period		<b>63.8081</b>			<b>68.2216</b>	

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**



**KSE MEEZAN INDEX FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	<b>Six months period ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	----- <b>(Rupees in '000)</b> -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(49,201)	(190,920)
<b>Adjustments for:</b>		
Net unrealised diminution on re-measurement of investments at 'fair value through profit or loss'	148,396	255,356
	99,195	64,436
<b>(Increase) / decrease in assets</b>		
Investments	(198,433)	(324,004)
Receivable against sale of investments	(62,715)	24,234
Dividend receivable	(25)	3,243
Deposits and other receivables	62	27
	(261,111)	(296,499)
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - the Management Company	204	186
Payable to Central Depository Company of Pakistan Limited - the Trustee	17	6
Payable to the Securities and Exchange Commission of Pakistan	(287)	(201)
Payable to Meezan Bank Limited	10	(208)
Payable against purchase of investments	57,627	(12,393)
Accrued expenses and other liabilities	(5,797)	(24,495)
	51,774	(37,104)
<b>Net cash used in operating activities</b>	(110,142)	(269,167)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt against issuance of units	381,653	545,771
Payment against redemption of units	(283,347)	(286,587)
<b>Net cash generated from financing activities</b>	98,306	259,184
<b>Net decrease in cash and cash equivalents during the period</b>	(11,836)	(9,984)
Cash and cash equivalents at beginning of the period	16,481	22,649
<b>Cash and cash equivalents at the end of the period</b>	4,645	12,665

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



**KSE MEEZAN INDEX FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

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

- 1.1** KSE Meezan Index 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 on March 13, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) 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 Trust Deed was previously registered under The "Trust Act 1882" and now has been registered under "The Sindh Trust Act 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been licensed by the 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.
- 1.2** The Fund is a Shariah Compliant Index Fund that aims to provide investors an opportunity to track closely the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the index in proportion to their weightages. 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.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. 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 categorised as a Shariah Compliant Index Fund.
- 1.4** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) 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 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 VIII A 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 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. However, a limited scope review has been performed by the statutory auditors. 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 December 31, 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 Amendments to published accounting and reporting standards that are effective in the current period**

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.

#### **4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standards, interpretations and amendments</b>	<b>Effective date (annual periods)</b>
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.	

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

	<b>Note</b>	<b>December 31, 2022 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited)</b>
<b>5 BALANCES WITH BANKS</b>			
In saving accounts		<b>2,709</b>	11,044
In current accounts		<b>1,936</b>	5,437
	5.1	<b><u>4,645</u></b>	<b><u>16,481</u></b>
<b>5.1</b>	These include a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.50% (June 30, 2022: 6.01%) per annum. Other profit and loss sharing accounts of the Fund have expected profit rates ranging from 5.00% to 15.50% per annum (June 30, 2022: 4.10% to 4.29% per annum).		

**December 31, 2022**  
**(Unaudited)**  
**(Rupees in '000)**

**June 30, 2022**  
**(Audited)**

**6 INVESTMENTS**
**Investments at 'fair value through profit or loss'**

Shares of listed companies - 'ordinary shares'

Note

**6.1**                      **2,659,439**                      **2,609,402**

**6.1 Shares of listed companies - 'ordinary shares'**

Name of the investee company	As at July 1, 2022	Purchases during the period	Rights / Bonus issue	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised gain / (loss) as at December 31, 2022	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investme	Total market value of investme
						(Rupees in '000)		%			

**Sectors / companies**
**Automobile Assembler**

Ghandhara Ind	39,300	-	-	39,300	-	-	-	-	-	-	-
Millat Tractors Limited	157,268	24,081	32,710	14,568	199,491	144,304	96,775	(47,529)	3.64	0.17	3.64
									<b>3.64</b>	<b>0.17</b>	<b>3.64</b>

**Bank**

Meezan Bank Limited (an associate of the Fu	1,319,812	335,116	130,781	105,371	1,680,338	174,595	167,261	(7,334)	6.29	0.09	6.29
									<b>6.29</b>	<b>0.09</b>	<b>6.29</b>

**Cable And Electrical Goods**

Pak Elektron Limited	804,101	1,605,000	-	804,101	1,605,000	19,574	20,785	1,211	0.78	0.19	0.78
									<b>0.78</b>	<b>0.19</b>	<b>0.78</b>

**Cement**

Cherat Cement Company Limited	379,904	92,652	-	34,634	437,922	42,001	44,624	2,623	1.68	0.23	1.68
D.G. Khan Cement Company Limited	709,402	176,792	-	55,348	830,846	50,470	42,905	(7,565)	1.61	0.19	1.61
Fauji Cement Company Limited	2,467,875	3,224,500	-	2,467,875	3,224,500	37,179	38,758	1,579	1.46	0.13	1.46
Pioneer Cement	370,432	72,788	-	34,213	409,007	24,884	21,035	(3,849)	0.79	0.18	0.79
Lucky Cement Limited	367,420	91,165	-	32,392	426,193	196,195	190,329	(5,866)	7.16	0.13	7.16
Maple Leaf Cement Factory Limited	1,606,164	359,998	-	149,679	1,816,483	48,985	40,998	(7,987)	1.54	0.17	1.54
									<b>14.24</b>	<b>1.03</b>	<b>14.24</b>

**Chemical**

Engro Polymer & Chemicals Limited	1,032,116	225,454	-	79,015	1,178,555	88,376	49,876	(38,500)	1.88	0.13	1.88
Ghani Global Holdings Limited	-	599,167	56,684	31,741	624,110	9,396	7,021	(2,375)	0.26	0.18	0.26
									<b>2.14</b>	<b>0.31</b>	<b>2.14</b>

**Engineering**

International Industries Limited	236,536	33,858	-	270,394	-	-	-	-	-	-	-
International Steels Limited	495,154	-	-	495,154	-	-	-	-	-	-	-
									-	-	-

**Fertilizer**

Engro Corporation Limited	1,028,196	245,864	-	80,727	1,193,333	305,060	312,665	7,605	11.75	0.21	11.76
Engro Fertilizers Limited	1,950,056	466,918	-	157,972	2,259,002	196,510	173,695	(22,815)	6.53	0.17	6.53
									<b>18.28</b>	<b>0.38</b>	<b>18.29</b>

**Food And Personal Care**

Treet Corporation Limited	-	368,000	-	40,000	328,000	9,024	5,320	(3,704)	0.20	0.18	0.20
Unity Foods Limited	1,607,437	335,938	-	184,062	1,759,313	34,886	24,841	(10,045)	0.93	0.15	0.93
									<b>1.13</b>	<b>0.33</b>	<b>1.13</b>

**Investment Banks / Investment**
**Companies / Securities Companies**

Dawood Hercules Corporation Limited	-	1,231,500	-	33,000	1,198,500	113,216	113,258	42	4.26	0.25	4.26
									<b>4.26</b>	<b>0.25</b>	<b>4.26</b>

**Oil And Gas Exploration Companies**

Mari Petroleum Company Limited	86,602	19,709	-	5,837	100,474	172,488	155,429	(17,059)	5.84	0.08	5.84
Oil & Gas Development Company Limited	2,092,962	516,664	-	168,173	2,441,453	191,122	194,486	3,364	7.31	0.06	7.31
Pakistan Oilfields Limited	421,153	100,939	-	35,397	486,695	196,261	191,198	(5,063)	7.19	0.17	7.19
Pakistan Petroleum Limited	2,161,329	529,670	-	168,783	2,522,216	167,579	171,864	4,285	6.46	0.09	6.46
									<b>26.80</b>	<b>0.40</b>	<b>26.80</b>

Name of the investee company	As at July 1, 2022	Purchases during the period	Rights / Bonus issue	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised gain / (loss) as at December 31, 2022	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investme	Total market value of invest-ments
Number of shares						Rupees in '000			%		
<b>Oil And Gas Marketing Companies</b>											
Hascol Petroleum Limited	471	-	-	-	471	2	3	1	-	-	-
Pakistan State Oil Company Limited	685,048	179,280	-	54,687	809,641	135,801	116,580	(19,222)	4.38	0.17	4.38
Sui Northern Gas Pipelines Limited	-	1,040,285	-	1,040,285	-	-	-	-	-	-	-
									<b>4.38</b>	<b>0.17</b>	<b>4.38</b>
<b>Pharmaceuticals</b>											
The Searle Company Limited	456,824	126,117	118,234	40,029	661,146	55,521	38,922	(16,599)	1.46	0.17	1.46
									<b>1.46</b>	<b>0.17</b>	<b>1.46</b>
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	3,154,004	472,989	-	3,626,993	-	-	-	-	-	-	-
									-	-	-
<b>Property</b>											
TPL Properties Limited	-	838,150	-	-	838,150	14,517	14,249	(267)	0.54	0.15	0.54
<b>Refinery</b>											
Attock Refinery Ltd	138,055	20,231	-	9,282	149,004	25,749	21,391	(4,358)	0.80	0.14	0.80
Cnergyco PK Limited	5,168,936	1,091,427	-	394,172	5,866,191	30,653	21,646	(9,007)	0.81	0.11	0.81
National Refinery Limited	84,737	14,742	-	5,694	93,785	23,245	16,511	(6,734)	0.62	0.12	0.62
									<b>2.23</b>	<b>0.37</b>	<b>2.23</b>
<b>Technology &amp; Communication</b>											
Netsol Technologies Limited	-	-	-	-	-	-	-	-	-	-	-
Avanceon Limited	432,391	70,239	-	139,542	363,088	27,975	23,975	(4,000)	0.90	0.11	0.90
Systems Limited	537,272	136,474	-	40,986	632,760	222,190	306,212	84,022	11.51	0.22	11.51
Telecard Limited	-	1,133,500	76,912	66,000	1,144,412	11,443	7,736	(3,707)	0.29	0.34	0.29
									<b>12.70</b>	<b>0.67</b>	<b>12.70</b>
<b>Textile Composite</b>											
Nishat Mills Limited	511,877	79,099	-	61,948	529,028	38,634	29,091	(9,543)	1.09	0.15	1.09
Azgard Nine Limited	1,189,500	-	-	1,189,500	-	-	-	-	-	-	-
									<b>1.09</b>	<b>0.15</b>	<b>1.09</b>
<b>Total as at December 31, 2022</b>						<b>2,807,835</b>	<b>2,659,439</b>	<b>(148,396)</b>			<b>100</b>
<b>Total as at June 30, 2022</b>						<b>3,024,220</b>	<b>2,609,402</b>	<b>(414,818)</b>			

6.1.1 All shares have a nominal value of Rs 10 each.

6.1.2 Investments include 682,000 shares (June 30, 2022: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs. 46.471 million as at December 31, 2022 (June 30, 2022: Rs. 46.042 million), 80,000 shares (June 30, 2022: 80,000 shares) of Oil & Gas Development Company Limited having market value of Rs. 6.373 million as at December 31, 2022 (June 30, 2022: Rs. 6.294 million) and 100,000 shares (June 30, 2022: 100,000 shares) of Systems Limited having market value of Rs. 48.393 million as at December 31, 2022 (June 30, 2022: 32.986 million), 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 Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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



During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2020, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

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

As at December 31, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.938 million (June 30, 2022: Rs. 1.166 million).

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
Remuneration of Al Meezan Investment Management Limited - Management Company	8.1	430	427
Sindh Sales Tax payable on remuneration of the Management Company		56	56
Allocated expenses payable	8.2	251	16
Sales load payable		32	62
Sindh Sales Tax payable on sales load		4	8
		<b>773</b>	<b>569</b>

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 period. 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 charges allocated expense at a rate of 0.11% (June 30, 2022: 0.11%) per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund subject to the total expense charged being lower than actual expense incurred.

9 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
Auditor's remuneration payable		257	230
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	9.1	5,741	5,741
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.1	497	497
Withholding tax and capital gain tax payable		143	6,501
Charity payable		6,253	5,949
Brokerage payable		588	365
Shariah advisory fee payable		268	259
Zakat payable		5	7
		<b>13,752</b>	<b>19,549</b>

- 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 FED not been made, the Net Asset Value of the Fund as at December 31, 2022 would have been higher by Re 0.15 (June 30, 2022: Re 0.16) per unit.

## 10 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 provision 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:

<b>Balances</b>	<b>December 31, 2022 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	430	427
Sindh Sales Tax on management fee payable	56	56
Sales load payable	32	62
Sindh Sales Tax on sales load payable	4	8
Allocated expenses payable	251	16
Outstanding 18,536,051 units (June 30, 2022: 16,134,283 units)	<b>1,182,750</b>	<b>1,050,011</b>
<b>Meezan Bank Limited</b>		
Bank balance	2,744	9,994
Profit receivable on savings account	13	13
Sales load payable	14	5
Sindh Sale Tax on sales load payable	2	1
Shariah advisor fee payable	268	259
Outstanding 2,113,224 units (June 30, 2022: 2,113,224 units)	<b>134,841</b>	<b>137,528</b>
Investment in 1,680,338 shares (June 30, 2022: 1,319,812 shares)	<b>167,261</b>	<b>149,112</b>
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	41	298
Sindh Sales Tax on trustee fee payable	272	39
Security deposit	103	103
<b>Directors and their close family members and key management</b>		
Outstanding 526,983 units (June 30, 2022: 532,186 units)	<b>33,626</b>	<b>34,634</b>
<b>Unit holders holding 10% or more units of the Fund</b>		
Investment of 13,929,284 units (June 30, 2022: 13,929,284 units)	<b>888,801</b>	<b>906,511</b>
<b>Al Meezan Investment Management Limited (Gratuity Fund)</b>		
Investment of 133,559 units (June 30, 2022: 133,559 units)	<b>8,522</b>	<b>8,692</b>
<b>Meezan Strategic Allocation Fund MSAP-II</b>		
Investment of 304,432 units (June 30, 2022: 382,268 units)	<b>19,425</b>	<b>24,878</b>
<b>Meezan Strategic Allocation Fund MSAP-III</b>		
Investment of units: nil (June 30, 2022: 106,250 units)	-	6,915
<b>Meezan Strategic Allocation Fund MSAP-IV</b>		
Investment of units: nil (June 30, 2022: 13,634 units)	-	887
<b>Meezan Strategic Allocation Fund MSAP-V</b>		
Investment of units: nil (June 30, 2022: 28,295 units)	-	1,841

Six months period ended

December 31,

2022 2021

(Unaudited)

(Rupees in '000)

**Transactions during the period**

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

Remuneration for the period

Sindh Sales Tax on remuneration of the Management Company

Allocated expenses

Units issued: 3,105,928 units (December 31, 2021: nil)

Units redeemed: 704,160 units (December 31, 2021: nil)

13,584	14,409
1,766	1,873
1,494	1,585
200,000	-
46,000	-

**Meezan Bank Limited**

Profit on savings account

Dividend income

Shares purchased: 335,116 shares (December 31, 2021: 176,917 shares)

Bonus Share Received : 130,781 shares (December 31, 2021: 164,017 shares)

Shares sold: 105,371 shares (December 31, 2021: 42,217 shares)

231	67
5,363	3,563
37,043	22,963
-	-
12,252	5,819

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

Trustee fee

Sindh Sales Tax on trustee fee for the period

CDS charges

1,862	1,945
242	253
59	83

**Directors and their close family members and key management**

Units issued: 78 units (December 31, 2021: 8,830 units)

Units redeemed: 5,281 units (December 31, 2021: nil)

5	625
339	-

**Meezan Strategic Allocation Fund MSAP-I**

Units redeemed: nil (December 31, 2021: 70,737 units)

-	5,048
---	-------

**Meezan Strategic Allocation Fund MSAP-II**

Units issued: 304,432 units (December 31, 2021: 136,326 units)

Units redeemed: 382,268 units (December 31, 2021: 296,091 units)

19,500	10,000
24,972	21,546

**Meezan Strategic Allocation Fund MSAP-III**

Units issued: nil (December 31, 2021: 95,507 units)

Units redeemed: 106,250 units (December 31, 2021: 148,295 units)

-	7,000
6,941	11,000

**Meezan Strategic Allocation Fund MSAP-IV**

Units redeemed: 13,634 units (December 31, 2021: nil)

891	-
-----	---

**Meezan Strategic Allocation Fund MSAP-V**

Units redeemed: 28,295 units (December 31, 2021: nil)

1,848	-
-------	---

**11 TOTAL EXPENSE RATIO**

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2022 is 2.13% (2021: 1.82%) which includes 0.19% (2021: 0.16%) representing government levies on the Fund such as Sales Taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Index Scheme.

**12 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 as the Fund has incurred a net loss during the period.

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.

### 14.1 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 December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	As at December 31, 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'	2,659,439	-	-	2,659,439
	<u>2,659,439</u>	<u>-</u>	<u>-</u>	<u>2,659,439</u>
	----- (Rupees in '000) -----			
	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'	2,609,402	-	-	2,609,402
	<u>2,609,402</u>	<u>-</u>	<u>-</u>	<u>2,609,402</u>

### 14 GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees.

14.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

### 15 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 13, 2023 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director



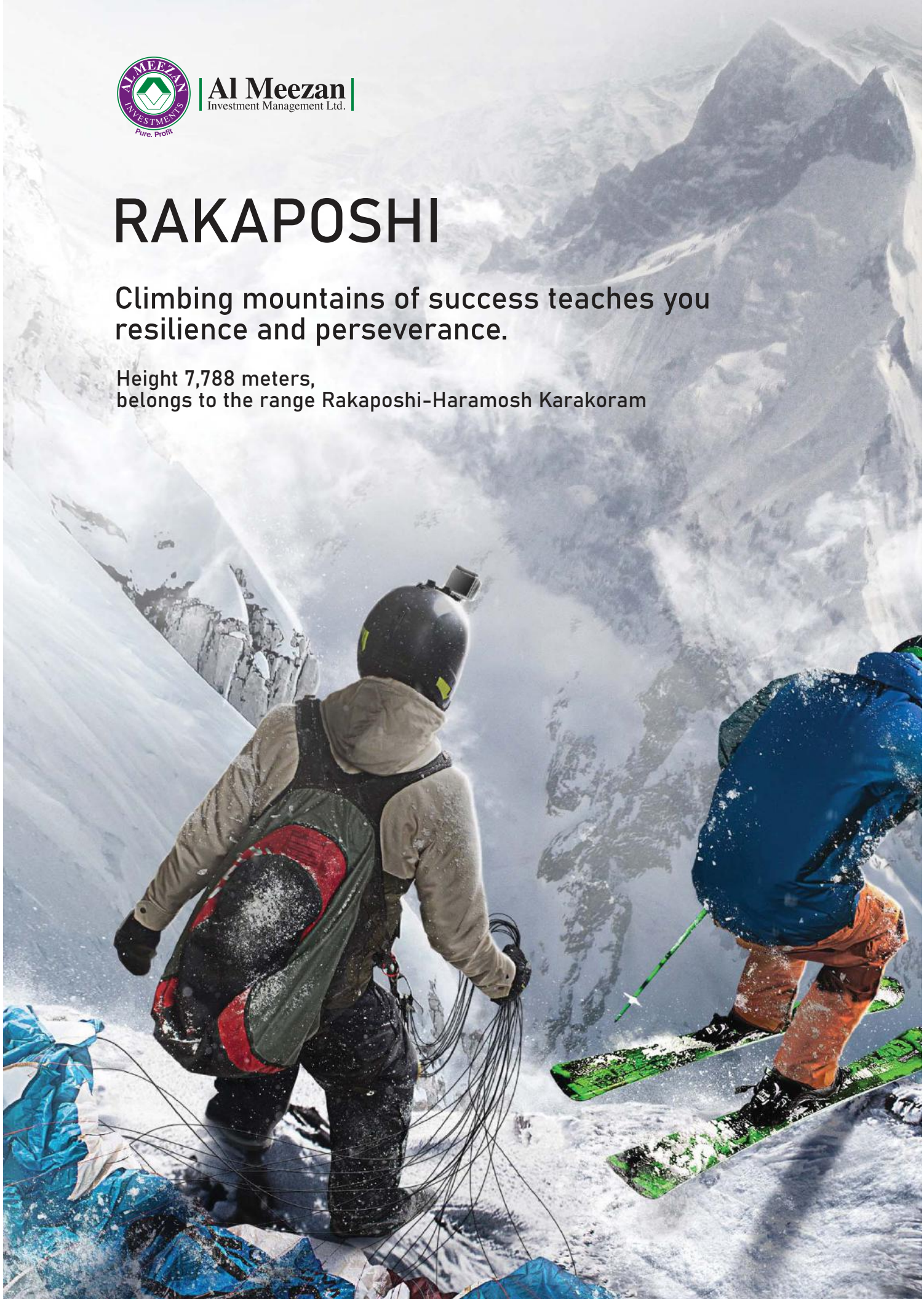


**Al Meezan**  
Investment Management Ltd.

# RAKAPOSHI

Climbing mountains of success teaches you  
resilience and perseverance.

Height 7,788 meters,  
belongs to the range Rakaposhi-Haramosh Karakoram





# MEEZAN DEDICATED EQUITY FUND (MDEF)

Meezan Dedicated Equity Fund aims to provide Fund of Funds scheme a dedicated platform to seek long term capital appreciation.



# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](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)  
Dubai Islamic Bank Pakistan Limited  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**Head Office:**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN DEDICATED EQUITY FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Dedicated Equity Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 23, 2023

## INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of Meezan Dedicated Equity Fund

Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Meezan Dedicated Equity Fund** (the Fund) as at **31 December 2022**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Movement in Unit Holders' Fund and condensed interim Cash Flow Statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2022.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



-: 2 :-

**Other matter**

The condensed interim financial statements for the half year ended 31 December 2021 and the annual financial statements for the year ended 30 June 2022 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated 26 February 2022 and audit report dated 21 September 2022 expressed an unmodified conclusion and an unmodified opinion respectively, on the aforementioned financial statements.

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 27 February 2023

**Place:** Karachi

**UDIN Number:** RR202210076kc7h0PqiR





**MEEZAN DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2022**

		<b>December 31, 2022 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>Assets</b>			
Balances with banks	5	<b>23,655</b>	29,399
Investments	6	<b>673,113</b>	722,383
Receivable against sale of investments		<b>1,188</b>	1,991
Dividend receivable		<b>71</b>	55
Advances, deposits and other receivables		<b>3,126</b>	3,172
<b>Total assets</b>		<b>701,153</b>	757,000
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - the Management Company	7	<b>1,227</b>	596
Payable to Central Depository Company of Pakistan Limited - the Trustee		<b>136</b>	141
Payable to the Securities and Exchange Commission of Pakistan		<b>75</b>	176
Payable against purchase of investments		<b>-</b>	1,377
Accrued expenses and other liabilities	8	<b>1,718</b>	1,879
<b>Total liabilities</b>		<b>3,156</b>	4,169
<b>Net assets</b>		<b>697,997</b>	752,831
<b>Unit holders' fund (as per statement attached)</b>		<b>697,997</b>	752,831
<b>Contingencies and commitments</b>	9		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>17,448,989</b>	18,719,626
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>40.0022</b>	40.2161

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 DEDICATED EQUITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2022**

Note	Six months period ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	(Rupees in '000)		(Rupees in '000)	
<b>Income</b>				
Net realised loss on sale of investments	(13,399)	(19,984)	(8,839)	(16,648)
Dividend income	34,804	29,608	22,278	17,028
Profit on saving accounts with banks	1,310	535	617	292
	<u>22,715</u>	<u>10,159</u>	<u>14,056</u>	<u>672</u>
Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'	6.1 (12,980)	(51,378)	(4,804)	(1,611)
<b>Total income / (loss)</b>	<u>9,735</u>	<u>(41,219)</u>	<u>9,252</u>	<u>(939)</u>
<b>Expenses</b>				
Remuneration of AI Meezan Investment Management Limited - the Management Company	7.1 7,530	9,439	3,722	4,457
Sindh Sales Tax on remuneration of the Management Company	979	1,227	484	579
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	753	960	372	463
Sindh Sales Tax on remuneration of Trustee	98	125	48	60
Annual fee to the Securities and Exchange Commission of Pakistan	75	94	37	44
Auditors' remuneration	200	235	117	132
Fees and subscription	281	288	125	147
Brokerage expenses	761	824	483	361
Bank and settlement charges	218	210	98	107
Allocated expenses	7.2 414	519	205	245
Selling and marketing expenses	7.3 1,506	1,888	744	892
Charity expense	1,213	765	905	356
Legal and professional charges	-	184	-	-
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	-	(4,997)	-	-
Printing Charges	1	-	-	-
<b>Total expenses</b>	<u>14,029</u>	<u>11,761</u>	<u>7,340</u>	<u>7,843</u>
<b>Net (loss) / income for the period before taxation</b>	<u>(4,294)</u>	<u>(52,980)</u>	<u>1,912</u>	<u>(8,782)</u>
Taxation	12 -	-	-	-
<b>Net (loss) / income for the period after taxation</b>	<u>(4,294)</u>	<u>(52,980)</u>	<u>1,912</u>	<u>(8,782)</u>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	-	-	-	-
Income already paid on units redeemed	-	-	-	-
<b>Accounting income available for distribution</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-
	<u>-</u>	<u>-</u>	<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 DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2022**

	<u>Six months period ended</u>		<u>Quarter ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net (loss) / income for the period after taxation	(4,294)	(52,980)	1,912	(8,782)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b><u>(4,294)</u></b>	<b><u>(52,980)</u></b>	<b><u>1,912</u></b>	<b><u>(8,782)</u></b>

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 DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Six months period ended December 31, 2022			Six months period ended December 31, 2021		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period</b>	1,492,954	(740,123)	752,831	1,621,443	(606,099)	1,015,344
Issue of 803,449 units (2021: 474,752 units)						
- Capital value (at net asset value per unit at the beginning of the period)	32,312	-	32,312	22,269	-	22,269
- Element of income / (loss)	688	-	688	(470)	-	(470)
Total proceeds on issuance of units	33,000	-	33,000	21,799	-	21,799
Redemption of 2,074,086 units (2021: 2,500,270 units)						
- Capital value (at net asset value per unit at the beginning of the period)	83,412	-	83,412	117,279	-	117,279
- Element of loss / (income)	128	-	128	(3,129)	-	(3,129)
Total payments on redemption of units	83,540	-	83,540	114,150	-	114,150
Total comprehensive loss for the period	-	(4,294)	(4,294)	-	(52,980)	(52,980)
Distribution during the period	-	-	-	-	-	-
<b>Net loss for the period less distribution</b>	-	(4,294)	(4,294)	-	(52,980)	(52,980)
<b>Net assets at the end of the period</b>	<b>1,442,414</b>	<b>(744,417)</b>	<b>697,997</b>	<b>1,529,092</b>	<b>(659,079)</b>	<b>870,013</b>
<b>Accumulated loss brought forward</b>						
- Realised loss		(616,727)			(757,234)	
- Unrealised (loss) / income		-123,396			151,135	
		<u>(740,123)</u>			<u>(606,099)</u>	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
		-			-	
Net loss for the period after taxation		(4,294)			(52,980)	
Distribution during the period		-			-	
Accumulated loss carried forward		<u>(744,417)</u>			<u>(659,079)</u>	
<b>Accumulated loss carried forward</b>						
- Realised loss		(731,437)			(607,701)	
- Unrealised loss		(12,980)			-51,378	
		<u>(744,417)</u>			<u>(659,079)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		<u>40.2161</u>			<u>46.9066</u>	
Net assets value per unit at the end of the period		<u>40.0022</u>			<u>44.3419</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 DEDICATED EQUITY FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	<b>Six months period ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(4,294)	(52,980)
<b>Adjustments for</b>		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	<u>12,980</u>	51,378
	<b>8,686</b>	(1,602)
<b>Decrease / increase) in assets</b>		
Investments - net	<b>36,290</b>	90,704
Dividend receivable	(16)	3,584
Receivable against sale of investments	803	(986)
Advances, prepayments and other receivables	46	14,889
	<b>37,123</b>	108,191
<b>(Decrease) / increase in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	631	270
Payable to Central Depository Company of Pakistan Limited - Trustee	(5)	2
Payable to Securities and Exchange Commission of Pakistan	(101)	(83)
Payable against purchase of investments	(1,377)	6,521
Accrued expenses and other liabilities	(161)	(4,262)
	<b>(1,013)</b>	2,448
<b>Net cash generated from operating activities</b>	<b>44,796</b>	109,037
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	<b>33,000</b>	21,799
Payments against redemption and conversion of units	<b>(83,540)</b>	(114,150)
<b>Net cash used in financing activities</b>	<b>(50,540)</b>	(92,351)
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(5,744)</b>	16,686
Cash and cash equivalents at the beginning of the period	29,399	10,265
<b>Cash and cash equivalents at the end of the period</b>	<b>23,655</b>	26,951

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 DEDICATED EQUITY FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

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

- 1.1** Meezan Dedicated Equity Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 09, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations). The Trust Deed was previously registered under The "Trust Act 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah Compliant Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) 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 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. 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, a limited scope review has been performed by the statutory auditors. 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 December 31, 2022.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / ACCOUNTING ESTIMATES, JUDGEMENTS 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 audited financial statements of the Fund for the year ended June 30, 2022.

#### **4.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 01, 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.

#### **4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standards, interpretations and amendments</b>	<b>Effective date (annual period beginning on or after)</b>
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

<b>5. BALANCES WITH BANKS</b>	<b>Note</b>	<b>December 31, 2022 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited) (Rupees in '000)</b>
In saving accounts	5.1	23,046	27,616
In current accounts		609	1,783
		<u>23,655</u>	<u>29,399</u>
<b>5.1</b>			
These include a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.50% (June 30, 2022: 6.01%) per annum. Other profit and loss sharing accounts of the Fund have expected profit rates ranging from 6.88% to 15.50% per annum (June 30, 2022: 4% to 15.5% per annum).			

<b>6. INVESTMENTS</b>	<b>Note</b>	<b>December 31, 2022 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited) (Rupees in '000)</b>
<b>Investments - 'at fair value through profit or loss'</b>			
Shares of listed companies - 'ordinary shares'	6.1	673,113	722,383
		<u>673,113</u>	<u>722,383</u>

## 6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2022	Purchases during the period	Bonus issue / Right shares	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised gain / (loss) as at December 31, 2022	Percentage in relation to		
									Net assets of the fund	Paid up capital of investee company (with face value of investment)	Percentage of total market value of investment
						(Rupees in '000)		%			
<b>Sectors / companies</b>											
<b>Automobile Assembler</b>											
Millat Tractors Limited	17,390	-	2,778	10,408	9,760	7,097	4,735	(2,362)	0.68	0.01	0.70
									<b>0.68</b>	<b>0.01</b>	<b>0.70</b>
<b>Banks</b>											
BankIslami Pakistan Limited	612,000	100,000	-	-	712,000	8,691	9,512	821	1.36	0.06	1.41
Meezan Bank Limited (a related party of the Fund)	417,934	35,000	45,293	-	498,227	51,317	49,594	(1,723)	7.11	0.03	7.37
									<b>8.47</b>	<b>0.09</b>	<b>8.78</b>
<b>Cement</b>											
Cherat Cement Company Limited	62,889	40,000	-	-	102,889	10,515	10,484	(31)	1.50	0.05	1.56
Fauji Cement Company Limited	230,000	-	28,750	-	258,750	3,259	3,110	(149)	0.45	0.01	0.46
Kohat Cement Company Limited	159,670	-	-	-	159,670	20,778	23,583	2,805	3.38	0.08	3.50
Lucky Cement Limited	77,900	31,000	-	-	108,900	50,585	48,633	(1,952)	6.97	0.03	7.23
Maple Leaf Cement Factory Limited	416,000	150,000	-	-	566,000	15,751	12,775	(2,976)	1.83	0.05	1.90
									<b>14.13</b>	<b>0.22</b>	<b>14.65</b>
<b>Chemical</b>											
Dynea Pakistan Limited (note 6.1.1)	19,400	7,500	-	-	26,900	4,935	4,169	(766)	0.60	0.14	0.62
Engro Polymer and Chemicals Limited	242,141	-	-	242,141	-	-	-	-	-	-	-
ICI Pakistan Limited	15,700	-	-	-	15,700	11,375	10,088	(1,287)	1.45	0.02	1.50
									<b>2.05</b>	<b>0.16</b>	<b>2.12</b>
<b>Engineering</b>											
International Industries Limited	-	7,660	-	7,660	-	-	-	-	-	-	-
International Steels Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	190,943	100,000	-	175,000	115,943	6,837	5,601	(1,236)	0.80	0.03	0.83
									<b>0.80</b>	<b>0.03</b>	<b>0.83</b>
<b>Fertilizer</b>											
Engro Corporation Limited (note 6.1.2)	157,534	15,000	-	18,000	154,534	40,021	40,489	468	5.80	0.03	6.02
Engro Fertilizers Limited	414,387	-	-	163,605	250,782	22,229	19,283	(2,946)	2.76	0.02	2.86
									<b>8.56</b>	<b>0.05</b>	<b>8.88</b>
<b>Food And Personal Care</b>											
Al-Tahir Limited	179,200	-	17,920	-	197,120	3,417	3,369	(48)	0.48	0.09	0.50
The Organic Meat Company Limited	-	160,000	4,875	-	164,875	3,935	3,406	(529)	0.49	0.12	0.51
									<b>0.97</b>	<b>0.21</b>	<b>1.01</b>
<b>Glass And Ceramics</b>											
Shabbir Tiles & Ceramics Limited (note 6.1.1)	522,500	-	-	492,000	30,500	446	262	(184)	0.04	0.01	0.04
									<b>0.04</b>	<b>0.01</b>	<b>0.04</b>
<b>Leather &amp; Tanneries</b>											
Service Global Footwear Limited	24,113	-	-	-	24,113	969	799	(170)	0.11	0.01	0.12
									<b>0.04</b>	<b>0.01</b>	<b>0.04</b>
<b>Miscellaneous</b>											
Pakistan Aluminum Beverage Cans Limited	30,000	-	-	-	30,000	946	1,165	219	0.17	0.01	0.17
									<b>0.17</b>	<b>0.01</b>	<b>0.17</b>
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited	53,588	1,200	-	1,700	53,088	92,286	82,125	(10,161)	11.77	0.04	12.20
Oil & Gas Development Company Limited	679,295	61,125	-	25,000	715,420	56,549	56,990	441	8.16	0.02	8.47
Pakistan Oilfields Limited	58,721	-	-	10,000	48,721	19,771	19,140	(631)	2.74	0.02	2.84
Pakistan Petroleum Limited	702,452	100,000	-	-	802,452	54,169	54,679	510	7.83	0.03	8.13
									<b>30.50</b>	<b>0.11</b>	<b>31.64</b>
<b>Oil &amp; Gas Marketing Companies</b>											
Attock Petroleum Limited	-	23,000	4,000	5,000	22,000	6,749	6,374	(375)	0.91	0.02	0.95
Pakistan State Oil Company Limited (note 6.1.3)	191,072	10,000	-	27,000	174,072	29,719	25,065	(4,654)	3.59	0.04	3.72
Sui Northern Gas Pipelines Limited	442,150	50,000	-	-	492,150	17,021	18,480	1,459	2.65	0.08	2.75
									<b>7.15</b>	<b>0.14</b>	<b>7.42</b>

Name of the investee company	As at July 1, 2022	Purchases during the period	Bonus issue / Right shares	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised gain / (loss) as at December 31, 2022	Percentage in relation to		
									Net assets of the fund	Paid up capital of investee company (with face value of investment)	Percentage of total market value of investment
						(Rupees in '000)		%			
<b>Paper &amp; Board</b>											
Century Paper and Board Mills Limited	126,500	-	12,650	-	139,150	7,818	6,885	(933)	0.99	0.06	1.02
Packages Limited	34,750	1,500	-	10,000	26,250	10,416	9,717	(699)	1.39	0.03	1.44
Roshan Packages Limited	56,500	-	-	56,500	-	-	-	-	-	-	-
									<b>2.38</b>	<b>0.09</b>	<b>2.46</b>
<b>Pharmaceuticals</b>											
Glaxosmithkline Consumer Healthcare	9,200	-	-	-	9,200	2,193	1,508	(685)	0.22	0.01	0.22
IBL HealthCare Limited	101,600	1,000	10,210	33,000	79,810	3,770	3,001	(769)	0.43	0.11	0.45
The Searle Company Limited	76,193	-	19,048	95,241	-	-	-	-	-	-	-
									<b>5.41</b>	<b>0.30</b>	<b>5.59</b>
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (note 6.1.1)	2,998,500	1,000,000	-	-	3,998,500	12,068	10,796	(1,272)	1.55	0.01	1.60
The Hub Power Company Limited	436,655	250,000	-	450,000	236,655	16,269	14,928	(1,341)	2.14	0.02	2.22
									<b>3.69</b>	<b>0.03</b>	<b>3.82</b>
<b>Property</b>											
TPL Properties Limited	-	100,000	10,000	-	110,000	2,257	1,870	(387)	0.27	0.01	0.28
									<b>0.27</b>	<b>0.01</b>	<b>0.28</b>
<b>Refinery</b>											
Attock Refinery Limited	3,500	-	-	3,500	-	-	-	-	-	-	-
Cheryco PK Limited (Formerly Byco Petroleum Pakistan Limited)	1,162,000	700,000	-	1,162,000	700,000	4,120	2,583	(1,537)	0.37	-	0.38
National Refinery Limited	6,000	-	-	6,000	-	-	-	-	-	-	-
									<b>0.37</b>	<b>-</b>	<b>0.38</b>
<b>Technology &amp; Communication</b>											
Air Link Communication Limited	23,493	-	-	500	22,993	929	680	(249)	0.10	0.01	0.10
Avanceon Limited	31,250	-	-	-	31,250	2,435	2,063	(372)	0.30	0.01	0.31
Supernet Limited	-	20,000	1,400	-	21,400	292	328	36	0.05	0.02	0.05
Octopus Digital Limited	25,001	-	-	-	25,001	1,783	1,416	(367)	0.20	0.02	0.21
Systems Limited	138,940	22,000	-	-	160,940	55,540	77,884	22,344	11.16	0.06	11.57
Worldcall Telecom Limited	650,000	-	-	300,000	350,000	466	410	(56)	0.06	0.01	0.06
									<b>11.87</b>	<b>0.13</b>	<b>12.30</b>
<b>Textile Composite</b>											
Feroze1888 Mills Limited	45,898	-	-	17,000	28,898	1,804	1,828	24	0.26	0.01	0.27
Interloop Limited	300,208	50,000	14,008	75,000	289,216	17,241	16,384	(857)	2.35	0.03	2.43
Kohinoor Textile Mills Limited	146,500	-	-	-	146,500	7,325	6,922	(403)	0.99	0.05	1.03
Nishat Mills Limited	116,200	-	-	116,200	-	-	-	-	-	-	-
									<b>3.60</b>	<b>0.09</b>	<b>3.73</b>
<b>Total</b>						<b>686,093</b>	<b>673,113</b>	<b>(12,980)</b>			<b>102</b>

**6.1.1** All shares have a nominal value of Rs.10 each except for the shares of K-Electric Limited which have a nominal value of Rs.3.50 each and Dynea Pakistan and Shabbir Tiles & Ceramics Limited having a nominal value of Rs.5 each.

**6.1.2** Investments include 103,000 shares (June 30, 2022: 100,000 shares) of Engro Corporation Limited and 120,000 shares (June 30, 2022: 120,000 shares) of Oil and Gas Development Company Limited having market value of Rs.26.986 million and Rs.9.559 million (June 30, 2022: Rs.25.709 million and Rs. 9.440 million) respectively as at December 31, 2022, 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 Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.



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

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the period ended December 31, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Finance Act, 2018 effective from July 01, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at December 31, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.0.234 million (June 30, 2022: Rs.0.280 million).

		<b>December 31, 2022 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Remuneration payable	7.1	<b>224</b>	247
Sindh Sales Tax payable on remuneration of the Management Company		<b>29</b>	32
Allocated expenses payable	7.2	<b>116</b>	54
Selling and marketing expenses payable	7.3	<b>858</b>	263
		<b><u>1,227</u></b>	<b><u>596</u></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% (2021: 2%) per annum of the average annual net assets of the Fund during the period ended December 31, 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 charged such expenses at the rate of 0.11% (2021: 0.11%) of the average annual net assets of the Fund during the period ended December 31, 2022, subject to 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 the rate of 0.4% (2021: 0.4%) per annum of the average annual net assets of the Fund during the period ended December 31, 2022, subject to total expense charged being lower than actual expense incurred.

	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Withholding tax payable	45	46
Auditors' remuneration payable	171	201
Brokerage payable	32	9
Charity payable	1,214	1,351
Shariah advisor fee payable	256	272
	<u>1,718</u>	<u>1,879</u>

#### 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 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.

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:

	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
<b>Balances</b>		
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Management fee payable	224	247
Sindh Sales Tax payable on management fee	29	32
Allocated expense payable	116	54
Selling and marketing expenses payable	858	263
<b>Meezan Bank Limited</b>		
Balances with bank	1,888	2,105
Profit receivable on saving accounts	1	2
Investment in shares: 498,227 shares (June 30, 2022: 417,934 shares)	49,594	47,218
Shariah Advisory fee payable	256	272
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	120	125
Sindh Sales Tax on trustee fee payable	16	16
Security deposit	103	103



Balances	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	(Rupees in '000)	
<b>Meezan Financial Planning Fund of Funds MAAP I</b>		
Investment of 1,104,008 units (June 30, 2022: 1,223,499 units)	<u>44,163</u>	<u>49,204</u>
<b>Meezan Strategic Allocation Fund MSAP - I</b>		
Investment of 2,650,785 units (June 30, 2022: 3,203,303 units)	<u>106,037</u>	<u>128,824</u>
<b>Meezan Strategic Allocation Fund MSAP - II</b>		
Investment of 907,803 units (June 30, 2022: 918,504 units)	<u>36,314</u>	<u>36,939</u>
<b>Meezan Strategic Allocation Fund MSAP - III</b>		
Investment of 2,413,625 units (June 30, 2022: 2,439,439 units)	<u>96,550</u>	<u>98,105</u>
<b>Meezan Strategic Allocation Fund MSAP - IV</b>		
Investment of 1,615,676 units (June 30, 2022: 1,864,866 units)	<u>64,631</u>	<u>74,998</u>
<b>Meezan Strategic Allocation Fund MSAP - V</b>		
Investment of 300,139 units (June 30, 2022: 368,711 units)	<u>12,006</u>	<u>14,828</u>
<b>Meezan Strategic Allocation Fund - MCPP-III</b>		
Investment of 931,786 units (June 30, 2022: 585,643 units)	<u>37,274</u>	<u>23,552</u>
<b>Meezan Strategic Allocation Fund - II MCPP-IV</b>		
Investment of 4,964,594 units (June 30, 2022: 5,553,294 units)	<u>198,595</u>	<u>223,332</u>
<b>Meezan Strategic Allocation Fund - II MCPP-V</b>		
Investment of 392,698 units (June 30, 2022: 173,290 units)	<u>15,709</u>	<u>6,969</u>
<b>Meezan Strategic Allocation Fund - II MCPP-VII</b>		
Investment of 21,094 units (June 30, 2022: 64,125 units)	<u>844</u>	<u>2,579</u>
<b>Meezan Strategic Allocation Fund - III MCPP-IX</b>		
Investment of 2,146,779 units (June 30, 2022: 2,324,953 units)	<u>85,876</u>	<u>93,501</u>
	<b>Six months period ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>Transactions during the period</b>		
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration of the Management Company	<u>7,530</u>	<u>9,439</u>
Sindh Sales Tax on remuneration of the Management Company	<u>979</u>	<u>1,227</u>
Allocated expenses	<u>414</u>	<u>519</u>
Selling and marketing expense	<u>1,506</u>	<u>1,888</u>
<b>Meezan Bank Limited</b>		
Profit on saving account	<u>41</u>	<u>36</u>
Shares purchased during the period: 35,000 shares (December 31, 2021: 25,000 shares)	<u>4,099</u>	<u>3,200</u>
Bonus shares received: 45,293 shares (December 31, 2021: 61,575 shares)	<u>-</u>	<u>-</u>
Shares sold during the period: nil (December 31, 2021: 30,000 shares)	<u>-</u>	<u>4,726</u>
Shariah advisor fee	<u>253</u>	<u>274</u>
Dividend income	<u>1,789</u>	<u>1,361</u>
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration of the Trustee	<u>753</u>	<u>960</u>
Sindh Sales Tax on remuneration of the trustee	<u>98</u>	<u>125</u>
CDS charges	<u>14</u>	<u>29</u>

	Six months period ended	
	2022	2021
	(Unaudited) (Rupees in '000)	
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Units redeemed: 119,491 units (December 31, 2021: Nil)	<u>4,970</u>	<u>-</u>
<b>Meezan Strategic Allocation Fund MSAP - I</b>		
Units redeemed: 552,517 units (December 31, 2021: 83,453 units)	<u>21,690</u>	<u>3,313</u>
<b>Meezan Strategic Allocation Fund MSAP - II</b>		
Units redeemed: 10,700 (December 31, 2021: Nil)	<u>420</u>	<u>-</u>
<b>Meezan Strategic Allocation Fund MSAP - III</b>		
Units redeemed: 25,814 units (December 31, 2021: Nil)	<u>1,000</u>	<u>-</u>
<b>Meezan Strategic Allocation Fund MSAP - IV</b>		
Units redeemed: 249,190 units (December 31, 2021: 258,201 units)	<u>10,040</u>	<u>12,250</u>
<b>Meezan Strategic Allocation Fund MSAP - V</b>		
Units redeemed: 68,572 units (December 31, 2021: Nil)	<u>2,810</u>	<u>-</u>
<b>Meezan Strategic Allocation Fund MCPP-III</b>		
Units issued: 584,040 units (December 31, 2021: 195,535 units)	<u>24,000</u>	<u>9,000</u>
Units redeemed: 237,897 units (December 31, 2021: 584,393 units)	<u>9,680</u>	<u>26,050</u>
<b>Meezan Strategic Allocation Fund -II MCPP-IV</b>		
Units issued: Nil (December 31, 2021: 86,412 units)	<u>-</u>	<u>4,000</u>
Units redeemed: 588,699 units (December 31, 2021: 1,086,053 units)	<u>23,940</u>	<u>50,000</u>
<b>Meezan Strategic Allocation Fund -II MCPP-V</b>		
Units issued: 219,408 units (December 31, 2021: 82,941 units)	<u>9,000</u>	<u>3,800</u>
Units redeemed: Nil (December 31, 2021: 220,953 units)	<u>-</u>	<u>9,800</u>
<b>Meezan Strategic Allocation Fund-II MCPP-VII</b>		
Units issued: Nil (December 31, 2021: 109,863 units)	<u>-</u>	<u>5,000</u>
Units redeemed: 43,031 units (December 31, 2021: 173,673 units)	<u>1,810</u>	<u>7,700</u>
<b>Meezan Strategic Allocation Fund-III MCPP-IX</b>		
Units redeemed: 178,174 units (December 31, 2021: 93,542 units)	<u>7,180</u>	<u>4,350</u>

## 11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31, 2022 based on current period results is 3.72% (December 31, 2021: 3.55%) which includes 0.33% (December 31, 2021: 0.33%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, 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 'Equity 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 unit holders. 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 period.

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. FINANCIAL INSTRUMENTS - FAIR VALUES

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.

#### 13.1. 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 December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

<b>As at December 31, 2022</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>ASSETS</b>				
(Rupees in '000)				
Financial assets 'at fair value through profit or loss'	673,113	-	-	673,113
<b>As at June 30, 2022</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>ASSETS</b>				
(Rupees in '000)				
Financial assets 'at fair value through profit or loss'	722,383	-	-	722,383

### 14. GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees.

14.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

### 15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 13, 2023 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director