



**Al Meezan**  
Investment Management Ltd.

# SALTORO KANGRI K10

An educated investor and an empowered climber both execute decisions promptly.

Height 7,742 meters  
belongs to the range Saltoro Karakoram





# MEEZAN CASH FUND (MCF)

Meezan Cash Fund is Pakistan's first Shariah Compliant Money Market Fund. It aims to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and debt securities.



# 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  
Askari Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
Bank Alfalah 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  
Sindh Bank Limited  
The Bank of Punjab  
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

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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**

**MEEZAN CASH 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 Cash 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 Cash Fund

Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Meezan Cash 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:** RR20221007604B1wpR6m



MEEZAN CASH 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	15,874,295	9,417,419
Investments	6	6,080,000	4,055,000
Receivable against conversion of units		41,038	85,601
Profit accrued		281,072	194,446
Deposits and prepayments		454	597
<b>Total assets</b>		<b>22,276,859</b>	<b>13,753,063</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company	7	22,027	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee		1,154	724
Payable to the Securities and Exchange Commission of Pakistan		1,823	2,698
Payable against conversion and redemption of units		91,078	106,817
Accrued expenses and other liabilities	8	51,804	153,566
<b>Total liabilities</b>		<b>167,886</b>	<b>268,539</b>
<b>NET ASSETS</b>		<b>22,108,973</b>	<b>13,484,524</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>22,108,973</b>	<b>13,484,524</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>408,418,819</b>	<b>266,418,387</b>
			(Rupees)
<b>NET ASSET VALUE PER UNIT</b>		<b>54.1331</b>	<b>50.6141</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 CASH 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 (Rupees in '000)	2021 (Rupees in '000)	2022 (Rupees in '000)	2021 (Rupees in '000)	
<b>Income</b>					
Profit on sukuks Certificates	208,573	37,527	109,984	7,572	
Profit on term deposits	71,019	69,374	48,674	40,443	
Profit on saving accounts with banks	1,048,398	389,703	599,590	209,862	
<b>Total income</b>	<b>1,327,990</b>	<b>496,604</b>	<b>758,248</b>	<b>257,877</b>	
<b>Expenses</b>					
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	45,576	33,768	25,706	16,443
Sindh Sales Tax on remuneration of the Management Company		5,925	4,390	3,342	2,138
Selling and marketing expenses	7.3	27,346	20,261	15,424	9,866
Allocated expenses	7.2	13,673	10,130	7,712	4,932
Remuneration of Central Depository Company of Pakistan Limited - Trustee		5,013	4,061	2,827	1,809
Sindh Sales Tax on remuneration of the Trustee		652	528	368	235
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)		1,823	1,351	1,028	658
Auditors' remuneration		328	336	197	151
Fees and subscription		709	719	358	360
Legal and professional charges		282	192	282	8
Printing expense		9	-	-	-
Bank and settlement charges		387	288	204	141
Brokerage expense		23	-	23	-
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(72,854)	-	-
<b>Total expenses</b>		<b>101,746</b>	<b>3,170</b>	<b>57,471</b>	<b>36,741</b>
<b>Net income for the period before taxation</b>		<b>1,226,244</b>	<b>493,434</b>	<b>700,777</b>	<b>221,136</b>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<b>1,226,244</b>	<b>493,434</b>	<b>700,777</b>	<b>221,136</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		1,226,244	493,434		
Income already paid on units redeemed		(339,551)	(160,886)		
		<b>886,693</b>	<b>332,548</b>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-		
- Excluding capital gains		886,693	332,548		
		<b>886,693</b>	<b>332,548</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 CASH 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 income for the period after taxation	1,226,244	493,434	700,777	221,136
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,226,244</b>	<b>493,434</b>	<b>700,777</b>	<b>221,136</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 CASH FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	December 31, 2022			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>	<b>13,356,577</b>	<b>127,947</b>	<b>13,484,524</b>	13,448,645	108,369	13,557,014
Issuance of 569,189,246 units (December 31, 2021: 325,698,438 units)						
- Capital value (at net asset value per unit at the beginning of the period)	28,808,996	-	28,808,996	16,460,115	-	16,460,115
- Element of income	1,025,049	-	1,025,049	336,236	-	336,236
Total proceeds on issuance of units	29,834,045	-	29,834,045	16,796,351	-	16,796,351
Redemption of 427,188,814 units (December 31, 2021: 341,607,170 units)						
- Capital value (at net asset value per unit at the beginning of the period)	21,621,773	-	21,621,773	17,264,109	-	17,264,109
- Element of loss	474,516	339,551	814,067	193,227	160,886	354,113
Total payments on redemption of units	22,096,289	339,551	22,435,840	17,457,336	160,886	17,618,222
Total comprehensive income for the period	-	1,226,244	1,226,244	-	493,434	493,434
Distribution during the period: Nil, (December 31, 2021: Nil)	-	-	-	-	-	-
Net income for the period less distribution	-	1,226,244	1,226,244	-	493,434	493,434
<b>Net assets at the end of the period</b>	<b>21,094,333</b>	<b>1,014,640</b>	<b>22,108,973</b>	12,787,660	440,917	13,228,577
Undistributed income brought forward						
- Realised income		127,947			108,369	
- Unrealised income		-			-	
		127,947			108,369	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		886,693			332,548	
		886,693			332,548	
Undistributed income carried forward		1,014,640			440,917	
Undistributed income carried forward						
- Realised income		1,014,640			440,917	
- Unrealised income		-			-	
		1,014,640			440,917	
Net assets value per unit at the beginning of the period			(Rupees) 50.6141			(Rupees) 50.5379
Net assets value per unit at the end of the period			54.1331			52.4225

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

	December 31,	
	2022	2021
Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	1,226,244	493,434
<b>Decrease / (increase) in assets</b>		
Investments - net	675,000	1,100,280
Deposits and prepayments	143	(191)
Profit receivable	(86,626)	(24,399)
	588,517	1,075,690
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	17,293	2,959
Payable to Central Depository Company of Pakistan Limited - Trustee	430	(119)
Payable to Securities and Exchange Commission of Pakistan	(875)	(1,613)
Accrued expenses and other liabilities	(101,762)	(152,467)
	(84,914)	(151,240)
<b>Net cash generated from operating activities</b>	<b>1,729,847</b>	<b>1,417,884</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	29,878,608	16,722,140
Payments against redemption and conversion of units	(22,451,579)	(17,697,206)
<b>Net cash generated from / (used in) financing activities</b>	<b>7,427,029</b>	<b>(975,066)</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>9,156,876</b>	<b>442,818</b>
Cash and cash equivalents at the beginning of the period	10,717,419	11,970,565
<b>Cash and cash equivalents at the end of the period</b>	<b>19,874,295</b>	<b>12,413,383</b>
5.2		

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 CASH 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 Cash Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (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 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 provide the unitholders safe and stable stream of halal income on their investments and to generate superior long term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns, if available, at any given point in time. The Fund shall seek to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and Shariah compliant debt securities. Under the Trust Deed, all the 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.
- 1.3** The Fund is categorized as an open-end Shariah Compliant (Islamic) Money Market Scheme 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.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: '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. The Fund has been given a stability rating of AA+(f) by VIS Credit Rating Company Limited dated January 03, 2022 (2022: AA(f) dated December 27, 2021).
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) and the requirements of the Trust Deed.

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

The disclosures made in these condensed interim financial statements 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, 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 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 saving accounts	5.1	<b>15,874,104</b>	9,417,232
In current accounts		<b>191</b>	187
		<b><u>15,874,295</u></b>	<b><u>9,417,419</u></b>

**5.1** 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 an expected profit ranging from 5% to 15.50% per annum (June 30, 2022: 3.00% to 16.25% per annum).

<b>5.2 Cash and cash equivalents</b>	<b>Note</b>	<b>December 31, 2022 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited)</b>
Balances with banks	5	<b>15,874,295</b>	9,417,419
Term deposit receipts - having original maturity of 3 months or less	6.2	<b><u>4,000,000</u></b>	<u>1,300,000</u>
		<b><u>19,874,295</u></b>	<b><u>10,717,419</u></b>

## **6. INVESTMENTS**

### **At fair value through profit or loss**

Corporate sukuk	6.1	<b>2,080,000</b>	2,755,000
Term deposit receipts - having original maturity of 3 months or less	6.2	<b><u>4,000,000</u></b>	<u>1,300,000</u>
		<b><u>6,080,000</u></b>	<b><u>4,055,000</u></b>



**6.1 Corporate sukuks**

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the period	Sales / redemptions / maturity 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 Dec 31, 2022	Percentage in relation to	
										Net assets of the fund	Total market value of investments
										-----(%)-----	
K-Electric Limited - III (A-1+, PACRA)	Sep 01, 2022	6 months KIBOR plus base rate of 0.85%	450	-	450	-	-	-	-	-	-
K-Electric Limited - V (A-1+, PACRA)	October 13, 2022	6 months KIBOR plus base rate of 0.95%	750	-	750	-	-	-	-	-	-
Hub Power Company Limited (AA+, PACRA)	October 27, 2022	6 months KIBOR plus base rate of 1%	3,250	-	3,250	-	-	-	-	-	-
Lucky Electric (A-1+, PACRA)	December 15, 2022	6 months KIBOR plus base rate of 1.2%	800	-	800	-	-	-	-	-	-
K-Electric Limited - IX (A-1+, PACRA)	March 21, 2023	6 months KIBOR plus base rate of 1.40%	-	430	-	430	430,000	430,000	-	2.4%	17%
Lucky Electric - IV (A-1+, PACRA)	March 28, 2023	6 months KIBOR plus base rate of 1.50%	-	300	-	300	300,000	300,000	-	1.7%	12%
K-Electric Limited - X (A-1+, PACRA)	April 5, 2023	6 months KIBOR plus base rate of 1.45%	-	750	-	750	750,000	750,000	-	4.2%	29%
Nishat Mills Limited	May 1, 2023	6 months KIBOR plus base rate of 0.9%	-	250	-	250	250,000	250,000	-	1.4%	10%
K-Electric Limited - XII (A-1+, PACRA)	June 13, 2023	6 months KIBOR plus base rate of 1.4%	-	50	-	50	50,000	50,000	-	0.3%	2%
Lucky Electric (A-1+, PACRA)	June 14, 2023	6 months KIBOR plus base rate of 1.35%	-	300	-	300	300,000	300,000	-	1.7%	12%
<b>Total as at December 31, 2022</b>							<u>2,080,000</u>	<u>2,080,000</u>			
<b>Total as at June 30, 2022</b>							<u>2,755,000</u>	<u>2,755,000</u>			

6.1.1 The nominal value of these Corporate Sukuks is Rs 1,000,000 each.

**6.2 Term deposit receipts**

Name of the bank	Maturity	Profit rate	As at July 1, 2022	Term deposit receipts placed during the period	Matured during the period	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 investment
									----(%)----	
Bank AlFalah Limited	July 13, 2022	16.20%	1,300,000	-	1,300,000	-	-	-	-	-
Meezan Bank Limited	August 29, 2022	14.15%	-	1,200,000	1,200,000	-	-	-	-	-
Meezan Bank Limited	December 16, 2022	15.50%	-	2,000,000	2,000,000	-	-	-	-	-
United Bank Limited	December 13, 2022	14.80%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	December 23, 2022	15.50%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Dubai Islamic Bank	December 23, 2022	15.25%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	-	1,000,000	1,000,000	-	4.52%	16.45%
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	-	1,000,000	1,000,000	-	4.52%	16.45%
United Bank Limited	January 13, 2023	15.70%	-	2,000,000	-	2,000,000	2,000,000	-	9.05%	32.89%
<b>Total as at December 31, 2022</b>						<u>14,200,000</u>	<u>11,500,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	-
<b>Total as at June 30, 2022</b>						<u>1,300,000</u>	<u>1,300,000</u>	-		

		December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
<b>7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	<b>Note</b>		
Management fee payable	7.1	1,824	1,109
Sindh Sales Tax payable on remuneration of the Management Company		237	144
Selling and marketing expenses payable	7.3	17,211	113
Allocated expenses payable	7.2	2,755	3,368
		<u>22,027</u>	<u>4,734</u>

**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 0.5% of average annual net assets of the Fund (2021: 0.5% per annum of the average net assets of the fund). 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 0.15% of the average annual net assets of the scheme for allocation of such expenses to the Fund (2021: 0.15% of the average annual net assets of the scheme).

**7.3** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the rate of 0.3% per annum of the average annual net assets of the fund (2021: 0.3% of the average annual net assets of the fund).

		December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>		
Auditors' remuneration payable		275	365
Brokerage payable		24	-
Shariah advisor fee payable		659	661
Withholding tax payable		218	111,902
Capital gain tax payable		22,754	12,791
Federal Excise Duty payable on remuneration of the Management Company	8.1	27,018	27,018
Other expenses payable		342	70
Zakat payable		514	759
		<u>51,804</u>	<u>153,566</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 of Federal Excise Duty not being made, the net asset value per unit as at December 31, 2022 would have been higher by Re.0.07 (June 30, 2022: Re.0.10) 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, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees' Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

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

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

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

	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	1,824	1,109
Sindh Sales Tax payable on management fee	237	144
Selling and marketing expenses	17,211	3,368
Allocated expenses payable	2,755	113
<b>Meezan Bank Limited</b>		
Balance with bank	152,118	539,768
Profit receivable on saving accounts	1,914	656
Shariah advisor fee payable	659	661
ATM deposit	200	200
Term deposit receipt outstanding	2,000,000	-
Profit receivable on term deposit receipts	4,671	-
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	1,021	641
Sindh Sales Tax on trustee fee payable	133	83
Security deposit	100	100
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investment of units 259,844 (June 30, 2022: 259,844 units)	14,066	13,157
<b>Directors and executives of the Management Company</b>		
Investment of units 1,550,185 (June 30, 2022: 7,830,474 units)	83,917	396,332
	<b>For the six months period ended December 31,</b>	
	2022	2021
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the period	45,576	33,768
Sindh Sales Tax on remuneration of Management Company	5,925	4,390
Selling and marketing expense	27,346	20,261
Allocated expenses	13,673	10,130
<b>Meezan Bank Limited</b>		
Profit on saving accounts	7,029	1,274
Term deposit receipt placed	8,200,000	1,100,000
Term deposit matured	6,200,000	1,100,000
Profit on term deposit receipt	29,325	5,396
Shariah advisor fee	538	550



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

Trustee fee for the period  
Sindh Sales Tax on remuneration of the trustee  
CDS charges

For the six months period ended December 31,	
2022	2021
(Unaudited)	(Unaudited)
(Rupees in '000)	
5,013	4,061
652	528
3	3

**Directors and Executives of the Management Company**

Units issued: 2,105,600 units (December 31, 2021: 3,052,038 units)  
Units redeemed: 8,384,811 units (December 31, 2021: 4,576,247 units)

For the six months period ended December 31,	
2022	2021
(Unaudited)	(Unaudited)
(Rupees in '000)	
110,190	157,954
434,440	236,273

**11. TOTAL EXPENSE RATIO (TER)**

The Total Expense Ratio (TER) of the Fund as at December 31, 2022 is 1.12% (December 31, 2021: 1.13%) which includes 0.09% (2021: 0.09%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market 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 in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unitholders, therefore no provision for taxation has been made in these condensed interim financial statements.

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

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



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

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

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

As at December 31, 2022			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
<b>ASSETS</b>			
<b>Financial assets 'at fair value through profit or loss'</b>			
Term deposit receipts - having original maturity of 3 months or less *	-	4,000,000	-
Corporate Sukuks	-	2,080,000	-
	-	6,080,000	-
	-	6,080,000	-

As at June 30, 2022			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
<b>ASSETS</b>			
<b>Financial assets 'at fair value through profit or loss'</b>			
Term deposit receipts - having original maturity of 3 months or less *	-	1,300,000	-
Corporate Sukuks	-	2,755,000	-
	-	4,055,000	-
	-	4,055,000	-

\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

#### 14. GENERAL

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

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.

# TIRICH MIR

Investments and mountain climbing teach you about change, and how to prepare for changes.

Height 7,708 meters,  
belongs to the range Hindu Kush





# MEEZAN ROZANA AMDANI FUND (MRAF)

Meezan Rozana Amdani Fund's investment objective is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments.



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

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

## BOARD RISK MANAGEMENT COMMITTEE

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

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

## BOARD IT COMMITTEE

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

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited - Islamic Banking  
Askari Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
Bank Of Punjab - Islamic Banking  
Bank Alfalah Limited

Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited - Islamic Banking  
Habib Bank Limited - Islamic Banking  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan 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 ROZANA AMDANI 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 Rozana Amdani 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 Rozana Amdani Fund

Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Meezan Rozana Amdani 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: RR202210076U5TuIVoML**



**MEEZAN ROZANA AMDANI 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	42,100,439	64,902,950
Investments	6	48,810,247	7,025,000
Receivable against conversion of units		27,215	412,683
Accrued profit		1,307,825	822,165
Deposits and prepayments		1,203	1,300
Preliminary expenses and floatation costs		199	300
<b>Total assets</b>		<b>92,247,128</b>	<b>73,164,398</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	7	40,198	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee		4,611	3,110
Payable to the Securities and Exchange Commission of Pakistan (SECP)		7,380	10,366
Payable against conversion and redemption of units		55,828	303,764
Dividend payable		74,200	-
Accrued expenses and other liabilities	8	158,845	83,819
<b>Total liabilities</b>		<b>341,062</b>	<b>404,459</b>
<b>Net assets</b>		<b>91,906,066</b>	<b>72,759,939</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>91,906,066</b>	<b>72,759,939</b>
<b>Contingencies and commitments</b>	9		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>1,838,121,290</b>	<b>1,455,198,746</b>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<b>50.0000</b>	<b>50.0000</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 ROZANA AMDANI 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>					
Profit on commercial papers and sukuk certificates		549,465	138,960	333,882	67,142
Profit on term deposit receipts and certificate of musharika		1,010,072	262,993	648,410	117,528
Profit on Bai muajjal	6.4	231,120	321,850	231,120	162,557
Profit on savings accounts with banks		3,671,770	1,255,751	1,788,086	602,602
Net realised loss on sale of investments		<u>(3,200)</u>	<u>(1,685)</u>	<u>(3,200)</u>	<u>-</u>
<b>Total income</b>		<b>5,459,227</b>	<b>1,977,869</b>	<b>2,998,298</b>	<b>949,829</b>
<b>Expenses</b>					
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	128,784	43,697	73,137	17,230
Sindh Sales Tax on remuneration of the Management Company		16,742	5,681	9,508	2,240
Selling and marketing expenses	7.2	50,956	10,538	30,721	3,446
Remuneration of Central Depository Company of Pakistan Limited - Trustee		20,294	15,879	11,019	6,318
Sindh Sales Tax on remuneration of the Trustee		2,638	2,064	1,432	821
Annual fee to the Securities and Exchange Commission of Pakistan		7,380	5,239	4,007	2,297
Auditors' remuneration		343	325	194	165
Amortisation of preliminary expenses and floatation costs		100	101	50	51
Fees and subscription		664	664	331	332
Legal and professional charges		-	184	-	-
Brokerage expense		459	362	459	-
Bank and settlement charges		1,899	1,854	897	1,078
Printing expense		49	-	-	-
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(141,199)	-	-
<b>Total expenses</b>		<b>230,308</b>	<b>(54,611)</b>	<b>131,755</b>	<b>33,978</b>
<b>Net income for the period before taxation</b>		<b>5,228,919</b>	<b>2,032,480</b>	<b>2,866,543</b>	<b>915,851</b>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<b>5,228,919</b>	<b>2,032,480</b>	<b>2,866,543</b>	<b>915,851</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		5,228,919	2,032,480		
Income already paid on units redeemed		-	-		
		<u>5,228,919</u>	<u>2,032,480</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-		
- Excluding capital gains		5,228,919	2,032,480		
		<u>5,228,919</u>	<u>2,032,480</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 ROZANA AMDANI FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2022**

	Six months period ended		Quarter ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	5,228,919	2,032,480	2,866,543	915,851
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>5,228,919</b>	<b>2,032,480</b>	<b>2,866,543</b>	<b>915,851</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 ROZANA AMDANI 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>	72,759,939	-	72,759,939	74,704,297	-	74,704,297
Issuance of 2,441,768,063 units (2021: 1,098,802,520 units)						
- Capital value (at net asset value per unit at the beginning of the period)	<b>122,088,403</b>	-	<b>122,088,403</b>	54,940,126	-	54,940,126
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	<b>122,088,403</b>	-	<b>122,088,403</b>	54,940,126	-	54,940,126
Redemption of 2,058,845,519 units (2021: 1,543,903,977 units)						
- Capital value (at net asset value per unit at the beginning of the period)	<b>102,942,276</b>	-	<b>102,942,276</b>	77,195,199	-	77,195,199
- Element of loss	-	-	-	-	-	-
Total payments on redemption of units	<b>102,942,276</b>	-	<b>102,942,276</b>	77,195,199	-	77,195,199
Total comprehensive income for the period	-	<b>5,228,919</b>	<b>5,228,919</b>	-	2,032,480	2,032,480
Distribution during the period *	-	<b>(5,228,919)</b>	<b>(5,228,919)</b>	-	(2,032,480)	(2,032,480)
Net income for the period less distribution	-	-	-	-	-	-
<b>Net assets at the end of the period</b>	<b>91,906,066</b>	-	<b>91,906,066</b>	52,449,224	-	52,449,224
<b>Undistributed income brought forward</b>						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	<b>5,228,919</b>	-	<b>5,228,919</b>	2,032,480	-	2,032,480
Distribution during the period *	<b>(5,228,919)</b>	-	<b>(5,228,919)</b>	(2,032,480)	-	(2,032,480)
Undistributed income carried forward	-	-	-	-	-	-
<b>Undistributed income carried forward</b>						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
			<b>(Rupees)</b>			<b>(Rupees)</b>
Net asset value per unit at the beginning of the period			<b>50.0000</b>			<b>50.0000</b>
Net asset value per unit at the end of the period			<b>50.0000</b>			<b>50.0000</b>

\* Meezan Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the six months period ended December 31, 2022 amounted to Rs. 3.5655 (December 31, 2021: Rs. 1.9714) per unit.

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

	<u>Six months period ended</u>	
	<u>December</u>	<u>December</u>
Note	<u>31, 2022</u>	<u>31, 2021</u>
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	5,228,919	2,032,480
<b>Adjustments for:</b>		
Amortisation of preliminary expenses and floatation costs	100	101
	<u>5,229,019</u>	<u>2,032,581</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	<u>(9,585,557)</u>	2,415,056
Deposits and prepayments	97	94
Accrued profit	<u>(485,659)</u>	(20,866)
	(10,071,119)	2,394,284
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	<u>36,798</u>	5,833
Payable to Central Depository Company of Pakistan Limited - Trustee	1,501	(1,197)
Payable to the Securities and Exchange Commission of Pakistan	<u>(2,986)</u>	(3,853)
Accrued expenses and other liabilities	<u>75,026</u>	(136,772)
	110,339	(135,989)
<b>Net cash (used in) / generated from operating activities</b>	<u>(4,731,761)</u>	<u>4,290,876</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	<u>122,473,871</u>	55,227,079
Payments against redemption and conversion of units	<u>(103,190,212)</u>	(77,423,318)
Dividend paid	<u>(5,154,719)</u>	(2,017,824)
<b>Net cash generated from / (used in) financing activities</b>	14,128,940	(24,214,063)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<u>9,397,179</u>	(19,923,187)
Cash and cash equivalents at the beginning of the period	67,602,950	68,613,167
<b>Cash and cash equivalents at the end of the period</b>	5.2 <u><u>77,000,129</u></u>	<u><u>48,689,980</u></u>

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

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

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

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

\_\_\_\_\_  
Director

**MEEZAN ROZANA AMDANI 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 Rozana Amdani Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). 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 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 investment objective of the Fund is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. 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 Shariah Compliant Money Market Scheme and has the following specific features:

(a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day); and

(b) Daily dividend received by the unit holders shall be reinvested.

By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.

**1.4** 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.

**1.5** 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. The Fund has been given a stability rating of AA+(f) by VIS Credit Rating Company Limited dated January 03, 2023 (2021: AA+(f) dated December 27, 2021).

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

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of 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 from the International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 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, JUDGEMENTS 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 accounting 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 be published accounting and reporting standards that are effective the period**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning July 01, 2022. However, these do not have any significant impact on the Funds 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 effective in the current period**

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



<b>Standards, interpretations and amendments</b>	<b>Effective date (annual periods beginning on or after)</b>
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)</b>	<b>June 30, 2022 (Audited)</b>
		----- (Rupees in '000) -----	
Balances with banks in:			
Savings accounts	5.1	42,100,396	64,902,906
Current accounts		43	44
		<u>42,100,439</u>	<u>64,902,950</u>

5.1 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 accounts of the Fund have an expected profit ranging from 6.00% to 15.90% per annum (June 30, 2022: 4.00% to 16.40% per annum).

<b>5.2 Cash and cash equivalents</b>	<b>Note</b>	<b>December 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Unaudited)</b>
		----- (Rupees in '000) -----	
Balances with banks	5	42,100,439	42,489,980
Term deposit receipts having original maturity of three months or less	6.2	11,500,000	6,200,000
Certificates of Musharka	6.3	15,250,000	-
Bai Muajjal receivable	6.4	8,149,690	-
		<u>77,000,129</u>	<u>48,689,980</u>

<b>6. INVESTMENTS</b>		<b>December 31, 2022 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
		----- (Rupees in '000) -----	
<b>At fair value through profit or loss</b>			
Corporate sukuk certificates	6.1	8,158,000	4,325,000
Term deposit receipts	6.2	15,500,000	2,700,000
Certificates of Musharka	6.3	15,250,000	-
Bai Muajjal receivable	6.4	9,902,247	-
		<u>48,810,247</u>	<u>7,025,000</u>

## 6.1 Corporate sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchased during the period	Sold / redeemed 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
							(Number of certificates)	(Rupees in '000)			%
The Hub Power Company Limited PPSTS (AA+, PACRA) (note 6.1.1)	October 27, 2022	6 months KIBOR plus base rate of 1%	6,000	-	6,000	-	-	-	-	-	-
K-Electric Limited - I (A-1+, PACRA) (note 6.1.1)	August 04, 2022	6 months KIBOR plus base rate of 0.85%	675	-	675	-	-	-	-	-	-
K-Electric Limited - II (A-1+, PACRA) (note 6.1.1)	August 15, 2022	6 months KIBOR plus base rate of 0.85%	625	-	625	-	-	-	-	-	-
K-Electric Limited - III (A-1+, PACRA) (note 6.1.2)	September 01, 2022	6 months KIBOR plus base rate of 0.85%	675	-	675	-	-	-	-	-	-
K-Electric Limited - IV (A-1+, PACRA) (note 6.1.2)	September 23, 2022	6 months KIBOR plus base rate of 0.85%	600	-	600	-	-	-	-	-	-
K-Electric Limited - V (A-1+, PACRA) (note 6.1.2)	September 23, 2022	6 months KIBOR plus base rate of 0.95%	150	-	150	-	-	-	-	-	-
Luckey Electric Limited - II (A-1+, PACRA) (note 6.1.2)	December 15, 2022	6 months KIBOR plus base rate of 1.2%	1,000	-	1,000	-	-	-	-	-	-
Luckey Electric Limited - III (A-1+, PACRA) (note 6.1.2)	January 09, 2023	6 months KIBOR plus base rate of 1.2%	-	750	-	750	750,000	750,000	-	0.82%	1.54%
China Power Hub Generation Company -I (A-1+, PACRA) (note 6.1.2)	January 30, 2023	6 months KIBOR plus base rate of 1.35%	-	1,200	-	1,200	1,200,000	1,200,000	-	1.31%	2.46%
K-Electric Limited - VII (A-1+, PACRA) (note 6.1.2)	February 10, 2023	6 months KIBOR plus base rate of 1.35%	-	750	-	750	750,000	750,000	-	0.82%	1.54%
K-Electric Limited - VIII (A-1+, PACRA) (note 6.1.2)	February 28, 2023	6 months KIBOR plus base rate of 1.35%	-	400	-	400	400,000	400,000	-	0.44%	0.82%
K-Electric Limited - IX (A-1+, PACRA) (note 6.1.2)	March 21, 2023	6 months KIBOR plus base rate of 1.4%	-	600	-	600	600,000	600,000	-	0.65%	1.23%
Luckey Electric Limited - IV (A-1+, PACRA) (note 6.1.2)	March 28, 2023	6 months KIBOR plus base rate of 1.5%	-	750	-	750	750,000	750,000	-	0.82%	1.54%
K-Electric Limited - X (A-1+, PACRA) (note 6.1.2)	April 05, 2023	6 months KIBOR plus base rate of 1.45%	-	150	-	150	150,000	150,000	-	0.16%	0.31%
Luckey Electric Limited - V (A-1+, PACRA) (note 6.1.2)	April 13, 2023	6 months KIBOR plus base rate of 1.5%	-	1,050	-	1,050	1,050,000	1,050,000	-	1.14%	2.15%
K-Electric Limited - XI (A-1+, PACRA) (note 6.1.2)	April 26, 2023	6 months KIBOR plus base rate of 1.45%	-	750	-	750	750,000	750,000	-	0.82%	1.54%
Nishat Mills Limited (A-1+, PACRA) (note 6.1.2)	May 02, 2023	3 months KIBOR plus base rate of 0.9%	-	333	-	333	333,000	333,000	-	0.36%	0.68%
China Power Hub Generation Company -I (A-1+, PACRA) (note 6.1.2)	June 07, 2023	6 months KIBOR plus base rate of 1.45%	-	675	-	675	675,000	675,000	-	0.73%	1.38%
K-Electric Limited - XI (A-1+, PACRA) (note 6.1.2)	June 13, 2023	6 months KIBOR plus base rate of 1.4%	-	750	-	750	750,000	750,000	-	0.82%	1.54%
<b>Total as at December 31, 2022</b>							<b>8,158,000</b>	<b>8,158,000</b>		<b>8.88%</b>	<b>16.71%</b>
<b>Total as at June 30, 2022</b>							4,325,000	4,325,000		5.94%	61.57%

6.1.1 The nominal value of these sukuk certificate is Rs.100,000 each. The profit payments and principal redemptions of these sukuk certificates are receivable at maturity.

6.1.2 The nominal value of these sukuk certificates is Rs.1,000,000. The profit payments and principal redemptions of these sukuk certificates are receivable at maturity.

## 6.2 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the period	Matured during the period	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
----- (Rupees in '000) -----									-----%-----	
Bank Alfalah Limited	July 13, 2022	16.20%	2,700,000	-	2,700,000	-	-	-	-	-
Bank Alfalah Limited	August 20, 2022	14.85%	-	6,000,000	6,000,000	-	-	-	-	-
Meezan Bank Limited	August 29, 2022	14.15%	-	5,900,000	5,900,000	-	-	-	-	-
Meezan Bank Limited	September 5, 2022	14.25%	-	5,000,000	5,000,000	-	-	-	-	-
Bank Alfalah Limited	September 22, 2022	15.25%	-	6,000,000	6,000,000	-	-	-	-	-
Bank Alfalah Limited	December 22, 2022	15.50%	-	6,000,000	6,000,000	-	-	-	-	-
Askari Bank Limited	December 26, 2022	15.50%	-	705,000	705,000	-	-	-	-	-
UBL Ameen	January 13, 2023	15.70%	-	700,000	-	700,000	700,000	-	0.76%	1.43%
UBL Ameen	January 13, 2023	15.70%	-	800,000	-	800,000	800,000	-	0.87%	1.64%
The Bank of Punjab	January 20, 2023	15.50%	-	3,000,000	-	3,000,000	3,000,000	-	3.26%	6.15%
The Bank of Punjab	February 16, 2023	15.80%	-	3,000,000	-	3,000,000	3,000,000	-	3.26%	6.15%
The Bank of Punjab	February 23, 2023	15.80%	-	1,000,000	-	1,000,000	1,000,000	-	1.09%	2.05%
Bank Alfalah Limited	March 22, 2023	16.00%	-	6,000,000	-	6,000,000	6,000,000	-	6.53%	12.29%
The Bank of Punjab	January 30, 2023	15.80%	-	1,000,000	-	1,000,000	1,000,000	-	1.09%	2.05%
<b>Total as at December 31, 2022</b>						<b>15,500,000</b>	<b>15,500,000</b>		<b>16.86%</b>	<b>31.76%</b>
<b>Total as at June 30, 2022</b>						<b>2,700,000</b>	<b>2,700,000</b>		<b>3.71%</b>	<b>38.43%</b>

6.2.1 The profit payments and principal redemptions of these term deposit receipts are receivable at maturity.

## 6.3 Certificates of Musharka

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the period	Matured during the period	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
----- (Rupees in '000) -----									-----%-----	
UBL Ameen	December 13, 2022	14.80%	-	7,000,000	7,000,000	-	-	-	-	-
UBL Ameen	December 14, 2022	15.80%	-	800,000	800,000	-	-	-	-	-
UBL Ameen	December 16, 2022	14.80%	-	700,000	700,000	-	-	-	-	-
Meezan Bank Limited	December 16, 2022	15.50%	-	7,500,000	7,500,000	-	-	-	-	-
Meezan Bank Limited	December 20, 2022	15.50%	-	5,000,000	5,000,000	-	-	-	-	-
Meezan Bank Limited	December 23, 2022	15.50%	-	2,500,000	2,500,000	-	-	-	-	-
Meezan Bank Limited	December 30, 2022	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	2,500,000	-	2,500,000	2,500,000	-	2.72%	5.12%
Meezan Bank Limited	January 13, 2023	15.50%	-	3,000,000	-	3,000,000	3,000,000	-	3.26%	6.15%
UBL Ameen	January 13, 2023	15.70%	-	7,000,000	-	7,000,000	7,000,000	-	7.62%	14.34%
Meezan Bank Limited	January 13, 2023	15.50%	-	1,500,000	-	1,500,000	1,500,000	-	1.63%	3.07%
Meezan Bank Limited	January 13, 2023	15.50%	-	250,000	-	250,000	250,000	-	0.27%	0.51%
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	-	1,000,000	1,000,000	-	1.09%	2.05%
<b>Total as at December 31, 2022</b>						<b>15,250,000</b>	<b>15,250,000</b>		<b>16.59%</b>	<b>31.24%</b>
<b>Total as at June 30, 2022</b>						<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>

6.3.1 The profit payments and principal redemptions of these certificate of musharika are receivable at maturity.

#### 6.4 Bai Muajjal receivable

Name of the counterparty	Maturity date	Profit rate	Total transaction Price	Total deferred income	Accrued profit for the period	Carrying value as at December 31, 2022	Percentage in relation to	
							Net assets of the Fund	Total market value of investments
						(Rupees in '000)		-----%
Pak Oman Investments Company Limited (AA+, VIS)	April 10, 2023	15.40%	641,204	49,237	22,454	663,659	0.72%	1.36%
Pak Oman Investments Company Limited (AA+, VIS)	April 12, 2023	15.40%	1,052,914	80,852	35,984	1,088,898	1.18%	2.23%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	642,197	17,565	17,565	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	774,089	20,224	20,224	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	774,443	19,917	19,917	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	774,797	19,610	19,610	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	775,152	19,302	19,302	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	775,506	18,995	18,995	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	776,568	18,070	18,070	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	776,923	17,761	17,761	-	0.00%	0.00%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	797,823	31,627	3,128	800,951	0.87%	1.64%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	422,295	16,740	1,656	423,951	0.46%	0.87%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	809,277	32,081	3,173	812,450	0.88%	1.66%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	798,886	30,625	2,088	800,974	0.87%	1.64%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	422,897	16,211	1,105	424,002	0.46%	0.87%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	810,330	31,063	2,118	812,448	0.88%	1.66%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	799,240	30,290	1,741	800,981	0.87%	1.64%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	423,098	16,035	922	424,019	0.46%	0.87%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	810,680	30,724	1,766	812,446	0.88%	1.66%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	799,595	29,955	1,393	800,988	0.87%	1.64%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	423,298	15,858	738	424,036	0.46%	0.87%
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 24, 2023	15.90%	811,031	30,384	1,413	812,444	0.88%	1.66%

Total as at December 31, 2022

231,120 9,902,247 10.74% 20.27%

Total as at June 30, 2022

- - - -

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31, 2022	June 30, 2022
		(Unaudited)	(Audited)
		----- (Rupees in '000) -----	
Remuneration payable	7.1	5,681	1,802
Sindh Sales Tax payable on remuneration of the Management Company		739	234
Selling and marketing expenses payable	7.2	33,778	1,364
		<u>40,198</u>	<u>3,400</u>

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 following rates during the period ended December 31, 2022:

<b>Rate applicable from July 01, 2022 to October 17, 2022</b>	<b>Rate applicable from October 18, 2022 to November 30, 2022</b>
0.33% of the average annual net assets	0.35% of the average annual net assets

<b>Rate applicable from December 01, 2022 to December 31, 2022</b>
0.40% of the average annual net assets

The remuneration is payable to the Management Company monthly in arrears.

- 7.2 In accordance with Circular 11 dated July 05, 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 following rates during the period ended December 31, 2022, subject to total expense charged being lower than actual expense incurred:

<b>'Rate applicable from July 01, 2022 to November 30, 2022</b>	<b>Rate applicable from December 01, 2022 to December 31, 2022</b>
0.12% of the average annual net assets	0.21% of the average annual net assets

	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	----- (Rupees in '000) -----	
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable	301	290
Brokerage payable	413	-
Shariah advisor fee payable	535	537
Withholding tax payable	154,413	80,207
CDS charges payable	2,827	2,544
Zakat payable	337	230
Other payable	19	11
	<u>158,845</u>	<u>83,819</u>

**9. CONTINGENCIES AND COMMITMENTS**

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

**10. TOTAL EXPENSE RATIO**

The annualised total expense ratio (TER) of the Fund as at December 31, 2022 based on current period results is 0.62% (December 31, 2021: 0.33%) which includes 0.07% (December 31, 2021: 0.05%) 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 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Money Market Scheme'.

**11. 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.

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) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	5,681	1,802
Sindh Sales Tax payable on remuneration of the Management Company	739	234
Selling and marketing expenses payable	33,778	1,364
Investment of 3,490,163 units (June 30, 2022: 1,179,212 units)	174,508	58,961
<b>Meezan Bank Limited</b>		
Balances with bank	163,224	86,416
Profit receivable on savings accounts	1,282	1,986
Certificate of musharika outstanding	8,250,000	-
Profit receivable on term deposit receipts and certificate of musharika	36,414	-
Shariah advisor fee payable	535	537
ATM deposit	1,000	1,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	4,080	2,752
Sindh Sales Tax payable on remuneration of the Trustee	531	358
Security deposit	100	100
CDS charges payable	2,827	2,544
Investment of 3,148,372 units (June 30, 2022: Nil)	157,419	-
<b>Meezan Strategic Asset Allocation Fund - MCPP - III</b>		
Investment of 2,544,965 units (June 30, 2022: 3,503,861 units)	127,248	175,193
<b>Meezan Strategic Allocation Fund -II - MCPP - IV</b>		
Investment of 7,036,674 units (June 30, 2022: 7,987,860 units)	351,834	399,393
<b>Meezan Strategic Allocation Fund-II - MCPP - V</b>		
Investment of 859,770 units (June 30, 2022: 1,129,971 units)	42,989	56,499
<b>Meezan Strategic Allocation Fund II- MCPP - VI</b>		
Investment of 1,021,400 units (June 30, 2022: 1,331,913 units)	51,070	66,596
<b>Meezan Strategic Allocation Fund II- MCPP - VII</b>		
Investment of 665,240 units (June 30, 2022: 781,119 units)	33,262	39,056
<b>Meezan Strategic Allocation Fund III- MCPP - IX</b>		
Investment of 4,738,044 units (June 30, 2022: 6,682,038 units)	236,902	334,102
<b>Unit holders holding 10 percent or more of the Fund</b>		
Investment of Nil (June 30, 2022: 152,229,568 units)	-	7,611,478
<b>AI Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investment of 538,344 units (June 30, 2022: 501,508 units)	26,917	25,075
<b>Directors and Executives of the Management Company</b>		
Investment of 5,630,823 units (June 30, 2022: 7,428,001 units)	281,541	371,400

Transactions during the period	Six months period ended	
	December 31, 2022 (Unaudited) ----- (Rupees in '000) -----	December 31, 2021 (Unaudited)
<b>AI Meezan Investment Management Company Limited - Management Company</b>		
Remuneration of the Management Company	128,784	43,697
Sindh Sales Tax on remuneration of the Management Company	16,742	5,681
Selling and marketing expenses	50,956	10,538
Units issued: 9,510,950 units (December 31, 2021: 54,640,891 units)	475,548	2,732,045
Units redeemed: 7,200,000 units (December 31, 2021: 73,405,469 units)	360,000	3,670,273
Dividend paid	6,174	33,502
<b>Meezan Bank Limited</b>		
Profit on savings accounts	9,348	1,926
Term deposit receipts and certificate of musharika placed	35,150,000	4,500,000
Term deposit receipts and certificate of musharika matured	26,900,000	9,500,000
Shariah advisor fee	539	542
Profit on term deposit receipts and certificate of musharika	160,216	53,197
<b>Central Depository Company of Pakistan Limited - The Trustee</b>		
Remuneration of the Trustee	20,294	15,879
Sindh Sales Tax on remuneration of the Trustee	2,638	2,064
CDS charges	867	1,136
Units issued: 3,148,372 units (December 31, 2021: Nil)	157,419	-
Dividend paid	7,419	-
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Units issued: Nil (December 31, 2021: 65,728 units)	-	3,286
Units redeemed: Nil (December 31, 2021: 3,614,533 units)	-	180,727
Dividend paid	-	3,286
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Units issued: Nil (December 31, 2021: 41,413 units)	-	2,071
Units redeemed: Nil (December 31, 2021: 2,307,532 units)	-	115,377
Dividend paid	-	2,071
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Units issued: Nil (December 31, 2021: 48,418 units)	-	2,421
Units redeemed: Nil (December 31, 2021: 2,658,182 units)	-	132,909
Dividend paid	-	2,421
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Units issued: Nil (December 31, 2021: 17,598 units)	-	880
Units redeemed: Nil (December 31, 2021: 1,099,549 units)	-	54,977
Dividend paid	-	880
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Units issued: Nil (December 31, 2021: 5,753 units)	-	288
Units redeemed: Nil (December 31, 2021: 308,151 units)	-	15,408
Dividend paid	-	288
<b>Meezan Strategic Asset Allocation Fund - MCPP-III</b>		
Units issued: 210,504 units (December 31, 2021: 583,838 units)	10,525	29,192
Units redeemed: 1,169,400 units (December 31, 2021: 4,898,020 units)	58,470	244,901
Dividend paid	10,578	7,192
<b>Transactions during the period</b>		
<b>Meezan Strategic Allocation Fund II- MCPP - IV</b>		
Units issued: 534,614 units (December 31, 2021: 1,088,858 units)	26,731	54,443
Units redeemed: 1,485,800 units (December 31, 2021: 9,472,628 units)	74,290	473,631
Dividend paid	26,877	14,943
<b>Meezan Strategic Allocation Fund II- MCPP - V</b>		
Units issued: 70,599 units (December 31, 2021: 233,496 units)	3,530	11,675
Units redeemed: 340,800 units (December 31, 2021: 1,817,290 units)	17,040	90,865
Dividend paid	3,308	2,675



**Six months period ended**  
**December December**  
**(Unaudited) (Unaudited)**  
**----- (Rupees in '000) -----**

**Meezan Strategic Allocation Fund II- MCPP - VI**

Units issued: 163,487 units (December 31, 2021: 60,288 units)  
Units redeemed: 474,000 units (December 31, 2021: 1,924,089 units)  
Dividend paid

8,174	3,014
<b>23,700</b>	<b>96,204</b>
<b>3,696</b>	<b>3,014</b>

**Meezan Strategic Allocation Fund II- MCPP - VII**

Units issued: 87,521 units (December 31, 2021: 235,864 units)  
Units redeemed: 203,400 units (December 31, 2021: 2,152,242 units)  
Dividend paid

4,376	11,793
<b>10,170</b>	<b>107,612</b>
<b>2,390</b>	<b>3,259</b>

**Meezan Strategic Allocation Fund II- MCPP - VIII**

Units issued: Nil (December 31, 2021: 8,804 units)  
Units redeemed: Nil (December 31, 2021: 702,926 units)  
Dividend paid

-	440
-	<b>35,146</b>
-	<b>440</b>

**Meezan Strategic Allocation Fund III- MCPP - IX**

Units issued: 379,806 units (December 31, 2021: 97,908 units)  
Units redeemed: 2,323,800 units (December 31, 2021: 1,194,536 units)  
Dividend paid

18,990	4,895
<b>116,190</b>	<b>59,727</b>
<b>19,089</b>	<b>1,895</b>

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

Units issued: 36,836 units (December 31, 2021: 17,144 units)  
Dividend paid

1,842	857
<b>1,842</b>	<b>857</b>

**Unit holders holding 10 percent or more of the Fund**

Units issued: Nil (December 31, 2021: 3,507,477 units)  
Dividend paid

-	175,374
-	<b>175,374</b>

**Directors and Executives of the Management Company**

Units issued: 8,408,340 units (December 31, 2021: 1,158,010 units)  
Units redeemed: 10,205,518 units (December 31, 2021: 884,370 units)  
Dividend paid

420,417	57,900
<b>510,276</b>	<b>44,219</b>
<b>9,356</b>	<b>1,050</b>

**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. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements.

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 MEASUREMENT**

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing 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: quoted market price (unadjusted) in active markets for an identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 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
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Financial assets 'at fair value through profit or loss'</b>			
Corporate sukuk certificates *	8,158,000	-	8,158,000
Term deposit receipts - having original maturity of 3 months or less*	15,500,000	-	15,500,000
Certificates of Musharka*	15,250,000	-	15,250,000
Bai Muajjal receivable **	9,902,247	-	9,902,247
	<b>48,810,247</b>	<b>-</b>	<b>48,810,247</b>

As at June 30, 2022			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Financial assets 'at fair value through profit or loss'</b>			
Corporate sukuk certificates *	4,325,000	-	4,325,000
Term deposit receipts - having original maturity of 3 months or less*	2,700,000	-	2,700,000
Bai Muajjal receivable **	-	-	-
	<b>7,025,000</b>	<b>-</b>	<b>7,025,000</b>

\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

\*\* The valuation of commercial papers and bai muajjal receivable has been carried out based on amortisation to their fair value / sale price as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and are placed with counterparties which have high credit rating.

### 14. GENERAL

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

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





**Al Meezan**  
Investment Management Ltd.

# PASSU SAR

An investor and mountain climber survives adversity and challenges as they strive towards their goals.

Height 7,476 meters,  
belongs to the range Batura Karakoram





## MEEZAN FIXED TERM FUND(MFTF)

The "Meezan Paaidaar Munafa Plan-I "(MPMP-I)" and "Meezan Paaidaar Munafa Plan-II "(MPMP-II)" are allocation plans under "Meezan Fixed Term Fund" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.



# 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

Askari Bank Ltd - Islamic Banking  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited  
The Bank of Punjab - Islamic Banking  
United 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  
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## 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 Shakra-e-Faisal  
Karachi - 74400, Pakistan.

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

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN FIXED TERM 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 Fixed Term 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 period from June 09, 2022 to 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 Fixed Term Fund**

**Report on Review of Interim Financial Statements**

### Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Meezan Fixed Term 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 period then ended from 9 June 2022 to 31 December 2022 (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 quarter ended 31 December 2022 has not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the period from 09 June 2022 to 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 :-

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:** RR2022100769VAjwxReL





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

		December 31, 2022 (Unaudited) MPMP-II (Rupees in '000)
<b>Assets</b>		
Balances with banks	5	614,588
Investments	6.	1,875,000
Accrued profit	7	106,049
Preliminary expenses and floatation costs	8	35
<b>Total assets</b>		<b>2,595,672</b>
<b>Liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	9	13,351
Payable to Central Depository Company of Pakistan Limited - Trustee	10	480
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	155
Accrued expenses and other liabilities	12	205
<b>Total liabilities</b>		<b>14,191</b>
<b>Net Assets</b>		<b>2,581,481</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,581,481</b>
<b>Contingencies and commitments</b>	13	
		(Number of units)
<b>Number of units in issue</b>		<b>49,509,866</b>
		(Rupees)
<b>Net asset value per unit</b>		<b>52.1407</b>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN FIXED TERM FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE PERIOD FROM JUNE 09, 2022 TO DECEMBER 31, 2022 AND QUARTER ENDED DECEMBER 31, 2022**

	MPMP-I (Upon initial maturity)	MPMP-I (Upon initial maturity)	MPMP-II		MPMP-I (Upon initial maturity)	MPMP-II
	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from September 12, 2022 to December 31, 2022	Total	For the period from October 01, 2022 to December 26, 2022	For the quarter ended December 31, 2022
Note -----(Rupees in '000)-----						
<b>Income</b>						
Profit on saving accounts with banks	2,370	4,672	30,574	37,616	4,645	25,448
Profit on term deposit receipts	67,742	69,172	90,092	227,006	65,367	74,671
Other Income	115	24	-	139	24	-
<b>Total income</b>	<b>70,227</b>	<b>73,868</b>	<b>120,666</b>	<b>264,761</b>	<b>70,036</b>	<b>100,119</b>
<b>Expenses</b>						
Remuneration of Al Meezan Investment Management Limited - Management Company	9.1 2,078	4,748	11,735	18,561	4,567	9,712
Sindh Sales Tax on remuneration of the Management Company	9.2 270	617	1,526	2,413	594	1,263
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 322	253	425	1,000	239	353
Sindh Sales Tax on remuneration of the Trustee	10.2 42	33	55	130	31	46
Annual fees to the Securities and Exchange Commission of Pakistan	11 99	92	155	346	87	129
Auditors' remuneration	14 72	88	69	229	84	21
Formation Cost	8.1 90	93	55	238	88	46
Bank and settlement charges	47	4	6	57	4	6
Fees and subscription	108	156	92	356	147	76
<b>Total expenses</b>	<b>3,128</b>	<b>6,084</b>	<b>14,118</b>	<b>23,330</b>	<b>5,841</b>	<b>11,652</b>
<b>Net income for the period before taxation</b>	<b>67,099</b>	<b>67,784</b>	<b>106,548</b>	<b>241,431</b>	<b>64,195</b>	<b>88,467</b>
Taxation	16 -	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>67,099</b>	<b>67,784</b>	<b>106,548</b>	<b>241,431</b>	<b>64,195</b>	<b>88,467</b>
<b>Allocation of net income for the period</b>						
Net income for the period after taxation	67,099	67,784	106,548	241,431	64,195	88,467
Income already paid on units redeemed	(7,379)	(31,391)	(560)	(39,330)	(31,391)	(553)
	<b>59,720</b>	<b>36,393</b>	<b>105,988</b>	<b>202,101</b>	<b>32,804</b>	<b>87,914</b>
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	59,720	36,393	105,988	202,101	32,804	87,914
	<b>59,720</b>	<b>36,393</b>	<b>105,988</b>	<b>202,101</b>	<b>32,804</b>	<b>87,914</b>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director



**MEEZAN FIXED TERM FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD FROM JUNE 09, 2022 TO DECEMBER 31, 2022 AND QUARTER ENDED DECEMBER 31, 2022**

MPMP-I (Upon initial maturity)	MPMP-I (Upon initial maturity)	MPMP-II	Total	MPMP-I (Upon initial maturity)	MPMP-II	
For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from September 12, 2022 to December 31, 2022		For the period from October 01, 2022 to December 26, 2022	For the quarter ended December 31, 2022	
------(Rupees in '000)-----						
Net income for the period after taxation	67,099	67,784	106,548	241,431	64,195	88,467
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>67,099</b>	<b>67,784</b>	<b>106,548</b>	<b>241,431</b>	<b>64,195</b>	<b>88,467</b>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**MEEZAN FIXED TERM FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE PERIOD FROM JUNE 09, 2022 TO DECEMBER 31, 2022**

	For the period from June 09, 2022 to September 09, 2022			For the period from September 26, 2022 to December 26, 2022			For the period from September 12, 2022 to December 31, 2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	MPMP-I (upon initial maturity)			MPMP-I (upon initial maturity)			MPMP-II		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
<b>Issuance of units:</b>									
MPMP-I : 38,766,267 and 59,472,927 units									
/ MPMP-II : 52,510,000 units									
- Capital value (at par value per unit)	1,938,313	-	1,938,313	2,973,646	-	2,973,646	2,625,500	-	2,625,500
- Element of income	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	1,938,313	-	1,938,313	2,973,646	-	2,973,646	2,625,500	-	2,625,500
<b>Redemption of units:</b>									
MPMP-I : 23,406,872 and 40,130,443 units									
/ MPMP-II : 3,000,134 units									
- Capital value (at par value per unit)	1,170,344	-	1,170,344	2,006,522	-	2,006,522	150,007	-	150,007
- Element of loss	-	7,379	7,379	364	31,391	31,755	-	560	560
Total payments on redemption of units	1,170,344	7,379	1,177,723	2,006,886	31,391	2,038,277	150,007	560	150,567
Total comprehensive income for the period	-	67,099	67,099	-	67,784	67,784	-	106,548	106,548
Distribution during the period	-	(59,720)	(59,720)	-	(36,393)	(36,393)	-	-	-
Net income for the period less distribution	-	7,379	7,379	-	31,391	31,391	-	106,548	106,548
<b>Net assets at the end of the period</b>	<b>767,969</b>	<b>-</b>	<b>767,969</b>	<b>966,760</b>	<b>-</b>	<b>966,760</b>	<b>2,475,493</b>	<b>105,988</b>	<b>2,581,481</b>
Accounting income available for distribution									
- Relating to capital gains	-			-			-		
- Excluding capital gains	59,720			36,393			105,988		
	59,720			36,393			105,988		
Distribution during the period	(59,720)			(36,393)			-		
Undistributed income carried forward	-			-			105,988		
<b>Undistributed income carried forward</b>									
- Realised income	-			-			105,988		
- Unrealised income	-			-			-		
	-			-			105,988		
	(Rupees)			(Rupees)			(Rupees)		
Net assets value per unit at the end of the period	<b>50.0000</b>			<b>50.0000</b>			<b>52.1407</b>		

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN FIXED TERM FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE PERIOD FROM JUNE 09, 2022 TO DECEMBER 31, 2022**

MPMP-I (Upon initial maturity)	MPMP-I (Upon initial maturity)	MPMP-II
For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from September 12, 2022 to December 31, 2022

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period before taxation	67,099	67,784	106,548
<b>Adjustment for non-cash items:</b>			
Amortisation of preliminary expenses and floatation costs	90	93	55
	<u>67,189</u>	<u>67,877</u>	<u>106,603</u>
<b>Increase in assets</b>			
Investments	-	-	(1,875,000)
Accrued profit	(870)	(2,083)	(106,049)
Preliminary expenses and floatation costs	(90)	(93)	(90)
	<u>(960)</u>	<u>(2,176)</u>	<u>(1,981,139)</u>
<b>Increase in liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	2,349	5,548	13,351
Payable to Central Depository Company of Pakistan Limited - Trustee	363	286	480
Payable to the Securities and Exchange Commission of Pakistan (SECP)	99	92	155
Accrued expenses and other liabilities	7,892	3,564	205
	<u>10,703</u>	<u>9,490</u>	<u>14,191</u>
<b>Net cash generated from / (used in) operating activities</b>	<u>76,932</u>	<u>75,191</u>	<u>(1,860,345)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Receipts against issuance and conversion of units	1,916,562	2,973,646	2,625,500
Payments against redemption and conversion of units	(25,432)	(1,177,359)	(150,567)
Dividend paid	-	-	-
<b>Net cash generated from financing activities</b>	<u>1,891,130</u>	<u>1,796,287</u>	<u>2,474,933</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,968,062</u>	<u>1,871,478</u>	<u>614,588</u>
Cash and cash equivalents at the beginning of the period	-	-	-
<b>Cash and cash equivalents at the end of the period</b>	<u><u>1,968,062</u></u>	<u><u>1,871,478</u></u>	<u><u>614,588</u></u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director



**MEEZAN FIXED TERM FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE PERIOD FROM JUNE 09, 2022 TO DECEMBER 31, 2022**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Fixed Term Fund (the "Fund", the "Scheme") was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on April 05, 2022 under Sindh Trusts Act, 2020 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 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** Meezan Fixed Term Fund is an Open Ended Shariah Compliant Collective Investment Scheme as per SECP's Circular No.3 of 2022 dated February 10, 2022 with different allocation plans. The investment objective of the Fund is to earn potentially high returns by investing in Shariah Compliant Fixed Income instruments.
- 1.3** The first and the second Allocation Plan named Meezan Paidaar Munafa Plan I (MPMP I) and Meezan Paidaar Munafa Plan II (MPMP II) under the Scheme was launched on June 09, 2022 and September 12, 2022, respectively, with an objective to provide investors with potentially high returns through placement of deposit in Shariah Compliant Banks.

The assets and liabilities of MPMP1 matured on September 09, 2022 stood at Rs.1,968.933 million and Rs.1,162.995 million, respectively. The liabilities amounting to Rs.1,162.626 million has been paid off as at January 05, 2023, remaining outstanding balance of Rs.0.369 million will be paid off subsequently.

Amongst the remaining assets amounting to Rs.805.938 million, dividend distribution of Rs.44.793 million is made upon maturity of the plan which has been re-invested by unit holders in roll over plan of MPMP1 launched on September 26, 2022.

The assets and liabilities of roll over plan MPMP1 matured on December 26, 2022 stood at Rs.1,873.561 million and Rs.870.407 million, respectively. The liabilities amounting to Rs.857.251 million has been paid off as at January 05, 2023 related to payments on redemption and conversion of units, remaining outstanding balance of Rs.13.157 million will be paid off subsequently.

Amongst the remaining assets amounting to Rs.1,003.154 million, dividend distribution of Rs.36.393 million is made upon maturity of the plan which has been re-invested by unit holders in roll over plan of MPMP1 launched on January 06, 2023.

- 1.4** Units are offered for public subscription for limited time period. The units are transferable and can be redeemed by surrendering them to the Fund after deduction of contingent load.
- 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.
- 1.6** 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.

- 1.7 As per offering document approved by SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. On the request of AMC, the SECP through letter # SCD/AMCW/MFTF/361/2022 dated June 06, 2022 has granted exemption from publishing financial statements for the period ending June 30, 2022. Accordingly, these financial statements have been prepared for the period from June 09, 2022 to December 31, 2022.

## 2 BASIS OF PRESENTATION

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

## 3 BASIS OF PREPARATION

### 3.1 Statement of compliance

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

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

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

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.

### 3.2 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.

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

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

### **3.4 Critical accounting estimates and judgments**

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to valuation of financial assets (note 4.3) and provision for taxation (notes 4.13 and 16).

### **3.5 Accounting convention**

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

### **3.6 Functional and presentation currency**

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

## **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4.1** The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below.

### **4.2 Cash and cash equivalents**

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

### **4.3 Financial assets**

#### **4.3.1 Initial recognition and measurement**

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

#### **4.3.2 Classification and subsequent measurement**

##### **a) Debt instruments**

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

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

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

#### **b) Impairment**

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

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

#### **c) Impairment loss on debt securities**

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the SECP requirements. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's circular.

#### **4.3.3 Regular way contracts**

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

#### **4.3.4 Derecognition**

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

#### **4.4 Financial liabilities**

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

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

#### **4.5 Offsetting of financial assets and financial liabilities**

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

#### **4.6 Provisions**

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

#### **4.7 Net asset value per unit**

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

#### **4.8 Issue and redemption of units**

Units issued are recorded at the par value i.e. Rs. 50 by the Management Company for the applications received by the Management Company / distributors during subscription period.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to apply contingent load.

#### **4.9 Distributions to unit holders**

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

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

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

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

#### **4.11 Revenue recognition**

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Profit on bank deposits, certificate of musharaka and term deposit receipts is recognised on accrual basis.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.

#### **4.12 Expenses**

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

#### **4.13 Taxation**

##### **Current**

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

##### **Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax



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

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

#### 4.14 Earnings / (loss) per unit

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

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

#### 4.15 Foreign currency translation

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

		<b>December 31, 2022 (Unaudited) MPMP-II (Rupees in '000)</b>
<b>5</b>	<b>BALANCES WITH BANKS</b>	<b>Note</b>
	Balances with banks in:	
	Savings accounts	5.1 <u><u>614,588</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% per annum. Other profit and loss sharing accounts of the Fund have declared profit rates ranging from 6.00% to 15.80% per annum.	

		<b>December 31, 2022 (Unaudited) MPMP-II (Rupees in '000)</b>
<b>6.</b>	<b>INVESTMENTS</b>	<b>Note</b>
	<b>At fair value through profit or loss</b>	
	Term deposit receipts	6.1 <u><u>1,875,000</u></u>
<b>6.1</b>	<b>Term deposit receipts</b>	

Name of the bank	Maturity date	Profit rate	Placed during the period	Matured during the period	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 investment
		%	(Rupees in '000)					%	

##### Meezan Paaidar Muanafa Plan -I

Askari Bank Limited (AA+, PACRA)	September 09,2022	14.27%	1,918,500	1,918,500	-	-	-	-	-
Askari Bank Limited (AA+, PACRA)	December 26, 2022	15.50%	1,792,000	1,792,000	-	-	-	-	-

##### Meezan Paaidar Muanafa Plan -II

Bank of Punjab (AA+, PACRA)	March 10, 2023	15.80%	1,875,000	-	1,875,000	1,875,000.00	-	72.63	100
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As at December 31, 2022			<u>5,585,500</u>	<u>3,710,500</u>	<u>1,875,000</u>	<u>1,875,000</u>			
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6.1.1 The profit and principal of term deposit receipts is receivable at maturity.

		December 31, 2022 (Unaudited) MPMP-II (Rupees in '000)
<b>7</b>	<b>ACCRUED PROFIT</b>	
	Profit accrued on:	
	Balances with bank	15,957
	Term deposit receipts	<u>90,092</u>
		<u><u>106,049</u></u>

		December 31, 2022 (Unaudited) MPMP-II (Rupees in '000)
<b>8</b>	<b>PRELIMINARY EXPENSES AND FLOTATION COSTS</b>	
	At the beginning of the period	90
	Less: Amortisation during the period	<u>(55)</u>
	At the end of the period	<u><u>35</u></u>

- 8.1** Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over the tenure of each allocation plan launched, in accordance with the requirements set out in the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

		December 31, 2022 (Unaudited) MPMP-II (Rupees in '000)
<b>9</b>	<b>PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	
	Remuneration payable	9.1      11,735
	Sindh Sales Tax payable on remuneration of the Management Company	9.2      1,526
	Formation cost payable	<u>90</u>
		<u><u>13,351</u></u>

- 9.1** As per regulation 61 of the NBFC Regulations, 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, during the period, the Management Company has charged remuneration at the following rates:

MPMP-I (June 09, 2022- September 09, 2022)	0.42% per annum of the average annual net assets
MPMP-I (September 26, 2022 - December 26, 2022)	1.032% per annum of the average annual net assets
MPMP-II (September 12, 2022 - December 21, 2022)	1.55% per annum of the average annual net assets
MPMP-II (December 22, 2022 - December 31, 2022)	1.20% per annum of the average annual net assets



9.2 Sales tax on the management fee has been charged at the rate of 13%.

		December 31, 2022 (Unaudited)	
		MPMP-II (Rupees in '000)	
<b>10</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>Note</b>	
	Trustee fee payable	10.1	425
	Sindh Sales Tax payable on trustee fee	10.2	55
			480

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed, at the rate of 0.055% per annum of net assets of the Fund.

10.2 Sales tax on the trustee remuneration has been charged at the rate of 13%.

**11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**

In accordance with the NBFC Regulations, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% per annum of average annual net assets during the current period.

		December 31, 2022 (Unaudited)	
		MPMP-II (Rupees in '000)	
<b>12</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Auditors' remuneration payable		69
	Fund rating fee payable		26
	Shariah advisor fee payable		66
	Capital gain tax payable		44
			205

**13 CONTINGENCIES AND COMMITMENTS**

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

		For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from September 12, 2022 to December 31, 2022	Total
		MPMP-I	MPMP-I	MPMP-II	
		(Rupees in '000)			
<b>14</b>	<b>AUDITORS' REMUNERATION</b>				
	Statutory audit fee	35	79	49	163
	Half yearly review fee	37	9	20	66
		72	88	69	229

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2022 is as under:

	For the period from June 09, 2022 to September 09, 2022 MPMP-I	For the period from September 26, 2022 to December 26, 2022 MPMP-I	For the period from September 12, 2022 to December 31, 2022 MPMP-II
Total Expense Ratio (TER)	0.63%	1.32%	1.86
Government Levies	0.08%	0.16%	0.23%

The above calculated ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

## 16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The management has distributed the required income earned by the Fund in Tax Year 2022 and therefore no tax liability has been recorded in respect of income of the Fund for the said 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.

## 17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1 Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Collective Investment Schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.
- 17.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. 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.
- 17.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

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

	December 31, 2022 (Unaudited) MPMP-II (Rupees in '000)			
<b>Balances</b>				
<b>AI Meezan Investment Management Limited - Management Company</b>				
Management fee payable			11,735	
Sindh Sales Tax payable on the remuneration of the Management Company			1,526	
Formation cost payable			90	
Investment			181,971	
Investment (Units)			3,490,000	
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration payable to the Trustee			425	
Sindh Sales Tax on remuneration of the Trustee			55	
<b>Meezan Bank Limited</b>				
Balance with bank			425	
Profit receivable on saving account			5	
Shariah advisor fee payable			66	
<b>AI Meezan Investment Management Limited - Employees' Gratuity Fund</b>				
Investment			11,471	
Investment (Units)			220,000	
<b>Directors and Executives of the Management Company</b>				
Investment			25,028	
Investment (units)			480,000	
	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to September 30, 2022	For the period from September 12, 2022 to September 30, 2022	Total
	MPMP-I	MPMP-I	MPMP-II	
			(Rupees in '000)	
<b>Transactions during the period</b>				
<b>AI Meezan Investment Management Limited - Management Company</b>				
Remuneration of AI Meezan Investment Management Limited - Management Company	2,078	4,748	11,735	18,561
Sindh Sales Tax on the remuneration of the Management Company	270	617	1,526	2,413
Invested during the period	-	-	300,000	300,000
Invested during the period (Units)	-	-	6,000,000	6,000,000
Redeemed during the period	-	-	125,500	125,500
Redeemed during the period (Units)	-	-	2,510,000	2,510,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration of the Trustee	322	253	425	1,000
Sindh Sales Tax on remuneration of the Trustee	42	33	55	130
<b>Meezan Bank Limited</b>				
Profit on savings account	60	48	29	137
Shariah advisory fee	65	111	66	242



	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to September 30, 2022	For the period from September 12, 2022 to September 30, 2022	Total
	MPMP-I	MPMP-I	MPMP-II	
	(Rupees in '000)			
<b>Transactions during the period</b>				
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>				
Invested during the period	-	-	11,471	11,471
Invested during the period (Units)	-	-	220,000	220,000
<b>Directors and Executives of the Management Company</b>				
Invested during the period	2,500	111,500	25,028	139,028
Invested during the period (Units)	50,000	2,230,000	480,000	2,760,000
Redeemed during the period	2,500	117,856	-	120,356
Redeemed during the period (Units)	50,000	2,280,332	-	2,330,332

## 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Risks managed and measured by the Fund are explained below:

### 18.1 Market risk

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

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

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

#### (i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of December 31, 2022, the Fund is exposed to such risk on its balances held with banks and investments in term deposit receipts. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the period from September 12, 2022 to December 31, 2022 and net assets of the Fund would have been higher / lower by Rs. 0.16 million.

#### b) Sensitivity analysis for fixed rate instruments

The Fund does not hold any financial instruments that are exposed to fixed rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

**(ii) Currency risk**

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

**(iii) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold any instruments that are exposed to price risk.

**18.2 Liquidity risk**

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

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

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

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

**18.3 Credit risk**

**18.3.1** Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

Credit risk arises from deposits with banks and financial instruments, profit receivable on balances with banks, receivable against conversion of units and credit exposure arising as a result of receivable against sale of investments. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. For debt instrument settlement, Delivery versus Payment (DvP) mechanism applied by the Trustee of the Fund minimises the credit risk. In accordance with the risk management policy of the Fund, the investment committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

	<b>December 31, 2022 (Unaudited)</b>	
	<b>Balance as per condensed interim statement of assets and liabilities</b>	<b>Maximum exposure to credit risk</b>
	<b>MPMP-II</b>	
	<b>Rupees In '000</b>	
Balances with banks	614,588	614,588
Investments	1,875,000	1,875,000
Profit accrued	106,049	106,049
	<u>2,595,637</u>	<u>2,595,637</u>

The maximum exposure to credit risk before any credit enhancement as at December 31, 2022 is the carrying amount of the financial assets.

### 18.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon and receivable against conversion of units and against investments. The credit rating profile of balances with banks is as follows:

	<b>% of financial assets exposed to credit risk</b>
	<b>December 31, 2022 (Unaudited)</b>
<b>Rating</b>	
AA+	99.93%
AAA	0.07%
	<b>100.00%</b>

### 18.3.3 Concentration of credit risk

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

All financial assets of the Fund as at December 31, 2022 are unsecured and are not impaired.

## 19 FAIR VALUE MEASUREMENT

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

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

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

### Fair value hierarchy

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

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

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

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

As at December 31, 2022, the Fund held the following financial instruments measured at fair values

As at December 31, 2022 (Unaudited)			
Level 1	Level 2	Level 3	Total

-----Rupees In '000-----

### Financial assets - at fair value through profit or loss

Term deposit receipts*	-	1,875,000	-	1,875,000
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\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.



## 20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has restriction on the subscription after the end of subscription period however redemption of units will be executed subject to the applicability of contingent load. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme.

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

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

## 21 GENERAL

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

21.2 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.

## 22 DATE OF AUTHORISATION FOR ISSUE

These 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 Officer

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

\_\_\_\_\_  
Director