



Al Meezan
Investment Management Ltd.

GASHERBRUM II K4

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

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



MEEZAN ENERGY FUND (MEF)

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



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Mr. Salman Muslim

BOARD AUDIT COMMITTEE

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

BOARD RISK MANAGEMENT COMMITTEE

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

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

BOARD IT COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

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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TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ENERGY 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 Energy 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 Energy Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Meezan Energy 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: RR2022100764XNG7v5Kb



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

		December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
Assets			
Balances with banks	5	16,865	5,571
Investments	6	518,143	430,357
Receivable against conversion of units		3,844	61
Dividend receivable		255	197
Receivable against sale of investments		-	6,571
Advance, deposits and other receivable		3,111	3,062
Total assets		542,218	445,819
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	728	343
Payable to Central Depository Company of Pakistan Limited - Trustee		82	81
Payable to Meezan Bank Limited		1	2
Payable to the Securities and Exchange Commission of Pakistan		43	101
Payable against redemption and conversion of units		712	5,103
Accrued expenses and other liabilities	8	2,924	2,275
Total liabilities		4,490	7,905
Net assets		537,728	437,914
Contingencies and commitments	9		
Unit holders' funds (as per statement attached)		537,728	437,914
		(Number of units)	
Number of units in issue		16,850,775	13,892,447
		(Rupees)	
Net asset value per unit		31.9112	31.5217

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ENERGY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE 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)
Income					
Net realised loss on sale of investments		(3,455)	(3,200)	(1,740)	(698)
Dividend income		32,319	24,848	17,174	12,581
Profit on savings accounts with banks		347	266	217	151
		<u>29,211</u>	<u>21,914</u>	<u>15,651</u>	<u>12,034</u>
Net unrealised (diminution) / appreciation on re-measurement re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	(11,559)	(49,938)	18,143	(6,742)
Total income / (loss)		<u>17,652</u>	<u>(28,024)</u>	<u>33,794</u>	<u>5,292</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	4,272	5,318	2,110	2,582
Sindh Sales Tax on remuneration of the Management Company		555	691	274	335
Allocated expenses	7.2	235	293	116	142
Selling and marketing expenses	7.3	854	1,064	422	517
Remuneration of Central Depository Company of Pakistan Limited - Trustee		427	532	211	258
Sindh Sales Tax on remuneration of the Trustee		56	69	28	33
Annual fee to the Securities and Exchange Commission of Pakistan		43	53	21	26
Auditors' remuneration		186	197	108	95
Charity expense		1,313	1,024	809	357
Fees and subscription		287	285	144	143
Brokerage expense		633	505	529	100
Bank and settlement charges		186	198	96	89
Legal and professional charges		-	184	-	-
Amortisation of preliminary expenses and floatation costs		-	83	-	33
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(2,709)	-	-
Total expenses		<u>9,047</u>	<u>7,787</u>	<u>4,868</u>	<u>4,710</u>
Net income / (loss) for the period before taxation		<u>8,605</u>	<u>(35,811)</u>	<u>28,926</u>	<u>582</u>
Taxation	12	-	-	-	-
Net income / (loss) for the period after taxation		<u>8,605</u>	<u>(35,811)</u>	<u>28,926</u>	<u>582</u>
Allocation of net income for the period					
Net income for the period after taxation		8,605	-	-	-
Income already paid on units redeemed		-	-	-	-
		<u>8,605</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		8,605	-	-	-
		<u>8,605</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

	<u>Six months period ended,</u> <u>December 31,</u>		<u>Quarter ended,</u> <u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income / (loss) for the period after taxation	8,605	(35,811)	28,926	582
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>8,605</u>	<u>(35,811)</u>	<u>28,926</u>	<u>582</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

	Note	Six months period ended December 31,	
		2022	2021
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the period before taxation		8,605	(35,811)
Adjustments for:			
Amortisation of preliminary expenses and floatation costs		-	83
Net unrealised diminution on re-measurement of investments classified as 'financial assets 'at fair value through profit or loss'	6.1	<u>11,559</u>	<u>49,938</u>
		<u>20,164</u>	<u>14,210</u>
(Increase) / decrease in assets			
Investments - net		<u>(99,345)</u>	<u>34,877</u>
Dividend receivable		<u>(58)</u>	<u>1,567</u>
Receivable against sale of investments		<u>6,571</u>	<u>-</u>
Advances, deposits and other receivables		<u>(49)</u>	<u>1,016</u>
		<u>(92,881)</u>	<u>37,460</u>
(Decrease) / Increase in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		<u>385</u>	<u>98</u>
Payable to Central Depository Company of Pakistan Limited - Trustee		<u>1</u>	<u>(16)</u>
Payable to Meezan Bank Limited		<u>(1)</u>	<u>(21)</u>
Payable to the Securities and Exchange Commission of Pakistan		<u>(58)</u>	<u>(52)</u>
Accrued expenses and other liabilities		<u>649</u>	<u>(2,475)</u>
		<u>976</u>	<u>(2,466)</u>
Net cash (used in) / generated from operating activities		<u>(71,741)</u>	<u>49,204</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		<u>302,670</u>	<u>468,243</u>
Payment against redemption and conversion of units		<u>(219,635)</u>	<u>(522,720)</u>
Net cash generated from / (used in) financing activities		<u>83,035</u>	<u>(54,477)</u>
Net increase / (decrease) in cash and cash equivalents during the period		<u>11,294</u>	<u>(5,273)</u>
Cash and cash equivalents at the beginning of the period		<u>5,571</u>	<u>18,782</u>
Cash and cash equivalents at the end of the period		<u>16,865</u>	<u>13,509</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Energy Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 09, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 26, 2016 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The 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, Shariah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The objective of the Fund is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The Fund is categorised as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2022 (2021: AM1 dated June 23, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022.

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

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

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

4.3 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 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:

Standards, interpretations and amendments	Effective date (annual periods beginning on or after)
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.

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

	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
5. BALANCES WITH BANKS			
Balances with banks in:			
Savings accounts	5.1	16,030	3,675
Current accounts		835	1,896
		16,865	5,571

5.1 This includes 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 savings accounts of the Fund have expected rates of profit ranging from 5% to 15.50% (June 30, 2022: 4.29% to 16.25%) per annum.

	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
6. INVESTMENTS			
At fair value through profit or loss			
Shares of listed companies - 'ordinary shares'	6.1	518,143	430,357

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2022	Purchased during the period	Bonus / right shares	Sold 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 invest- ments	Paid-up capital of investee company (with face value of investment)	
	Number of shares				Rupees in '000				%			
Oil and Gas Exploration Companies												
Mari Petroleum Company Limited (note 6.1.2)	49,424	6,168	-	7,500	48,092	83,082	74,396	(8,686)	13.84	14.36	0.04	
Oil and Gas Development Company Limited	922,016	496,000	-	80,000	1,338,016	103,575	106,586	3,011	19.82	20.57	0.03	
Pakistan Oilfields Limited (note 6.1.2)	191,717	36,000	-	27,500	200,217	81,258	78,655	(2,603)	14.63	15.18	0.07	
Pakistan Petroleum Limited (note 6.1.2)	985,036	665,000	-	-	1,650,036	107,211	112,433	5,222	20.91	21.70	0.06	
									69.20	71.81	0.20	
Oil and Gas Marketing Companies												
Attock Petroleum Limited	31,500	15,450	7,875	-	54,825	15,120	15,883	763	2.95	3.07	0.04	
Pakistan State Oil Company Limited (note 6.1.2 & 6.1.3)	175,878	159,000	-	10,000	324,878	52,531	46,779	(5,752)	8.70	9.03	0.07	
Sui Northern Gas Pipelines Limited	322,300	906,500	-	50,000	1,178,800	42,904	44,264	1,360	8.23	8.54	0.19	
									19.88	20.64	0.30	
Power Generation and Distribution												
The Hub Power Company Limited	656,444	187,000	-	495,000	348,444	23,725	21,980	(1,745)	4.09	4.24	0.03	
K- Electric Limited (note 6.1.1)	2,553,500	3,350,000	-	1,550,000	4,353,500	12,462	11,754	(708)	2.19	2.27	0.02	
									6.28	6.51	0.05	
Refinery												
Attock Refinery Limited	25,500	-	-	25,500	-	-	-	-	-	-	-	
Cnergyco PK Limited (Formerly Byco Petroleum Pakistan Limited)	2,597,000	-	-	1,130,000	1,467,000	7,834	5,413	(2,421)	1.01	1.04	0.03	
National Refinery Limited	21,000	-	-	21,000	-	-	-	-	-	-	-	
									1.01	1.04	0.03	
Total as at December 31, 2022						529,702	518,143	(11,559)	96.37	100.00		
Total as at June 30, 2022						478,011	430,357	(47,654)	98.28	100.00		

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which has face value of Rs 3.5 each.
- 6.1.2** The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2022. As at December 31, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Re.0.84 million (June 30, 2022: Re.1.002 million).
- 6.1.3** Investments include 65,000 shares of Pakistan Petroleum Limited, 26,500 shares of Pakistan Oilfields Limited, 4,000 shares of Mari Petroleum Limited and 5,000 shares of Pakistan State Oil Company Limited, having market value of Rs.4.429 million, Rs.10.411 million, Rs.6.188 million and Rs.0.720 million respectively as at December 31, 2022 (June 30, 2022: 65,000 shares of Pakistan Petroleum Limited, 26,500 shares of Pakistan Oilfields Limited, 4,000 shares of Mari Petroleum Limited and 5,000 shares of Pakistan State Oil Company Limited, having market value of Rs.4.388 million, Rs.10.754 million, Rs.6.959 million and Rs.0.859 million respectively) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note	(Rupees in '000)	
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	7.1	171	146
Sindh Sales Tax payable on remuneration of the Management Company		22	19
Allocated expenses payable	7.2	41	3
Selling and marketing expenses payable	7.3	487	148
Sales load payable		6	24
Sindh Sales Tax payable on sales load		1	3
		<u>728</u>	<u>343</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 2% (2021: 2%) per annum of the average net assets of the Fund during the period ended December 31, 2022. The remuneration is payable to the Management Company monthly in arrears.

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

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.11% (2021: 0.11%) of the average annual net assets of the Fund during the period ended December 31, 2022, subject to total expense charged being lower than actual expense incurred.

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

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
		(Rupees in '000)	
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		157	195
Brokerage payable		454	81
Shariah advisor fee payable		267	264
Charity payable		1,313	1,623
Capital gain tax payable		61	112
Unclaimed payments		670	-
Other payable		2	-
		<u>2,924</u>	<u>2,275</u>

9. CONTINGENCIES AND COMMITMENTS

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

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The 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)	June 30, 2022 (Audited)
	(Rupees in '000)	
Balances		
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	171	146
Sindh Sales Tax payable on remuneration of the Management Company	22	19
Sales load payable	6	24
Sindh Sales Tax payable on sales load	1	3
Allocated expenses payable	41	3
Selling and marketing expenses payable	487	148
Investment of 2,686,731 units (June 30, 2022: 2,671,102 units)	85,211	84,198
Meezan Bank Limited		
Balances with bank	3,303	5,159
Profit receivable on savings account	14	20
Sales load payable	1	2
Sindh Sales Tax on sales load payable	-	-
Shariah advisor fee payable	267	264
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	73	72
Sindh Sales Tax payable on remuneration of the Trustee	9	9
Security deposit	100	100
Directors and executives of the Management Company		
Investment of 1,510,412 units (June 30, 2022: 439,242 units)	48,199	13,846
Unit holders holding 10% or more of units of the Fund		
Investment of 7,027,443 units (June 30, 2022: 4,134,635 units)	224,254	130,331



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

Transactions during the period

Al Meezan Investment Management Limited - Management Company

Remuneration of the Management Company	4,272	5,318
Sindh Sales Tax on remuneration of the Management Company	555	691
Allocated expenses	235	293
Selling and marketing expenses	854	1,064
Units issued: 115,041 (December 31, 2021: Nil)	3,500	-
Units redeemed: 99,412 units (December 31, 2021: 592,891 units)	3,000	20,000

Meezan Bank Limited

Profit on savings account	74	74
Shariah advisor fee	273	271

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	427	532
Sindh Sales Tax on remuneration of the Trustee	56	69
CDS charges	12	18

Directors and executives of the Management Company

Units issued: 1,303,443 units (December 31, 2021: 316,775 units)	40,608	10,458
Units redeemed: 231,971 units (December 31, 2021: 386,982 units)	7,339	12,652

11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31, 2022 based on current period results is 4.23% (December 31, 2021: 3.95%) which includes 0.34% (December 31, 2021: 0.33%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

12. TAXATION

The 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: Fair value measurements using quoted price (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	As at December 31, 2022			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	518,143	-	-	518,143

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

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.

DISTAGHIL SAR

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

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



MEEZAN BALANCED FUND (MBF)

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



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Mr. Salman Muslim

BOARD AUDIT COMMITTEE

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

BOARD RISK MANAGEMENT COMMITTEE

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

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

BOARD IT COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

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

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

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 BALANCED 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 Balanced 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 Balanced Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Meezan Balanced 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: RR2022100768YxzNwvpC



**MEEZAN BALANCED 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)	
Assets			
Balances with banks	5	304,727	314,974
Investments	6	2,151,064	2,356,901
Receivables against conversion of units		107	91
Dividend receivable		823	694
Receivable against sale of investments		1,189	1,991
Advances, deposits and other receivables		42,678	25,094
Total assets		2,500,588	2,699,745
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	8,462	3,432
Payable to Central Depository Company of Pakistan Limited - Trustee		331	339
Payable to the Securities and Exchange Commission of Pakistan		258	798
Payable to Meezan Bank Limited		55	50
Payable against purchase of investments		3,544	2,579
Payable against redemption and conversion of units		9,833	770
Dividend payable		7,498	7,498
Accrued expenses and other liabilities	8	42,202	43,458
Total liabilities		72,183	58,924
Net assets		2,428,405	2,640,821
Unit holders' fund (as per statement attached)		2,428,405	2,640,821
Contingencies and commitments	9		
Number of units in issue		151,884,877	169,117,750
		(Rupees)	
Net asset value per unit		15.9885	15.6153

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

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

Chief Executive

Chief Financial Officer

Director

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

	Note	Six months period ended		Quarter ended	
		December 31,		December 31,	
		2022	2021	2022	2021
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised loss on sale of investments		(18,335)	(40,994)	(12,958)	(37,385)
Dividend income		56,894	74,761	37,760	44,088
Profit on sukuk certificates		62,756	56,878	34,238	27,310
Profit on commercial papers		2,369	11,533	2,369	8,920
Profit on savings accounts with banks		36,486	30,574	15,087	14,099
		140,170	132,752	76,496	57,032
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.4	(29,141)	(119,863)	(18,509)	(1,959)
Total income		111,029	12,889	57,987	55,073
Expenses					
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	25,784	46,787	12,689	22,829
Sindh Sales Tax on remuneration of the Management Company		3,352	6,082	1,650	2,967
Allocated expenses	7.2	1,418	2,573	698	1,255
Selling and marketing expenses	7.3	12,892	23,393	6,345	11,414
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,793	2,843	886	1,393
Sindh Sales Tax on remuneration of the Trustee		233	370	115	182
Annual fee to the Securities and Exchange Commission of Pakistan		258	468	127	228
Auditors' remuneration		390	397	254	243
Charity expense		1,938	1,939	1,487	929
Fees and subscription		296	297	134	269
Legal and professional charges		-	184	-	-
Printing expense		3	-	(0)	-
Brokerage expense		899	2,060	347	848
Bank and settlement charges		216	336	178	173
Provision against sukuk		-	28,125	-	-
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(60,542)	-	-
Total expenses		49,472	55,312	24,911	42,730
Net income / (loss) for the period before taxation		61,557	(42,423)	33,076	12,343
Taxation	12	-	-	-	-
Net income / (loss) for the period after taxation		61,557	(42,423)	33,076	12,343
Allocation of net income for the period					
Net income for the period after taxation		61,557	-	-	-
Income already paid on units redeemed		(5,187)	-	-	-
		56,370	-	-	-
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		56,370	-	-	-
		56,370	-	-	-

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

	<u>Six months period ended,</u> <u>December 31,</u>		<u>Quarter ended,</u> <u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income / (loss) for the period after taxation	61,557	(42,423)	33,076	12,343
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>61,557</u>	<u>(42,423)</u>	<u>33,076</u>	<u>12,343</u>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN BALANCED FUND
CONDENSED INTERIM 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)		
Net assets at the beginning of the period	2,104,770	536,051	2,640,821	4,059,835	653,302	4,713,137
Issue of 3,675,215 units (2021: 28,599,217 units)						
- Capital value (at net asset value per unit at the beginning of the period)	57,390	-	57,390	463,313	-	463,313
- Element of income	1,446	-	1,446	1,787	-	1,787
Total proceeds on issuance of units	58,836	-	58,836	465,100	-	465,100
Redemption of 20,908,088 units (2021: 49,315,362 units)						
- Capital value (at net asset value per unit at the beginning of the period)	326,486	-	326,486	798,919	-	798,919
- Element of loss / (income)	1,136	5,187	6,323	(2,687)	-	(2,687)
Total payments on redemption of units	327,622	5,187	332,809	796,232	-	796,232
Total comprehensive income / (loss) for the period	-	61,557	61,557	-	(42,423)	(42,423)
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	61,557	61,557	-	(42,423)	(42,423)
Net assets at the end of the period	1,835,984	592,421	2,428,405	3,728,703	610,879	4,339,582
Undistributed income brought forward						
- Realised income		720,037			218,892	
- Unrealised (loss) / income		(183,986)			434,410	
		<u>536,051</u>			<u>653,302</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		56,370			-	
		<u>56,370</u>			-	
Net loss for the period after taxation		-			(42,423)	
Undistributed income carried forward		<u>592,421</u>			<u>610,879</u>	
Undistributed income carried forward						
- Realised income		621,562			730,742	
- Unrealised loss		(29,141)			(119,863)	
		<u>592,421</u>			<u>610,879</u>	
Net asset value per unit at the beginning of the period		(Rupees)			(Rupees)	
		<u>15.6153</u>			<u>16.2002</u>	
Net asset value per unit at the end of the period		<u>15.9885</u>			<u>16.0597</u>	

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

	Six months period ended	
	December 31,	
	2022	2021
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	61,557	(42,423)
Adjustments for:		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	29,141	119,863
	90,698	77,440
Decrease / (increase) in assets		
Investments - net	176,696	(254,869)
Dividend receivable	(129)	8,284
Receivable against sale of investments	802	(20,814)
Deposits and other receivables	(17,584)	21,058
	159,785	(246,341)
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	5,030	3,321
Payable to Central Depository Company of Pakistan Limited - Trustee	(8)	2
Payable to the Securities and Exchange Commission of Pakistan	(540)	(408)
Payable to Meezan Bank Limited	5	(129)
Payable against purchase of investments	965	7,258
Accrued expenses and other liabilities	(1,256)	(61,741)
	4,196	(51,697)
Net cash generated from / (used in) operating activities	254,679	(220,598)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	58,820	470,504
Payments against redemption and conversion of units	(323,746)	(807,348)
Net cash used in financing activities	(264,926)	(336,844)
Net decrease in cash and cash equivalents during the period	(10,247)	(557,442)
Cash and cash equivalents at the beginning of the period	314,974	1,116,066
Cash and cash equivalents at the end of the period	304,727	558,624

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Balanced Fund (the Fund) was initially established as a closed-end scheme under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 15, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 8, 2004 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Trust Deed was previously registered under The "Trust Act 1882" and now has been registered under "The Sindh Trust Act 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

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

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

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

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

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

1.6 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2022 (2021: 'AM1' dated June 23, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022.

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

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

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

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

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

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

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:

Standards, interpretations and amendments	Effective date (annual periods beginning on or after)
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.

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

5	BALANCES WITH BANKS	Note	December 31,	June 30,
			2022 (Unaudited)	2022 (Audited)
	In savings accounts	5.1	296,139	306,713
	In current accounts		8,588	8,261
			<u>304,727</u>	<u>314,974</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: 6.05%) per annum. Other profit and loss sharing accounts of the Fund have expected profit rates ranging from 5.00% to 15.90% per annum (June 30, 2022: 3.00% to 16.25% per annum).



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

June 30, 2022
(Audited)

6 INVESTMENTS

At fair value through profit or loss

Shares of listed companies - 'ordinary shares'	6.1	1,171,939	1,241,797
Sukuk certificates	6.2.1 & 6.2.2	979,123	699,588
Commercial papers	6.2.3	-	415,516
		<u>2,151,062</u>	<u>2,356,901</u>

6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2022	Purchases during the period	Right / bonus issue	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised (diminution)/ appreciation as at December 31, 2022	Percentage in relation to		
									Total market value of investments	Net assets of the Fund	Paid-up-capital of the investee company (with face value of investments)
						Number of shares		(Rupees in '000)		%	
Sectors / companies											
Automobile Assemblers											
Ghandhara Industries Limited	2,100	-	-	-	2,100	332	228	(104)	0.01	0.01	-
Ghandhara Nissan Limited	39,600	-	-	-	39,600	2,351	1,663	(688)	0.08	0.07	0.07
Millat Tractors Company Limited	26,052	-	4,460	10,248	20,264	14,736	9,830	(4,906)	0.46	0.40	0.02
									0.54	0.48	0.09
Cement											
Attock Cement Pakistan Limited	4,528	-	-	-	4,528	301	256	(45)	0.01	0.01	-
Cherat Cement Company Limited	137,400	28,767	-	-	166,167	16,105	16,932	827	0.79	0.70	0.09
Fauji Cement Company Limited	200,000	250,000	56,250	-	506,250	6,646	6,085	(561)	0.28	0.25	0.02
Kohat Cement Limited	324,320	-	-	-	324,320	42,204	47,902	5,698	2.23	1.97	0.16
Lucky Cement Limited	119,947	49,824	-	-	169,771	78,954	75,816	(3,138)	3.52	3.12	0.05
Maple Leaf Cement Limited	570,987	290,000	-	-	860,987	24,063	19,432	(4,631)	0.90	0.80	0.08
									7.74	6.85	0.40
Chemicals											
Dynea Pakistan Limited (note 6.1.1)	28,000	8,700	-	-	36,700	6,483	5,688	(795)	0.26	0.23	0.19
Engro Polymer & Chemicals Limited	365,954	-	-	365,954	-	-	-	-	-	-	-
I.C.I. Pakistan Limited	29,616	3,000	-	-	32,616	23,555	20,957	(2,598)	0.97	0.86	0.04
									1.24	1.10	0.23
Commercial Banks											
BankIslami Pakistan Limited	436,962	721,000	-	-	1,157,962	14,835	15,470	635	0.72	0.64	0.10
Meezan Bank Limited	822,816	59,933	74,274	140,000	817,023	84,335	81,326	(3,009)	3.78	3.35	0.05
									4.50	3.99	0.15
Engineering											
International Steels Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
Mughal Iron & Steels Industries Limited	245,098	237,049	-	282,296	199,851	11,882	9,655	(2,227)	0.45	0.40	0.06
									0.45	0.40	0.06

Name of the investee company	As at July 1, 2022	Purchases during the period	Right / bonus issue	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised (diminution)/ appreciation as at December 31, 2022	Percentage in relation to		
									Total market value of investments	Net assets of the Fund	Paid-up-capital of the investee company (with face value of investments)
----- Number of shares -----						----- (Rupees in '000) -----		----- % -----			
Fertilizers											
Engro Corporation Limited (Note 6.1.3)	268,014	30,000	-	22,415	275,599	71,451	72,210	759	3.36	2.97	0.05
Engro Fertilizers Limited	676,924	-	-	225,968	450,956	39,973	34,674	(5,299)	1.61	1.43	0.03
									4.97	4.40	0.08
Food & Personal Care Products											
Al Shaheer Corporation Limited (note 6.1.2)	8,546	-	-	2,511	6,035	55	62	7	0.00	0.00	-
At-Tahur Limited	312,880	-	31,288	-	344,168	5,967	5,882	(85)	0.27	0.24	0.16
The Organic Meat Company Limited	-	200,000	4,875	-	204,875	4,919	4,233	(686)	0.20	0.17	0.15
									0.47	0.42	0.31
Glass & Ceramics											
Shabbir Tiles & Ceramics Limited (note 6.1.1)	807,500	-	-	539,500	268,000	3,921	2,305	(1,616)	0.11	0.09	0.11
Leather & Tanneries											
Service GlobalFootwear Limited	40,430	-	-	-	40,430	1,624	1,340	(284)	0.06	0.06	0.02
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited (note 6.1.2)	77,554	3,872	-	5,000	76,426	132,662	118,228	(14,434)	5.50	4.87	0.06
Oil and Gas Development Company Limited	1,292,931	25,000	-	50,000	1,267,931	99,575	101,003	1,428	4.70	4.16	0.03
Pakistan Oilfields Limited	85,007	-	-	10,000	75,007	30,439	29,466	(973)	1.37	1.21	0.03
Pakistan Petroleum Limited	1,386,997	55,170	-	-	1,442,167	97,617	98,269	652	4.57	4.05	0.05
									16.13	14.29	0.17
Oil and Gas Marketing Companies											
Attock Petroleum Limited	-	33,833	5,558	5,000	34,391	10,661	9,963	(698)	0.46	0.41	0.03
Hascol Petroleum Limited (note 6.1.2)	1,901	-	-	-	1,901	8	11	3	0.00	0.00	-
Pakistan State Oil Company Limited (note 6.1.2)	297,066	50,000	-	25,000	322,066	55,452	46,374	(9,078)	2.16	1.91	0.07
Sui Northern Gas Pipelines Limited	410,888	250,000	-	-	660,888	23,373	24,816	1,443	1.15	1.02	0.10
									3.77	3.34	0.20
Paper & Board											
Cherat Packaging Limited	40	-	4	-	44	5	4	(1)	0.00	0.00	-
Century Paper & Board Mills Limited	328,345	10,000	32,834	-	371,179	20,787	18,366	(2,421)	0.85	0.76	0.17
Roshan Packages Limited	42,500	-	-	42,500	-	-	-	-	-	-	-
Packages Limited	74,773	4,500	-	35,000	44,273	17,653	16,388	(1,265)	0.76	0.67	0.05
									1.62	1.43	0.22
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	2,250	-	-	-	2,250	1,473	1,042	(431)	0.05	0.04	-
AGP Limited	500	-	-	-	500	44	32	(12)	0.00	0.00	-
GlaxoSmithKline Consumer Healthcare Pakistan Limited	42,900	-	-	-	42,900	10,224	7,031	(3,193)	0.33	0.29	0.04
Highnoon Laboratories Limited (note 6.1.2)	529	-	-	-	529	280	286	6	0.01	0.01	-
IBL HealthCare Limited	247,520	14,000	26,152	148,000	139,672	6,560	5,252	(1,308)	0.24	0.22	0.20
The Searle Company Limited (note 6.1.2)	15,369	40,000	13,842	50,000	19,211	1,713	1,131	(582)	0.05	0.05	-
									0.69	0.61	0.24
Power Generation & Distribution											
K-Electric Limited (note 6.1.1)	3,578,500	2,200,000	-	-	5,778,500	17,810	15,602	(2,208)	0.73	0.64	0.02
The Hub Power Company Limited	760,291	340,000	-	534,969	565,322	38,669	35,661	(3,008)	1.66	1.47	0.04
									2.38	2.11	0.06
Property											
TPL Properties Limited	-	150,000	15,000	-	165,000	3,383	2,805	(578)	0.13	0.12	0.01
Real Estate Investment Trust											
Dolmen City REIT	1,909,000	-	-	-	1,909,000	25,810	26,039	229	1.21	1.07	0.09
Refinery											
Attock Refinery Limited	6,000	-	-	6,000	-	-	-	-	-	-	-
Cnergyco PK Limited (Formerly Byco Petroleum Pakistan Limited)	2,075,978	600,000	-	2,075,978	600,000	3,477	2,214	(1,263)	0.10	0.09	0.01
National Refinery Limited	13,500	-	-	13,500	-	-	-	-	-	-	-
									0.10	0.09	0.01

Name of the investee company	As at July 1, 2022	Purchases during the period	Right / bonus issue	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised (diminution)/ appreciation as at December 31, 2022	Percentage in relation to		
									Total market value of investments	Net assets of the Fund	Paid-up-capital of the investee company (with face value of investments)
----- Number of shares -----						----- (Rupees in '000) -----			----- % -----		
Technology & Communication											
Air Link Communication Limited	80,156	-	-	-	80,156	3,238	2,371	(867)	0.11	0.10	0.02
Avanceon Limited	126,875	-	-	-	126,875	9,885	8,378	(1,507)	0.39	0.35	0.04
Octopus Digital Limited	24,836	-	-	-	24,836	1,771	1,407	(364)	0.07	0.06	0.02
Supernet Limited	-	166,500	12,100	-	178,600	2,404	2,742	338	0.13	0.11	0.14
Systems Limited	249,230	15,000	-	-	264,230	88,830	127,869	39,039	5.94	5.27	0.09
									6.64	5.88	0.31
Textile composite											
Feroze1888 Mills Limited	82,468	-	-	15,500	66,968	4,181	4,236	55	0.20	0.17	0.02
Interloop Limited	761,700	35,000	25,547	323,005	499,242	29,369	28,282	(1,087)	1.31	1.16	0.05
Kohinoor Textile Mills Limited	100,000	-	-	-	100,000	5,000	4,725	(275)	0.22	0.19	0.03
Nishat Mills Limited	86,427	-	-	86,427	-	-	-	-	1.73	1.53	0.10
Total as at December 31, 2022	19,629,705	5,971,148	302,184	5,114,771	20,788,266	1,197,045	1,171,939	(25,106)			
Total as at June 30, 2022						1,432,337	1,241,797	(190,540)			

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

6.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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

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

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

As at December 31, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 3.445 million (June 30, 2022: 4.347 million).

6.1.3 Investments include 153,500 (June 30, 2022: 150,000) shares of Engro Corporation Limited, having a market value of Rs 40.219 million (June 30, 2022: Rs 38.564 million) Pakistan Petroleum Limited 1,000 (June 30, 2022: nil) shares having market value of Rs. 0.068 million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

6.2 Sukuk certificates

6.2.1 Corporate sukuku

Name of the investee company	Profit payments / principal redemptions	Maturity	Profit rate	As at July 1, 2022	Purchases during the period	Sales / Redemptions / matured during the period	As at December 31, 2022	Carrying value as at December 31, 2022*	Market value as at December 31, 2022*	Unrealised (diminution)/ appreciation as at December 31, 2022	Percentage in relation to		
											Net assets of the Fund	Total issue (with face value of investment)	Total market value of investments
				Number of certificates				(Rupees in '000)			%		
NON-PERFORMING ASSETS													
Security Leasing Corporation Limited II * (note 6.2.1.2) (non-traded)	N/A	January 19, 2022	N/A	5,000	-	-	5,000	-	-	-	-	-	-
Eden Housing Limited * (note 6.2.1.2) (non-traded)	N/A	September 29, 2014	N/A	5,000	-	-	5,000	-	-	-	-	-	-
Arzoo Textile Mills Limited * (note 6.2.1.2) (non-traded)	N/A	April 15, 2014	N/A	5,000	-	-	5,000	-	-	-	-	-	-
Hascol Petroleum Limited - Sukuk (note 6.2.1.2 and 6.2.1.2.1) (BBB-, VIS, non-traded) *	N/A	January 7, 2022	N/A	50,000	-	-	50,000	-	-	-	-	-	-
POWER GENERATION & DISTRIBUTION													
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) (note 6.2.1.1)	Semi-annually	June 29, 2026	6 months KIBOR plus base rate of 1.13%	230	-	-	230	9,300	9,040	(260)	0.37	0.02	0.42
Hub Power Holdings Limited** (AA+, PACRA) (note 6.2.1.1)	Quarterly / Semi-annually commencing from May 12, 2024	November 12, 2025	6 months KIBOR plus base rate of 2.50%	2,000	-	-	2,000	200,000	201,786	1,786	8.31	3.36	9.38
Lucky Electric Power Company Limited VI (AA, PACRA)	At maturity	April 13, 2023	6 months KIBOR plus base rate of 1.50%	-	250	-	250	250,000	250,000	-	10.29	3.57	11.62
COMMERCIAL BANKS													
Dubai Islamic Bank Pakistan Limited - Sukuk (AA-, VIS, non-traded) (note 6.2.1.1)	Semi-annually / At maturity	July 14, 2027	6 months KIBOR plus base rate of 0.50%	141	-	141	-	-	-	-	-	-	-
Dubai Islamic Bank Pakistan Limited - Tier II Sukuk (AA-, VIS, non-traded) (note 6.2.1.1)	Semi-annually / At maturity	November 30, 2032	6 months KIBOR plus base rate of 0.70%	-	100	-	100	100,000	100,000	-	4.12	2.50	4.65
MISCELLANEOUS													
Shakarganj Food Products Limited (BBB+, VIS, non-traded) (note 6.2.1.2.2 & 6.2.1.1)	Quarterly	July 10, 2025	3 months KIBOR plus base rate of 1.75%	82	-	-	82	47,107	45,120	(1,987)	1.86	8.30	2.10

Name of the investee company	Profit payments / principal redemptions	Maturity	Profit rate	As at July 1, 2022	Purchases during the period	Sales / Redemptions / matured 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 issue (with face value of investment)	Total market value of investments
								(Rupees in '000)		%			

STEEL & ALLIED PRODUCTS

Agha Steel Industries Limited (A+, VIS, non-traded) (note 6.2.1.1)	Quarterly / Quarterly commencing from January 9, 2022	October 9, 2025	3 months KIBOR plus base rate of 0.80%	100	-	-	100	77,741	74,717	(3,024)	3.08	1.49	3.47
--	---	-----------------	--	-----	---	---	-----	--------	--------	---------	------	------	------

Total as at December 31, 2022

684,148	680,663	(3,485)
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Total as at June 30, 2022

493,214	500,228	7,014
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* In case of debt securities against which provision has been made, these are carried at carrying value less provision.

** These investments have been carried at cost as these were not valued by MUFAP as at December 31, 2021.

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

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

The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Balanced Fund (the Fund) as a 'Balanced Scheme' in accordance with the said circular. As at December 31, 2022, following investments of the Funds are in sukuk which are non compliant securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of the investee company	Type of investments	Value of investments before provision	Provision held as at December 31, 2022	Value of investments after provision	Percentage of net assets	Percentage of total market value
				(Rupees in '000)		%
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	62,037	62,037	-	-	-
Shakarganj Food Products Limited	Non-traded sukuk certificates	45,120	-	45,120	1.86	2.10
		144,780	99,660	45,120		

6.2.1.2.1 On April 1, 2021, Hascol Petroleum Limited sukuk certificates have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 62.037 (June 30, 2022: Rs. 62.037) million have also been held as provision against the outstanding principal as at December 31, 2022. The face value of sukuk certificates is Rs 62.5 million as at December 31, 2022.

6.2.1.2.2 SECP's circular no. 33 of 2012 allows the asset manager to apply a mark up/mark down within available limit for valuation of any specific debt security. Exercising the discretionary power, sukuk certificates of Shakarganj Food Products Limited have been valued at a discretionary rate of 100.0439 when the reported market rate on MUFAP valuation sheet as at December 31, 2022 was 101.8600. The mark down in price has been done within allowable limits.

	Note	Six months period ended December 31,	
		2022	2021
		(Rupees in '000)	
6.2.1.2.3 Movement of provision			
Opening balance		62,037	71,535
Charge for the period	6.2.1.2.1	-	28,125
Closing balance		62,037	99,660

6.2.2 Government securities - GOP Ijarah Sukuk

Name of the Security	Profit payments / principal redemptions	Issue Date	Maturity date	Profit rate	As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised (diminution) / appreciation as at December 31, 2022	Percentage in relation to	
												Net Assets of the Fund	Total market value of investments
					(Number of certificates)			(Rupees in '000)			%		
GoP Ijarah Sukuk Certificates - XXV (Note 6.2.2.1)	Semi-annually / At maturity	April 27, 2022	April 27, 2027	Weighted Average 6 months T-Bills	2,000	-	2,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXVI (Note 6.2.2.1)	Semi-annually / At maturity	October 29, 2021	October 29, 2026	Weighted Average 6 months T-Bills	-	2,000	1,000	1,000	99,010	99,400	390	4.09	4.62
GoP Ijarah Sukuk Certificates - XXVIII (Note 6.2.2.1)	Semi-annually / At maturity	October 26, 2022	October 26, 2027	Weighted Average 6 months T-Bills	-	2,000	-	2,000	200,000	199,060	(940)	8.20	9.25
Total as at December 31, 2022									299,010	298,460	(550)		
Total as at June 30, 2022									199,820	199,360	(460)		

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

6.3 Commercial papers

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 December 31, 2022	Percentage in relation to	
										Net assets of the Fund	Total market value of investment
							(Rupees in '000)			%	
Mughal Iron & Steel Industries Limited	July 21, 2022	6 months KIBOR plus base rate of 1.75%	165	-	165	-	-	-	-	-	-
Lucky Electric Power Company Limited (II)	July 12, 2022	6 months KIBOR plus base rate of 1.50%	250	-	250	-	-	-	-	-	-
Total as at December 31, 2022							-	-	-		
Total as at June 30, 2022							415,516	415,516	-		

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



		December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
6.4	Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		
	Market value of investments	2,151,062	2,356,901
	Carrying value of investments	2,180,203	2,540,887
		<u>(29,141)</u>	<u>(183,986)</u>

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee payable	7.1	784	867
Sindh Sales Tax on management fee payable		102	113
Sales load payable		23	64
Sindh Sales Tax on sales load payable		3	8
Allocated expenses payable	7.2	229	16
Selling and marketing expenses payable	7.3	7,321	2,364
		<u>8,462</u>	<u>3,432</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 2% (June 30, 2022: 2%) per annum of the average net assets of the Fund during the period ended December 31, 2022. The remuneration is payable to the Management Company monthly in arrears.

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

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

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

	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		-	510
Capital gain tax payable		614	-
Provision for Federal Excise Duty and related Sindh Sales Tax on Management Fee	8.1	31,961	31,961
Provision for Federal Excise Duty and related Sindh Sales Tax on Sales load	8.1	6,838	6,838
Brokerage expenses payable		124	41
Charity payable		2,116	3,466
Shariah advisory fee payable		236	237
Auditors' remuneration payable		307	401
Zakat payable		6	4
		<u>42,202</u>	<u>43,458</u>

8.1 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2022. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2022 would have been higher by Re 0.26 (June 30, 2022: Re 0.23) per unit.

9 CONTINGENCIES AND COMMITMENTS

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

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 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)	June 30, 2022 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - the Management Company		
Management fee payable	784	867
Sindh Sales Tax on management fee payable	102	113
Sales load payable	23	64
Sindh Sales Tax on sales load payable	3	8
Allocated expenses payable	229	16
Selling and Marketing expenses payable	7,321	2,364
Investment of 947,787 units (June 30, 2022: 947,787 units)	15,154	14,800
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	293	300
Sindh Sales Tax on trustee fee payable	38	39
Security deposit	300	300
Meezan Bank Limited		
Balances with banks	25,596	24,042
Sales load payable	48	44
Sindh Sales Tax on sales load payable	6	6
Shariah advisory fee payable	236	237
Investment of 18,886,746 units (June 30, 2022: 18,886,746 units)	301,971	294,922
Investment in 817,023 shares (June 30, 2022: 822,816 shares)	81,326	92,962
Profit receivable on balances with banks	106	38
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 473186 units (June 30, 2022: 473,186 units)	7,566	7,389
Directors and Executives of the Management Company		
Investment of 6,522,904 units (June 30, 2022: 6,522,868 units)	104,291	101,857



For the six months period
ended December 31

2022 2021

(Unaudited)

(Rupees in '000)

Transactions during the period

AI Meezan Investment Management Limited - the Management Company

Remuneration of AI Meezan Investment Management

Limited - Management Company

25,784 46,787

Sindh Sales Tax on remuneration of the Management Company

3,352 6,082

Allocated expenses

1,418 2,573

Selling and marketing expenses

12,892 23,393

Central Depository Company of Pakistan Limited - the Trustee

Remuneration of Central Depository Company of

Pakistan Limited - Trustee

1,793 2,843

Sindh Sales Tax on remuneration of the Trustee

233 370

CDS charges

21 59

For the six months period
ended December 31

2022 2021

(Unaudited)

(Rupees in '000)

Meezan Bank Limited

Profit on savings account

639 232

Shares sold: 140,000 shares (2021: 10,000 shares)

18,917 1,606

Shares purchased: 59,933 shares (2021: 90,000 shares)

7,227 12,119

Bonus shares: 74,274 shares (2021: 138,190 shares)

- -

Sukuks sold: nil (2021: 80 sukuks)

- 80,000

Profit on sukuk certificates

- 2,952

Dividend income

2,934 3,031

Shariah advisory fee

269 269

Directors and Executives of the Management Company

Units issued: 5,391 units (2021: 15,610 units)

85 251

Units redeemed: 5,355 units (2021: 12,937 units)

85 210

11 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund for the period ended December 31, 2022 is 3.84% (2021: 3.75%) which include 0.31% (2021: 0.31%) representing government levy such as sales taxes and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Balanced Scheme.

12 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

13 FAIR VALUE MEASUREMENT

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

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

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

13.1 Fair value hierarchy

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

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	As at December 31, 2022			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	1,171,939	-	-	1,171,939
Sukuk certificates	-	979,123	-	979,123
Commercial papers*	-	-	-	-
	1,171,939	979,123	-	2,151,062

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

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



14 GENERAL

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

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

15 DATE OF AUTHORISATION

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

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

Chief Executive

Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

MASHERBRUM, K1

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

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



MEEZAN GOLD FUND (MGF)

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



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Mr. Salman Muslim

BOARD AUDIT COMMITTEE

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

BOARD RISK MANAGEMENT COMMITTEE

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

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

BOARD IT COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office:

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

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

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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN GOLD 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 Gold 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 Gold Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Meezan Gold 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: RR202210076eW85zR9c0



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

		December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
Assets			
Balances with banks	5	164,923	86,766
Investment in gold	6	591,164	518,611
Profit receivable on balances with banks		1,943	1,044
Total assets		758,030	606,421
Liabilities			
Payable to Al Meezan Investment Management Limited - the Management Company	7	1,027	318
Payable to Central Depository Company of Pakistan Limited - the Trustee		122	97
Payable to the Securities and Exchange Commission of Pakistan		69	112
Payable against conversion and redemption of units		258	17
Accrued expenses and other liabilities	9	3,131	1,879
Total liabilities		4,607	2,423
Net assets		753,423	603,998
Unit holders' fund (as per statement attached)		753,423	603,998
Contingencies and commitments	8		
Number of units in issue		6,515,106	5,812,706
			(Rupees)
Net asset value per unit		115.6424	103.9100

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

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

Chief Executive

Chief Financial Officer

Director

MEEZAN GOLD FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE 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)
Income					
Profit on saving accounts with banks		10,210	2,238	5,981	1,573
Price adjustment charges		1,491	3,298	84	2,166
		11,701	5,536	6,065	3,739
Net unrealised appreciation on re-measurement of investment in gold	6	72,553	60,561	59,564	63,317
Total income		84,254	66,097	65,629	67,056
Expenses					
Remuneration of AI Meezan Investment Management Limited - the Management Company	7.1	3,462	2,583	1,796	1,335
Sindh Sales Tax on remuneration of the Management Company		450	336	233	174
Allocated expenses	7.2	381	284	198	147
Selling and marketing expenses	7.3	1,385	1,033	719	534
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		589	439	306	227
Sindh Sales Tax on remuneration of the Trustee		77	57	40	29
Annual fee to the Securities and Exchange Commission of Pakistan		69	52	36	27
Auditors' remuneration		189	188	115	106
Legal and professional charges		-	184	-	-
Fees and subscription		186	190	77	81
Bank and settlement charges		2	7	-	1
Custodian expense		2,741	2,107	1,379	1,098
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(5,067)	-	-
Total expenses		9,531	2,393	4,899	3,759
Net income for the period before taxation		74,723	63,704	60,730	63,297
Taxation	13	-	-	-	-
Net income for the period after taxation		74,723	63,704	60,730	63,297
Allocation of net income for the period					
Net income for the period after taxation		74,723	63,704		
Income already paid on units redeemed		(365)	(3,348)		
		74,358	60,356		
Accouic					
- Relating to capital gains		72,553	60,356		
- Excluding capital gains		1,805	-		
		74,358	60,356		

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

	<u>Six months period</u> <u>December 31,</u>		<u>Quarter ended,</u> <u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	74,723	63,704	60,730	63,297
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>74,723</u>	<u>63,704</u>	<u>60,730</u>	<u>63,297</u>

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN GOLD FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE 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)-----		
Net assets at the beginning of the period	377,392	226,606	603,998	367,432	120,098	487,530
Issue of 1,042,075 (December 31, 2021: 2,124,043 units)						
- Capital value (at net asset value per unit at the beginning of the period)	108,282	-	108,282	177,646	-	177,646
- Element of income	3,480	-	3,480	13,082	-	13,082
Total proceeds on issuance of units	111,762	-	111,762	190,728	-	190,728
Redemption of 339,675 (December 31, 2021: 1,595,235 units)						
- Capital value (at net asset value per unit at the beginning of the period)	35,296	-	35,296	133,419	-	133,419
- Element of loss	1,399	365	1,764	4,026	3,348	7,374
Total payments on redemption of units	36,695	365	37,060	137,445	3,348	140,793
Total comprehensive income for the period	-	74,723	74,723	-	63,704	63,704
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	74,723	74,723	-	63,704	63,704
Net assets at the end of the period	452,459	300,964	753,423	420,715	180,454	601,169
Undistributed income brought forward						
- Realised income		104,267			114,051	
- Unrealised income		122,339			6,047	
		<u>226,606</u>			<u>120,098</u>	
Accounting income available for distribution						
- Relating to capital gains		72,553			60,356	
- Excluding capital gains		1,805			-	
		<u>74,358</u>			<u>60,356</u>	
Undistributed income carried forward		<u><u>300,964</u></u>			<u><u>180,454</u></u>	
Undistributed income carried forward						
- Realised income		228,411			119,893	
- Unrealised income		72,553			60,561	
		<u>300,964</u>			<u>180,454</u>	
		<u>(Rupees)</u>			<u>(Rupees)</u>	
Net assets value per unit at the beginning of the period		<u>103.9100</u>			<u>83.6357</u>	
Net assets value per unit at the end of the period		<u>115.6424</u>			<u>94.5529</u>	

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

	Six months period ended, December 31,	
	2022	2021
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	74,723	63,704
Adjustments for:		
Unrealised appreciation on re-measurement of investment in gold	(72,553)	(60,561)
	2,170	3,143
(Increase) / decrease in assets		
Profit receivable on balances with banks	(899)	454
Increase/ (decrease) in liabilities		
Payable to AI Meezan Investment Management Limited - the Management Company	709	(219)
Payable to Central Depository Company of Pakistan Limited - the Trustee	25	9
Payable to the Securities and Exchange Commission of Pakistan	(43)	(49)
Payable to Meezan Bank Limited	-	82
Accrued expenses and other liabilities	1,252	(7,386)
	1,943	(7,563)
Net cash generated from / (used in) operating activities	3,214	(3,966)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	111,762	191,242
Payment against conversion and redemption of units	(36,819)	(140,803)
Net cash generated from financing activities	74,943	50,439
Net increase in cash and cash equivalents during the period	78,157	46,473
Cash and cash equivalents at the beginning of the period	86,766	99,260
Cash and cash equivalents at the end of the period	164,923	145,733

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

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

Chief Executive

Chief Financial Officer

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Gold Fund is an open ended mutual fund constituted under a Trust Deed entered into on October 15, 2014 between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company 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 Trust Act 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2** The Fund is an open-ended Shariah Compliant (Islamic) Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange Limited (PMEX). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency. The investments in Gold contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and / or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by Shariah advisor. Under the Trust Deed, all the conducts and acts of the fund are based on Shariah. The management company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's Offering document.
- 1.3** The Fund has been categorised as a Shariah compliant Commodity Scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 13, 2015 and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2022 (2021: 'AM1' dated June 23, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund. The fund is listed on Pakistan Stock Exchange Limited.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

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

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

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

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

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022.

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any 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:

Standards, interpretations and amendments	Effective date (annual periods beginning on or after)
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.	

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

5. BALANCES WITH BANKS	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited) (Rupees in '000)
In saving accounts	5.1	<u>164,923</u>	<u>86,766</u>
		<u>164,923</u>	<u>86,766</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 sharing accounts of the Fund have, expected profit rates ranging from 5.25% to 15.50% per annum (June 30, 2022: 3.00% to 15.50% per annum).			

6. INVESTMENTS	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited) (Rupees in '000)
Investment in gold	6.1	<u>591,164</u>	<u>518,611</u>

6.1 Investment in gold

Commodity	As at July 1, 2022	Purchases during the period	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised gain	Percentage in relation to Net assets of the Fund
	----- (Tola) -----			----- (Rupees in '000) -----			--- (%) ---	
TOLAGOLD	3,675	-	-	3,675	516,503	588,761	72,258	78.14%
MITOLA	15,000	-	-	15,000	2,108	2,403	295	0.32%
Total as at December 31, 2022					518,611	591,164	72,553	

6.1.1 The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX under their custody in the vaults of a commercial bank.

6.1.2 The investment in gold of Rs.591.164 million (June 30, 2022: Rs.518.611 million) has been measured at fair value based on the quoted market price in active markets.

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
		(Rupees in '000)	
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY			
Management fee payable	7.1	123	101
Sindh Sales Tax on remuneration of the Management Company		16	13
Allocated expenses payable	7.2	70	4
Selling and marketing expenses payable	7.3	818	200
		<u>1,027</u>	<u>318</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 1% (June 30, 2022: 1%) per annum of the average net assets of the Fund during the period ended December 31, 2022. The remuneration is payable to the Management Company monthly in arrears.

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

The Management Company based on its own discretion has currently fixed a maximum capping of 0.11% (June 30, 2022: 0.11%) of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period.

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 0.4% (June 30, 2022: 0.4%) per annum of average annual net assets of the Fund subject to the total expense charged being lower than actual expense incurred.

8. CONTINGENCIES AND COMMITMENTS

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

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
Auditor's remuneration		163	175
Custodian fee payable		1,989	366
Shariah advisory fee payable		158	159
Withholding tax payable		-	371
Capital gain tax payable		110	93
Zakat payable		-	4
Provision for Federal Excise Duty and related			
Sindh Sales Tax on management fee	9.1	414	414
Provision for Federal Excise Duty and related			
Sindh Sales Tax on sales load	9.1	297	297
		<u>3,131</u>	<u>1,879</u>

9.1 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2022. Had the provision for Federal Excise Duty not being made, the Net Asset Value of the Fund as at December 31, 2022 would have been higher by Re.0.11 (June 30, 2022: Re.0.12) per unit.

10. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.75% (June 30, 2022: 2.81%) which includes 0.17% (June 30, 2022: 0.17%) representing Government levies on the Fund such as sales taxes, annual fee to the SECP, etc. The prescribed limit for the ratio is 3% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "commodity fund".

11. PRICE ADJUSTMENT CHARGES

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

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

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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



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

	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
AI Meezan Investment Management Limited - the Management Company		
Management fee payable	123	101
Sindh Sales Tax on management fee payable	16	13
Allocated expenses payable	70	4
Selling and marketing expenses payable	818	200
Meezan Bank Limited		
Bank balance	157	491
Profit receivable on balances with bank	20	141
Investment of 1,084,115 units (June 30, 2022: 1,084,115 units)	125,370	112,650
Shariah advisor fee payable	158	159
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	108	86
Sindh Sales Tax on trustee fee payable	14	11
Directors and Executives of the Management Company		
Investment of 521,001 units (June 30, 2022: 468,253 units)	60,250	48,656
Six months period ended, December 31,		
	2022	2021
(Unaudited)		
(Rupees in '000)		
Transactions during the period		
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	3,462	2,583
Sindh Sales Tax on management fee for the period	450	336
Allocated expenses	381	284
Selling and marketing expense	1,385	1,033
Meezan Bank Limited		
Profit on saving account	312	716
Shariah advisor fee	161	162
Units redeemed: nil (2021: 597 units)	-	50
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the period	589	439
Sindh Sales Tax on trustee fee for the period	77	57
Directors and Executives of the Management Company		
Units issued: 55,609 units (December 31, 2021: 17,729 units)	5,968	1,547
Units redeemed: 2,861 units (December 31, 2021: 53,346 units)	277	4,477

13. TAXATION

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

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

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

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

Investments in gold are non-financial assets and the fair value is disclosed in note 6.1 to these financial statements. As at December 31, 2022, the Fund does not hold any asset which required fair valuation.

15. GENERAL

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

15.2 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.

16. 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.

BATURA SAR

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

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



MEEZAN ASSET ALLOCATION FUND (MAAF)

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



FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Mr. Salman Muslim

BOARD AUDIT COMMITTEE

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

BOARD RISK MANAGEMENT COMMITTEE

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

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

BOARD IT COMMITTEE

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

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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

LEGAL ADVISER

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial
Area, Phase VI, DHA, Karachi.
Phone (+9221) 35156191-94 Fax: (+9221) 35156195
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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
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ASSET ALLOCATION 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 Asset Allocation 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 Asset Allocation Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Meezan Asset Allocation 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: RR20221007619jNhcYa7



MEEZAN ASSET ALLOCATION 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)	
Assets			
Balances with banks	5	79,075	94,883
Investments	6	616,450	759,097
Receivable against conversion of units		212	2,873
Receivable against sale of investments		1,192	3,981
Dividend receivable		296	240
Advances, deposits and other receivables		5,843	5,992
Total assets		703,068	867,066
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	2,421	1,062
Payable to Central Depository Company of Pakistan Limited - Trustee		136	159
Payable to the Securities and Exchange Commission of Pakistan		79	268
Payable to Meezan Bank Limited		-	66
Payable against redemption and conversion of units		4	7,287
Payable against purchase of investments		-	5,179
Accrued expenses and other liabilities	8	2,806	2,860
Total liabilities		5,446	16,881
Net assets		697,622	850,185
Contingencies and commitments			
	9		
Unit holders' fund (as per statement attached)		697,622	850,185
(Number of units)			
Number of units in issue		17,412,340	21,248,845
(Rupees)			
Net asset value per unit		40.0648	40.0109

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

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
		(Rupees in '000)		(Rupees in '000)	
Income					
Net realised loss on sale of investments		(9,061)	(60,932)	(4,231)	(47,348)
Dividend income		29,696	40,207	19,605	23,506
Profit on savings accounts with banks		5,987	5,991	2,868	2,761
		<u>26,622</u>	<u>(14,734)</u>	<u>18,242</u>	<u>(21,081)</u>
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	(7,839)	(89,288)	(4,207)	(4,924)
Total income / (loss)		<u>18,783</u>	<u>(104,022)</u>	<u>14,035</u>	<u>(26,005)</u>
Expenses					
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	5,891	11,672	2,782	5,486
Sindh Sales Tax on remuneration of the Management Company		766	1,517	362	713
Allocated expenses	7.2	432	856	204	402
Selling and marketing expenses	7.3	3,928	7,781	1,855	3,657
Remuneration of Central Depository Company of Pakistan Limited - Trustee		786	1,282	371	618
Sindh Sales Tax on remuneration of the Trustee		102	167	48	81
Annual fee to the Securities and Exchange Commission of Pakistan		79	156	38	74
Auditors' remuneration		256	223	177	136
Brokerage expense		924	3,116	338	1,223
Charity expense		963	858	748	433
Bank and settlement charges		225	344	109	175
Fees and subscription		297	297	135	135
Legal and professional charges		-	184	-	-
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(21,839)	-	-
Total expenses		<u>14,649</u>	<u>6,614</u>	<u>7,167</u>	<u>13,133</u>
Net income / (loss) for the period before taxation		<u>4,134</u>	<u>(110,636)</u>	<u>6,868</u>	<u>(39,138)</u>
Taxation	11	-	-	-	-
Net income / (loss) for the period after taxation		<u>4,134</u>	<u>(110,636)</u>	<u>6,868</u>	<u>(39,138)</u>
Allocation of net income for the period					
Net income for the period after taxation		4,134	-	-	-
Income already paid on units redeemed		-	-	-	-
		<u>4,134</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		4,134	-	-	-
		<u>4,134</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

	Six months period		Quarter ended,	
	December 31,		December 31,	
	2022	2021	2022	2021
	(Rupees in '000)		(Rupees in '000)	
Net income / (loss) for the period after taxation	4,134	(110,636)	6,868	(39,138)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	4,134	(110,636)	6,868	(39,138)

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

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

	Six months period ended December 31, 2022			Six months period ended December 31, 2021		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	----- Rupees in '000-----			----- Rupees in '000-----		
Net assets at the beginning of the period	1,680,295	(830,110)	850,185	2,243,280	(571,049)	1,672,231
Issuance of 1,342,059 units (2021: 8,139,769 units)						
- Capital value (at net asset value per unit at the beginning of the period)	53,697	-	53,697	402,593	-	402,593
- Element of income / (loss)	845	-	845	(5,348)	-	(5,348)
Total proceeds on issuance of units	54,542	-	54,542	397,245	-	397,245
Redemption of 5,178,564 units (2021: 11,527,712 units)						
- Capital value (at net asset value per unit at the beginning of the period)	207,199	-	207,199	570,161	-	570,161
- Element of loss / (income)	4,040	-	4,040	(6,005)	-	(6,005)
Total payments on redemption of units	211,239	-	211,239	564,156	-	564,156
Total comprehensive income / (loss) for the period	-	4,134	4,134	-	(110,636)	(110,636)
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	4,134	4,134	-	(110,636)	(110,636)
Net assets at the end of the period	1,523,598	(825,976)	697,622	2,076,369	(681,685)	1,394,684
Accumulated loss brought forward						
- Realised loss		(665,000)			(768,055)	
- Unrealised (loss) / income		(165,110)			197,006	
		<u>(830,110)</u>			<u>(571,049)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		4,134			-	
		<u>4,134</u>			<u>-</u>	
Net loss for the period after taxation		-			(110,636)	
Accumulated loss carried forward		<u>(825,976)</u>			<u>(681,685)</u>	
Accumulated loss carried forward						
- Realised loss		(818,137)			(592,397)	
- Unrealised loss		(7,839)			(89,288)	
		<u>(825,976)</u>			<u>(681,685)</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period		<u>40.0109</u>				<u>49.4600</u>
Net asset value per unit at the end of the period		<u>40.0648</u>				<u>45.8449</u>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



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

	Note	Six months period ended December 31,	
		2022	2021
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the period before taxation		4,134	(110,636)
Adjustments for:			
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	7,839	89,288
		<u>11,973</u>	<u>(21,348)</u>
Decrease / (increase) in assets			
Investments - net		134,808	91,709
Receivable against sale of investments		2,789	(3,676)
Dividend receivable		(56)	400
Advances, deposits and other receivables		149	22,020
		<u>137,690</u>	<u>110,453</u>
(Decrease) / increase in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		1,359	614
Payable to Central Depository Company of Pakistan Limited - Trustee		(23)	(20)
Payable to the Securities and Exchange Commission of Pakistan		(189)	(154)
Payable to Meezan Bank Limited		(66)	(47)
Payable against purchase of investments		(5,179)	12,727
Accrued expenses and other liabilities		(54)	(23,084)
		<u>(4,152)</u>	<u>(9,964)</u>
Net cash generated from operating activities		<u>145,511</u>	<u>79,141</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		57,203	399,007
Payment against redemption and conversion of units		(218,522)	(566,106)
Net cash used in financing activities		<u>(161,319)</u>	<u>(167,099)</u>
Net decrease in cash and cash equivalents during the period		<u>(15,808)</u>	<u>(87,958)</u>
Cash and cash equivalents at the beginning of the period		94,883	249,862
Cash and cash equivalents at the end of the period		<u>79,075</u>	<u>161,904</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 ASSET ALLOCATION 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 Asset Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on November 25, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 16, 2015 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The 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 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 objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant equity instruments, Shariah Compliant fixed income instruments, Shariah Compliant money market instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open-end Shariah Compliant Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2022 (2021: 'AM1' dated June 23, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and

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

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

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

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022

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

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

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

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

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

Standards, interpretations and amendments	Effective date (annual periods beginning on or after)
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.

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

5. BALANCE WITH BANKS	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
Balances with banks in:			
Savings accounts	5.1	77,708	92,714
Current accounts		<u>1,367</u>	<u>2,169</u>
		<u>79,075</u>	<u>94,883</u>
5.1	This includes balances 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 savings accounts of the Fund has expected profit ranging from 6.40% to 15.50% per annum (June 30, 2022: 4.00% to 15.50% per annum).		

6. INVESTMENTS	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
At fair value through profit or loss			
Shares of listed companies - 'ordinary shares'	6.1	<u>616,450</u>	<u>759,097</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2022	Purchased during the period	Bonus / right shares	Sold during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised (diminution)/ appreciation as at December 31, 2022	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
						----- (Rupees in '000) -----		----- % -----			
Cement											
Attock Cement Pakistan Limited	3,100	-	-	-	3,100	206	175	(31)	0.03	-	0.03
Cherat Cement Company Limited	74,600	20,000	-	-	94,600	9,213	9,640	427	1.38	0.05	1.56
Fauji Cement Company Limited	245,000	140,000	30,625	-	415,625	5,481	4,996	(485)	0.72	0.03	0.81
Gharibwal Cement Limited	442,000	-	-	-	442,000	8,619	7,068	(1,551)	1.01	0.11	1.15
Kohat Cement Company Limited	125,800	-	-	7,500	118,300	15,394	17,473	2,079	2.50	0.06	2.83
Lucky Cement Limited	58,031	31,000	-	11,000	78,031	35,467	34,847	(620)	5.00	0.02	5.65
Maple Leaf Cement Factory Limited	489,707	150,000	-	28,033	611,674	16,992	13,805	(3,187)	1.98	0.06	2.24
									12.62	0.33	14.27
Chemicals											
Descon Oxychem Limited	-	400,000	-	200,000	200,000	4,465	4,412	(53)	0.63	0.11	0.72
Dynea Pakistan Limited (note 6.1.1)	59,600	100	-	-	59,700	10,389	9,253	(1,136)	1.33	0.32	1.50
Engro Polymer and Chemicals Limited	199,761	-	-	199,761	-	-	-	-	-	-	-
ICI Pakistan Limited	12,400	-	-	-	12,400	8,984	7,967	(1,017)	1.14	0.01	1.29
									3.10	0.44	3.51
Commercial Banks											
BankIslami Pakistan Limited	852,000	200,000	-	-	1,052,000	12,904	14,055	1,151	2.01	0.09	2.28
Meezan Bank Limited (a related party of the Fund)	539,167	-	49,516	62,000	526,683	54,095	52,426	(1,669)	7.51	0.03	8.50
									9.52	0.12	10.78
Engineering											
International Industries Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
International Steels Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	186,190	160,000	-	261,033	85,157	5,019	4,114	(905)	0.59	0.03	0.67
									0.59	0.03	0.67
Fertilizer											
Engro Corporation Limited (note 6.1.2)	95,778	71,000	-	59,763	107,015	26,683	28,039	1,356	4.02	0.02	4.55
Engro Fertilizers Limited	423,348	-	-	304,000	119,348	10,579	9,177	(1,402)	1.32	0.01	1.49
									5.34	0.03	6.04
Food And Personal Care Products											
Al-Shaheer Corporation Limited (note 6.1.3)	7,704	-	-	7,516	188	2	2	-	-	-	-
The Organic Meat Company Limited	-	160,000	9,750	-	169,750	3,938	3,507	(431)	0.50	-	0.57
At-Tahur Limited	169,200	-	16,920	-	186,120	3,227	3,181	(46)	0.46	0.09	0.52
									0.96	0.09	1.09
Glass and Ceramics											
Shabbir Tiles and Ceramics Limited (note 6.1.1)	1,326,500	-	-	1,286,500	40,000	585	344	(241)	0.05	0.02	0.06
Leather & Tanneries											
Service GlobalFootwear Limited	15,005	-	-	-	15,005	603	497	(106)	0.07	0.01	0.08
Oil And Gas Exploration Companies											
Mari Petroleum Company Limited	55,936	5,368	-	16,867	44,437	76,693	68,742	(7,951)	9.85	0.03	11.15
Oil and Gas Development Company Limited (note 6.1.2)	874,650	25,000	-	187,000	712,650	55,891	56,770	879	8.14	0.02	9.21
Pakistan Oilfields Limited	40,667	-	-	15,500	25,167	10,213	9,887	(326)	1.42	0.01	1.60
Pakistan Petroleum Limited	1,002,841	-	-	158,000	844,841	57,035	57,567	532	8.25	0.03	9.34
									27.66	0.09	31.30
Oil And Gas Marketing Companies											
Attock Petroleum Limited	-	32,000	6,250	12,000	26,250	7,831	7,605	(227)	1.09	0.02	1.23
Pakistan State Oil Company Limited (note 6.1.3)	126,561	34,000	-	42,000	118,561	20,189	17,072	(3,118)	2.45	0.03	2.77
Sui Northern Gas Pipelines Limited	442,336	110,000	-	192,000	360,336	12,580	13,531	951	1.94	0.06	2.19
									5.48	0.11	6.19
Paper and Board											
Century Paper and Board Mills Limited	166,100	-	10,610	60,000	116,710	6,557	5,775	(782)	0.83	0.06	0.94
Packages Limited	33,250	-	-	15,000	18,250	7,279	6,755	(524)	0.97	0.02	1.10
									1.80	0.08	2.04
Pharmaceuticals											
GlaxoSmithKline Consumer Healthcare Pakistan Limited	19,800	-	-	-	19,800	4,719	3,245	(1,474)	0.47	0.02	0.53
IBL Healthcare Limited	473,300	-	33,330	349,000	157,630	7,450	5,927	(1,523)	0.85	0.24	0.96
The Searle Company Limited (note 6.1.3)	3,682	-	920	-	4,602	401	271	(130)	0.04	-	0.04
									1.36	0.26	1.53

Name of the investee company	As at July 1, 2022	Purchased during the period	Bonus / right shares	Sold during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised (diminution)/a ppreciation as at December 31, 2022	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
								-----%-----			
								----- (Rupees in '000) -----			
								----- (Number of shares) -----			
Power Generation And Distribution											
The Hub Power Company Limited	150,797	400,000	-	370,000	180,797	12,582	11,405	(1,177)	1.63	0.01	1.85
K-Electric Limited (note 6.1.1)	1,779,500	1,000,000	-	-	2,779,500	8,448	7,505	(943)	1.08	0.01	1.22
								2.71	0.02	3.07	
PROPERTY & REAL ESTATE											
TPL Properties Limited	-	200,000	10,000	-	210,000	4,093	3,570	(523)	0.51	0.02	0.58
								0.51	0.02	0.58	
Refinery											
Attock Refinery Limited	4,500	-	-	4,500	-	-	-	-	-	-	-
Nergyico PK Limited	1,898,000	750,000	-	1,898,000	750,000	4,411	2,768	(1,644)	0.40	0.01	0.45
National Refinery Ltd	20,956	-	-	20,956	-	-	-	-	-	-	-
								0.40	0.01	0.45	
Technology and Communication											
Air Link Communication Limited	46,737	-	-	24,000	22,737	918	673	(246)	0.10	0.01	0.11
Avanceon Limited	43,000	-	-	-	43,000	3,350	2,839	(511)	0.41	0.01	0.46
Octopus Digital Limited	25,524	-	-	-	25,524	1,820	1,446	(374)	0.21	0.02	0.23
Supernet Limited	500,000	-	50,000	-	550,000	9,655	8,443	(1,214)	1.21	0.49	1.37
Systems Limited	145,260	10,000	-	4,500	150,760	50,753	72,957	22,204	10.46	0.05	11.84
Worldcall Telecom Limited	3,150,000	-	-	2,000,000	1,150,000	1,530	1,346	(184)	0.19	0.04	0.22
								12.58	0.62	14.23	
Textile Composite											
Feroze1888 Mills Limited	63,600	-	-	17,000	46,600	2,909	2,947	38	0.42	0.01	0.48
Interloop Limited	279,626	220,000	8,153	320,797	186,982	11,609	10,593	(1,016)	1.52	0.02	1.72
Kohinoor Textile Mills Limited	260,500	-	-	10,000	250,500	12,525	11,836	(689)	1.70	0.08	1.92
Nishat Mills Limited	75,700	-	-	75,700	-	-	-	-	-	-	-
								3.64	0.11	4.12	
Total as at December 31, 2022						624,289	616,450	(7,839)	88.40	100.00	
Total as at June 30, 2022						924,207	759,097	(165,110)	89.29	100.00	

- 6.1.1** All shares have a nominal value of Rs.10 each except for the shares of K-Electric Limited which have a nominal value of Rs.3.5 each and Shabbir Tiles and Ceramics Limited and Dynea Pakistan Limited which have a nominal value of Rs.5 each.
- 6.1.2** Investments include 34,000 shares (June 30, 2022: 34,000 shares) of Engro Corporation Limited and 140,000 shares (June 30, 2022: 140,000 shares) of Oil and Gas Development Company Limited having market value of Rs 8.91 million and Rs.11.15 million (June 30, 2022: Rs.8.741 million and Rs.11.014 million) respectively as at December 31, 2022, which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the

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

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

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

As at December 31, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.080 million (June 30, 2022: Rs. 1.37 million).

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31,	June 30,
		2022 (Unaudited) (Rupees in '000)	2022 (Audited)
Remuneration payable	7.1	168	211
Sindh Sales Tax payable on remuneration of the Management Company		22	27
Allocated expenses payable	7.2	66	5
Selling and marketing expenses payable	7.3	2,164	805
Sales load payable		1	13
Sindh Sales Tax payable on sales load *		-	1
		<u>2,421</u>	<u>1,062</u>

* Nil figures due to rounding off

7.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.5% (December 31, 2021: 1.5%) per annum of the average annual net assets of the Fund during the period ended December 31, 2022. The remuneration is payable to the Management Company monthly in arrears.

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

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.11% (December 31, 2021: 0.11%) of the average annual net assets of the Fund during the period ended December 31, 2022, subject to total expense charged being lower than actual expense incurred.

7.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 1% (December 31, 2021: 1%) per annum of the average annual net assets of the Fund during the period ended December 31, 2022, subject to total expense charged being lower than actual expense incurred.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31, 2022 (Unaudited) (Rupees in '000)	June 30, 2022 (Audited)
Auditors' remuneration payable		233	208
Brokerage payable		483	318
Shariah advisor fee payable		263	264
Charity payable		1,190	1,417
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	8.1	482	482
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.1	145	145
Withholding tax payable*		-	-
Capital gain tax payable		10	26
		<u>2,806</u>	<u>2,860</u>

* Nil figures due to rounding off

- 8.1** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2022. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2022 would have been higher by Re.0.04 (June 30, 2022: Re.0.03) per unit.

9. CONTINGENCIES AND COMMITMENTS

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

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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



	December 31, 2022	June 30, 2022
	(Unaudited)	(Audited)
Balances		
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	168	211
Sindh Sales Tax payable on remuneration of the Management Company	22	27
Allocated expenses payable	66	5
Selling and marketing expenses payable	2,164	805
Sales load payable	1	13
Sindh Sales Tax payable on sales load	-	1
Meezan Bank Limited		
Sales load payable	-	58
Sindh Sales Tax on sales load payable	-	8
Bank balances	10,789	1,472
Profit receivable on savings account	57	60
Investment of 526,683 shares (June 30, 2022: 539,167 shares)	52,426	60,915
Shariah advisor fee payable	263	264
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	120	141
Sindh Sales Tax payable on remuneration of the Trustee	16	18
Security deposit	100	100
Directors and Executives of the Management Company		
Investment of 286,451 units (June 30, 2022: 295,585 units)	11,477	11,827
Unit holders holding 10% or more of units of the Fund		
Investment of 1,905,741 units (June 30, 2022: Nil)	76,353	-

**For the six months period
ended December 31,**

	2022	2021
	(Rupees in '000)	
(Unaudited)		
Transactions during the period		
Al Meezan Investment Management Limited - Management Company		
Remuneration of the Management Company	5,891	11,672
Sindh Sales Tax on remuneration of the Management Company	766	1,517
Allocated expenses	432	856
Selling and marketing expenses	3,928	7,781
Meezan Bank Limited		
Profit on savings account	269	344
Shares purchased: nil shares (December 31, 2021: 271,234 shares)	-	36,646
Shares sold: 62,000 shares (December 31, 2021: 25,000 shares)	8,022	3,990
Bonus shares received: 49,516 shares (December 31, 2021: 71,108 shares)	-	-
Dividend income	1,920	1,596
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	786	1,282
Sindh Sales Tax on remuneration of the Trustee	102	167
CDS charges	25	85
Directors and Executives of the Management Company		
Units issued: 2,909 units (December 31, 2021 :570,362 units)	119	27,128
Units redeemed: 12,043 units (December 31, 2021 :939,635 units)	500	46,721

11. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

12. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31, 2022 based on current period results is 3.73% (December 31, 2021: 3.66%) which includes 0.27% (December 31, 2021: 0.28%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Asset Allocation Scheme'.

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 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 value:

As at December 31, 2022				
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	<u>616,450</u>	<u>-</u>	<u>-</u>	<u>616,450</u>
As at June 30, 2022				
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	<u>759,097</u>	<u>-</u>	<u>-</u>	<u>759,097</u>



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