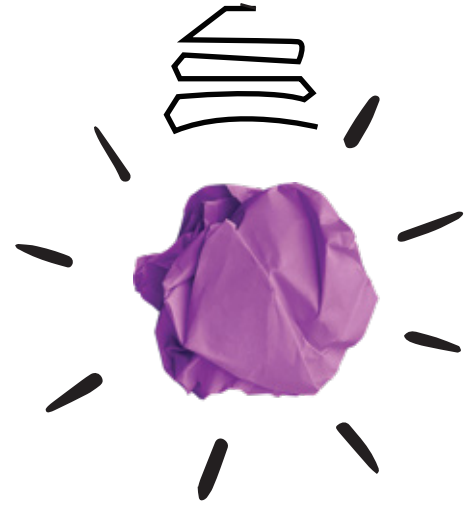


# Shariah *led* Excellence



Al Meezan emerges as a role model, seamlessly integrating modern financial pursuits with the principles of Shariah Compliance. Our unwavering commitment speaks volumes, where innovation and ethical principles converge to redefine excellence.

## Meezan Rozana Amdani Fund

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

# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

## 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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

Dr. Muhammad Imran Usmani  
Jamia Darul Uloom Karachi  
Korangi Industrial Area Karachi Postal Code 75180 Pakistan  
Tel: +92 21 35044770  
Email: [miu786@gmail.com](mailto:miu786@gmail.com)

## BANKERS TO THE FUND

Allied Bank Limited - Islamic Banking	Habib Bank Limited -Islamic Banking
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	UBL Ameen - Islamic Banking
Bank Of Punjab - Islamic Banking	
Bank Alfalah Limited	
Dubai Islamic Bank Pakistan Limited	
Faysal Bank Limited - Islamic Banking	

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



Pure. Profit.



## REPORT OF THE FUND MANAGER Meezan Rozana Amdani Fund (MRAF)

### Type of Fund

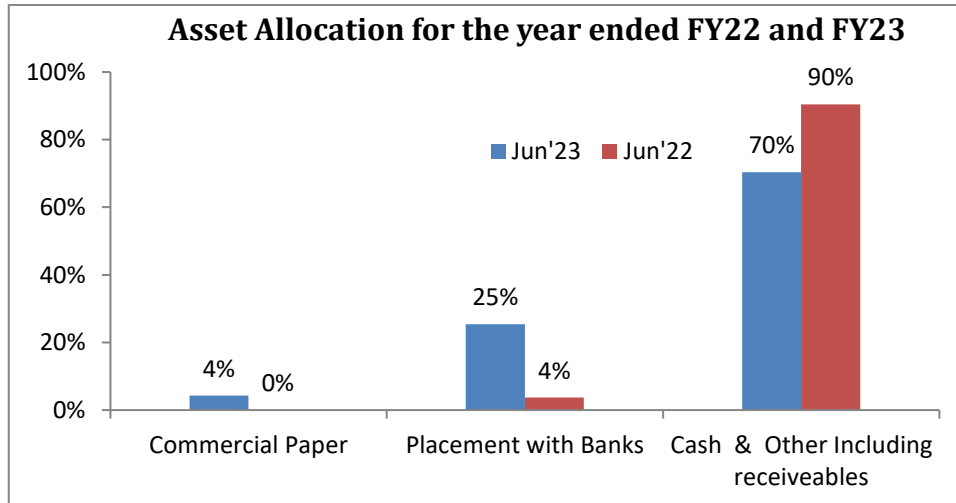
Open end money market fund investing primarily in Shariah compliant money market and Islamic bonds (Sukuks).

### Objective

Its objective is to meet liquidity needs of investors by providing investors a daily pay out through investment in Shariah Compliant money market instruments.

### Investment Policy and Strategy

The fund provides investors with the opportunity to park their excess liquidity in secure high-quality instruments. To minimize the impact of interest rate volatility, the investment policy limits the investment avenues to short term tenors. As per its investment policy, MRAF can invest or place funds in instruments/avenues with a credit rating of at least 'double A' (AA). Moreover, the investment policy limits interest rate risk by capping the maturity of instruments up to a maximum of six months, along with maximum portfolio weighted average time to maturity of three months.



### Performance Review

Meezan Rozana Amdani Fund (MRAF) provided a return of 16.83% to its investors for the year ended June 30, 2023 as compared to its Six Month deposits at Islamic Banks (benchmark) return of 6.23%.



Pure. Profit.



	MRAF	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 30, 2022	50.00	
Net Asset Value as on June 30, 2023	50.00	
Return During the Period - Net	16.83%	6.23%
Outperformance - Net	10.60%	

**Benchmark: 3 Month average deposit rate of 3 AA rated Islamic Banks**

The Fund earned a gross income of Rs. 13,780 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 13,783 million. The fund also incurred expenses totalling to Rs. 637 million, which brought the net income figure to Rs. 13,142 million. The net assets of the Fund as at June 30, 2023 were Rs. 96,006 million as compared to Rs. 72,760 million at the end of last year depicting increase of 31.95%. The net asset value per unit as at June 30, 2023 was Rs. 50 (Ex-dividend).

### Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 7.7726 per unit (15.55%). Total distribution made by the fund was Rs. 13,142 million.

### SWWF Disclosure

Not Applicable

### Fund Stability Rating

VIS Credit Rating Company has assigned Stability Rating of AA+ (f) to the Fund.

### Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	1,964
10,000 - 49,999	3,796
50,000 - 99,999	1,403
100,000 - 499,999	1,717
500,000 and above	447
<b>Total</b>	<b>9,327</b>

**PERFORMANCE TABLE**  
**MEEZAN ROZANA AMDANI FUND**

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	96,005,607	72,759,939	74,704,297
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	50.0000	50.0000	50.0000
Offer price per unit as at June 30, (Rs.) (ex-distribution)	50.0000	50.0000	50.0000
Highest offer price per unit (Rs.)	50.0000	50.0000	50.0000
Lowest offer price per unit (Rs.)	50.0000	50.0000	50.0000
Highest redemption price per unit (Rs.)	50.0000	50.0000	50.0000
Lowest redemption price per unit (Rs.)	50.0000	50.0000	50.0000
Distribution (%)	15.55	9.48	6.4
Interim			
Final			
Date of distribution			
Interim			
Final			
Income distribution (Rupees in '000)	13,142,424	4,946,448	2,925,426
Growth distribution (Rupees in '000)			
Total return (%)	16.83	9.95	6.61

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	16.83%	13.34%	11.05%

*Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.*

# Dr. Muhammad Imran Usmani

Address:

**Jamia Darul Uloom Karachi**

Korangi Industrial Area Karachi

Pakistan

Postal Code 75180

Tel: +92 21 3 5047770

Fax: +92 21 5040234

Email: [miu786@gmail.com](mailto:miu786@gmail.com)

## Report of the Shariah Advisor – Meezan Rozana Amdani Fund (MRAF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

**Alhamdulillah**, the period from July 1, 2022 to June 30, 2023 was the Fifth year of operations of Meezan Rozana Amdani Fund (the “MRAF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with the Trust Deed of the Fund. The scope of the Report is to express an opinion on the Shariah compliance of the Fund’s activity.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.



**Dr. Muhammad Imran Ashraf Usmani**  
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN ROZANA AMDANI FUND**

**Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Rozana Amdani Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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, September 25, 2023

## INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Rozana Amdani Fund

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Meezan Rozana Amdani Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<b>1. Existence and valuation of bank balances and investments</b>	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of debts instruments) held by the Fund represent 99% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> <li>- We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund.</li> <li>- We tested controls over acquisition, disposals and periodic valuation of investments portfolio.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4.</li> <li>- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations).</li> <li>- We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>- We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

#### **Other Matter**

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 26 September 2023

**Place:** Karachi

**UDIN Number:** AR202310076j9uZVRd35



**MEEZAN ROZANA AMDANI FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2023**

	2023	2022
Note	----- (Rupees in '000) -----	
<b>Assets</b>		
Balances with banks	5 <b>65,893,238</b>	64,902,950
Investments	6 <b>28,750,000</b>	7,025,000
Receivable against conversion of units	<b>865,887</b>	412,683
Accrued profit	7 <b>1,397,915</b>	822,165
Deposit and prepayments	8 <b>2,314</b>	1,300
Preliminary expenses and floatation costs	9 <b>100</b>	300
<b>Total assets</b>	<b>96,909,454</b>	73,164,398
<b>Liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	10 <b>114,814</b>	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee	11 <b>4,928</b>	3,110
Payable to the Securities and Exchange Commission of Pakistan (SECP)	12 <b>16,699</b>	10,366
Payable against conversion and redemption of units	<b>375,827</b>	303,764
Dividend payable	<b>149,178</b>	-
Accrued expenses and other liabilities	13 <b>242,401</b>	83,819
<b>Total liabilities</b>	<b>903,847</b>	404,459
<b>Net assets</b>	<b>96,005,607</b>	72,759,939
<b>Unit holders' fund (as per statement attached)</b>	<b>96,005,607</b>	72,759,939
<b>Contingencies and commitments</b>	14	
	----- (Number of units) -----	
<b>Number of units in issue</b>	<b>1,920,112,094</b>	1,455,198,746
	----- (Rupees) -----	
<b>Net asset value per unit</b>	<b>50.0000</b>	50.0000

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ROZANA AMDANI FUND**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	----- (Rupees in '000) -----	
<b>Income</b>		
Profit on commercial papers and sukuks	1,118,816	352,543
Profit on term deposit receipts	3,870,391	472,068
Profit on Bai muajjal	582,502	321,850
Profit on saving accounts with banks	8,211,188	3,821,794
Net realised loss on sale of investments	(3,200)	(1,685)
<b>Total income</b>	<u>13,779,697</u>	<u>4,966,570</u>
<b>Expenses</b>		
Remuneration of Al Meezan Investment Management Limited - Management Company	10.1 315,173	82,143
Sindh Sales Tax on remuneration of the Management Company	10.2 40,973	10,679
Selling and marketing expenses	10.3 205,343	18,227
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11.1 45,923	29,976
Sindh Sales Tax on remuneration of the Trustee	11.1 5,970	3,897
Annual fees to the Securities and Exchange Commission of Pakistan	12 16,699	10,366
Auditors' remuneration	15 546	503
Amortisation of preliminary expenses and floatation costs	9 200	200
Fees and subscription	1,313	1,320
Legal and professional charges	-	184
Brokerage expense	940	362
Printing expenses	92	-
Bank and settlement charges	4,101	3,464
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	-	(141,199)
<b>Total expenses</b>	<u>637,273</u>	<u>20,122</u>
<b>Net income for the year before taxation</b>	<u>13,142,424</u>	<u>4,946,448</u>
Taxation	17 -	-
<b>Net income for the year after taxation</b>	<u>13,142,424</u>	<u>4,946,448</u>
<b>Allocation of net income for the year</b>		
Net income for the year after taxation	13,142,424	4,946,448
Income already paid on units redeemed	-	-
	<u>13,142,424</u>	<u>4,946,448</u>
<b>Accounting income available for distribution</b>		
- Relating to capital gains	-	-
- Excluding capital gains	13,142,424	4,946,448
	<u>13,142,424</u>	<u>4,946,448</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ROZANA AMDANI FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>	<b>2022</b>
	----- (Rupees in '000) -----	
<b>Net income for the year after taxation</b>	<b>13,142,424</b>	4,946,448
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b><u>13,142,424</u></b>	<b><u>4,946,448</u></b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ROZANA AMDANI FUND  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the year</b>	72,759,939	-	72,759,939	74,704,297	-	74,704,297
Issuance of 5,049,054,418 (2022: 22,727,961,332) units						
- Capital value (at par value per unit at the beginning of the year)	252,452,721	-	252,452,721	136,398,067	-	136,398,067
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	252,452,721	-	252,452,721	136,398,067	-	136,398,067
Redemption of 4,584,141,070 (2022: 2,766,848,504) units						
- Capital value (at par value per unit at the beginning of the year)	229,207,053	-	229,207,053	138,342,425	-	138,342,425
- Element of loss	-	-	-	-	-	-
Total payments on redemption of units	229,207,053	-	229,207,053	138,342,425	-	138,342,425
Total comprehensive income for the year	-	13,142,424	13,142,424	-	4,946,448	4,946,448
Distribution during the year *	-	(13,142,424)	(13,142,424)	-	(4,946,448)	(4,946,448)
Net income for the year less distribution	-	-	-	-	-	-
<b>Net assets at the end of the year</b>	<b>96,005,607</b>	<b>-</b>	<b>96,005,607</b>	<b>72,759,939</b>	<b>-</b>	<b>72,759,939</b>
<b>Undistributed income brought forward</b>						
- Realised income		-			-	
- Unrealised income		-			-	
Accounting income available for distribution		-			-	
- Relating to capital gains		-			-	
- Excluding capital gains		13,142,424			4,946,448	
		13,142,424			4,946,448	
Distribution during the year: Rs. 7.7726 per unit i.e. 15.55% of the par value of Rs. 50/- each (2022: Rs. 4.7407 per unit i.e. 9.48%)		(13,142,424)			(4,946,448)	
Undistributed income carried forward		-			-	
<b>Undistributed income carried forward</b>						
- Realised income		-			-	
- Unrealised income		-			-	
		-			-	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year	<u>50.0000</u>			<u>50.0000</u>		
Net assets value per unit at the end of the year	<u>50.0000</u>			<u>50.0000</u>		

\* Meezan Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the year ended June 30, 2023 amounted to Rs.7.7726 (2022: Rs.4.7407) per unit.

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN ROZANA AMDANI FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

Note	2023	2022
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	13,142,424	4,946,448
<b>Adjustment for non-cash items:</b>		
Amortisation of preliminary expenses and floatation costs	200	200
<b>Decrease / (increase) in assets</b>		
Investments - net	175,000	1,531,099
Accrued profit	(575,750)	(564,811)
Deposits and prepayments	(1,014)	(1,006)
	(401,764)	965,282
<b>Increase / (decrease) in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	111,414	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee	1,818	(444)
Payable to the Securities and Exchange Commission of Pakistan	6,333	1,274
Accrued expenses and other liabilities	158,582	(82,557)
	278,147	(78,327)
<b>Net cash generated from operating activities</b>	13,019,007	5,833,603
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	251,999,517	136,421,413
Payments against redemption and conversion of units	(229,134,990)	(138,318,785)
Dividend paid	(12,993,246)	(4,946,448)
<b>Net cash generated / (used in) from financing activities</b>	9,871,281	(6,843,820)
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	22,890,288	(1,010,217)
Cash and cash equivalents at the beginning of the year	67,602,950	68,613,167
<b>Cash and cash equivalents at the end of the year</b>	19 90,493,238	67,602,950

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ROZANA AMDANI FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** Meezan Rozana Amdani Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

**1.2** The investment objective of the Fund is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

**1.3** The Fund is an open-end Shariah Compliant Money Market Scheme and has the following specific features:

- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day); and
- (b) Daily dividend received by the unit holders shall be reinvested.

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

**1.4** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

**1.5** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of AA+(f) by VIS Credit Rating Company Limited dated January 03, 2023 (2022: AA+(f) dated December 27, 2021).

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

**2 BASIS OF PRESENTATION**

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

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

### 3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

#### Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

##### Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

##### Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

#### Standards and amendments to the approved accounting standards that are not yet effective

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 -and IFRS 7	January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

<b>Standards</b>	<b>IASB Effective date (annual periods)</b>
IFRS 1      First time adoption of IFRS	January 01, 2004
IFRS 17     Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Company's financial statements in the period of initial application.

### **3.3 Critical accounting estimates and judgments**

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets.

### **3.4 Accounting convention**

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

### **3.5 Functional and presentation currency**

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

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

4.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years.

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

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

### **4.3 Bai Muajjal**

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the term of the transaction.

### **4.4 Financial assets**

#### **4.4.1 Initial recognition and measurement**

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

#### 4.4.2 Classification and subsequent measurement

##### a) Debt instruments

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

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

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

##### b) Impairment

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

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

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

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

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

#### 4.4.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

#### 4.4.4 Derecognition

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

#### 4.5 Financial liabilities

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

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

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

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

#### **4.7 Provisions**

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

#### **4.8 Net asset value per unit**

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

#### **4.9 Issue and redemption of units**

Units of the scheme shall be allocated on the basis of purchase (offer) price applicable on the date of realization of subscription money into the bank account of the scheme.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

#### **4.10 Distributions to unit holders**

Distributions to the unit holders are recognised upon declaration by the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year. As more fully explained in note 1.3 to the financial statements, the Fund is required to make distribution on each business day.

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

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

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

#### **4.12 Revenue recognition**

- Gains / (losses) arising on sale of investments are recognised on the date at which the transaction takes place;
- Profit on bank deposits and term deposit receipts is recognised on time proportion basis using the effective yield method;
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise;
- Income on sukuk certificates, placements and commercial papers is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Income on bai muajjal is recognised on time proportion basis, the difference between the sale and the credit price is recognised over the credit period.

#### 4.13 Expenses

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

#### 4.14 Taxation

##### Current

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

##### Deferred

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

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

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

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

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

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

#### 4.16 Foreign currency translation

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

5	BALANCES WITH BANKS	Note	2023 ----- (Rupees in '000) -----	2022
	Balances with banks in:			
	Current accounts		200,043	44
	Savings accounts	5.1	<u>65,693,195</u>	64,902,906
			<u>65,893,238</u>	<u>64,902,950</u>

5.1 These include balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10.00% (2022: 6.01%) per annum. Other savings accounts of the Fund have expected profit rates ranging from 6.74% to 20.25% per annum (2022: 4.0% to 16.40% per annum).

6	INVESTMENTS	Note	2023 ----- (Rupees in '000) -----	2022
	<b>At fair value through profit or loss</b>			
	Corporate sukuks	6.1	4,150,000	4,325,000
	Term deposit receipts - having original maturity of 3 months or less	6.2	9,600,000	2,700,000
	Certificate of Musharka	6.3	15,000,000	-
			<u>28,750,000</u>	<u>7,025,000</u>

## 6.1 Corporate sukuks

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the year	Sales / redemptions during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution)	Percentage in relation to	
			-----Certificates-----			----- (Rupees in '000) -----			Net assets of the Fund	Total market value of investments	%
The Hub Power Company Limited PPSTS (AA+, PACRA) (note 6.1.1)	October 27, 2022	6 months KIBOR plus base rate of 1%	6,000	-	6,000	-	-	-	-	-	-
K-Electric Limited - I (A-1+, PACRA) (note 6.1.1)	August 04, 2022	6 months KIBOR plus base rate of 0.85%	675	-	675	-	-	-	-	-	-
K-Electric Limited - II (A-1+, PACRA) (note 6.1.1)	August 15, 2022	6 months KIBOR plus base rate of 0.85%	625	-	625	-	-	-	-	-	-
K-Electric Limited - III (A-1+, PACRA) (note 6.1.2)	September 01, 2022	6 months KIBOR plus base rate of 0.85%	675	-	675	-	-	-	-	-	-
K-Electric Limited - IV (A-1+, PACRA) (note 6.1.2)	September 23, 2022	6 months KIBOR plus base rate of 0.85%	600	-	600	-	-	-	-	-	-
K-Electric Limited - V (A-1+, PACRA) (note 6.1.2)	September 23, 2022	6 months KIBOR plus base rate of 0.95%	150	-	150	-	-	-	-	-	-
Lucky Electric Limited - II (A-1+, PACRA) (note 6.1.2)	December 15, 2022	6 months KIBOR plus base rate of 1.2%	1,000	-	1,000	-	-	-	-	-	-
Lucky Electric Limited - III (A-1+, PACRA) (note 6.1.2)	January 09, 2023	6 months KIBOR plus base rate of 1.2%	-	750	750	-	-	-	-	-	-
China Power Hub Generation Company - I (A-1+, PACRA) (note 6.1.2)	January 30, 2023	6 months KIBOR plus base rate of 1.35%	-	1,200	1,200	-	-	-	-	-	-
K-Electric Limited - VII (A-1+, PACRA) (note 6.1.2)	February 10, 2023	6 months KIBOR plus base rate of 1.35%	-	750	750	-	-	-	-	-	-
K-Electric Limited - VIII (A-1+, PACRA) (note 6.1.2)	February 28, 2023	6 months KIBOR plus base rate of 1.35%	-	400	400	-	-	-	-	-	-
K-Electric Limited - IX (A-1+, PACRA) (note 6.1.2)	March 21, 2023	6 months KIBOR plus base rate of 1.4%	-	600	600	-	-	-	-	-	-
Lucky Electric Limited - IV (A-1+, PACRA) (note 6.1.2)	March 28, 2023	6 months KIBOR plus base rate of 1.5%	-	750	750	-	-	-	-	-	-
K-Electric Limited - X (A-1+, PACRA) (note 6.1.2)	April 05, 2023	6 months KIBOR plus base rate of 1.45%	-	150	150	-	-	-	-	-	-
Lucky Electric Limited - V (A-1+, PACRA) (note 6.1.2)	April 13, 2023	6 months KIBOR plus base rate of 1.5%	-	1,050	1,050	-	-	-	-	-	-
K-Electric Limited - XI (A-1+, PACRA) (note 6.1.2)	April 26, 2023	6 months KIBOR plus base rate of 1.45%	-	750	750	-	-	-	-	-	-
Nishat Mills Limited (A-1+, PACRA) (note 6.1.2)	February 23, 2023	3 months KIBOR plus base rate of 0.9%	-	333	333	-	-	-	-	-	-

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the year	Sales / redemptions during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution)	Percentage in relation to	
			-----Certificates-----			-----Certificates-----			(Rupees in '000)		Net assets of the Fund
China Power Hub Generation Company -I (A-1+, PACRA) (note 6.1.2)	June 07, 2023	6 months KIBOR plus base rate of 1.45%	-	675	675	-	-	-	-	-	-
K-Electric Limited - XII (A-1+, PACRA) (note 6.1.2)	June 13, 2023	6 months KIBOR plus base rate of 1.4%	-	750	750	-	-	-	-	-	-
Lucky Electric Limited - VII (A-1+, PACRA) (note 6.1.2)	August 15, 2023	6 months KIBOR plus base rate of 1.5%	-	700	-	700	700,000	700,000	-	0.73%	2.43%
Lucky Electric Limited - VIII (A-1+, PACRA) (note 6.1.2)	September 29, 2023	6 months KIBOR plus base rate of 0.55%	-	750	-	750	750,000	750,000	-	0.78%	2.61%
China Power Hub Generation Company -I (A-1+, PACRA) (note 6.1.2)	September 29, 2023	6 months KIBOR plus base rate of 0.70%	-	1,050	-	1,050	1,050,000	1,050,000	-	1.09%	3.65%
Lucky Electric Limited - IX (A-1+, PACRA) (note 6.1.2)	October 12, 2023	6 months KIBOR plus base rate of 0.30%	-	1,050	-	1,050	1,050,000	1,050,000	-	1.09%	3.65%
Lucky Electric Limited - XI (A-1+, PACRA) (note 6.1.2)	December 13, 2023	6 months KIBOR plus base rate of 0.30%	-	600	-	600	600,000	600,000	-	0.62%	2.09%
<b>Total as at June 30, 2023</b>							<b>4,150,000</b>	<b>4,150,000</b>		<b>2.60%</b>	<b>14.43%</b>
<b>Total as at June 30, 2022</b>							<b>4,325,000</b>	<b>4,325,000</b>		<b>5.94%</b>	<b>61.57%</b>

6.1.1 The nominal value of these sukuk certificates is Rs.100,000 each.

6.1.2 The nominal value of these sukuk certificates is Rs.1,000,000 each.

6.1.3 The profit payments and principal redemptions of these sukuk certificates are receivable at maturity.

## 6.2 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the year	Matured during the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) as at June 30, 2023	As a percentage of net assets of the Fund	Percentage of total market value of investments
		%	----- (Rupees in '000) -----						%	%

### Having original maturity of 3 months or less

Bank Alfalah Limited	July 14, 2022	16.20%	2,700,000	-	2,700,000	-	-	-	-	-
Bank Alfalah Limited	August 22, 2022	14.85%	-	6,000,000	6,000,000	-	-	-	-	-
Bank Alfalah Limited	September 22, 2022	14.15%	-	6,000,000	6,000,000	-	-	-	-	-
Bank Alfalah Limited	December 22, 2022	14.25%	-	6,000,000	6,000,000	-	-	-	-	-
The Bank Of Punjab	January 20, 2023	15.25%	-	3,000,000	3,000,000	-	-	-	-	-
The Bank Of Punjab	January 30, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Bank Alfalah Limited	February 13, 2023	15.50%	-	6,000,000	6,000,000	-	-	-	-	-
The Bank Of Punjab	February 16, 2023	15.70%	-	3,000,000	3,000,000	-	-	-	-	-
The Bank Of Punjab	February 23, 2023	15.80%	-	1,000,000	1,000,000	-	-	-	-	-
Bank Alfalah Limited	March 10, 2023	15.80%	-	6,000,000	6,000,000	-	-	-	-	-
The Bank Of Punjab	March 16, 2023	16.55%	-	3,000,000	3,000,000	-	-	-	-	-
Habib Bank Limited	March 29, 2023	15.50%	-	8,700,000	8,700,000	-	-	-	-	-
Bank Alfalah Limited	April 10, 2023	19.00%	-	6,000,000	6,000,000	-	-	-	-	-
Habib Bank Limited	June 19, 2023	17.72%	-	5,000,000	5,000,000	-	-	-	-	-
Bank Alfalah Limited	July 10, 2023	20.50%	-	6,000,000	-	6,000,000	6,000,000	-	6.25%	20.87%
Bank Alfalah Limited	August 22, 2023	20.50%	-	2,700,000	-	2,700,000	2,700,000	-	2.81%	9.39%
Bank Alfalah Limited	August 23, 2023	20.50%	-	300,000	-	300,000	300,000	-	0.31%	1.04%
Bank Alfalah Limited	September 6, 2023	18.57%	-	600,000	-	600,000	600,000	-	0.62%	2.09%
<b>As at June 30, 2023</b>				<b>70,300,000</b>	<b>63,400,000</b>	<b>9,600,000</b>	<b>9,600,000</b>		<b>10.00%</b>	<b>33.39%</b>
<b>As at June 30, 2022</b>				<b>45,600,000</b>	<b>54,770,000</b>	<b>2,700,000</b>	<b>2,700,000</b>			

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



### 6.3 Certificate of Musharka

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the period	Matured during the period	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/ (diminution) as at March 31, 2023	Percentage in relation to	
									Net assets of the Fund	Total market value of investments
(Rupees in '000)									%	%
Meezan Bank Limited	August 29, 2022	14.15%	-	5,900,000	5,900,000	-	-	-	-	-
Meezan Bank Limited	September 5, 2022	14.25%	-	5,000,000	5,000,000	-	-	-	-	-
UBL Ameen	December 13, 2022	14.80%	-	7,000,000	7,000,000	-	-	-	-	-
UBL Ameen	December 14, 2022	15.80%	-	800,000	800,000	-	-	-	-	-
UBL Ameen	December 16, 2022	14.80%	-	700,000	700,000	-	-	-	-	-
Meezan Bank Limited	December 16, 2022	15.50%	-	7,500,000	7,500,000	-	-	-	-	-
Meezan Bank Limited	December 20, 2022	15.50%	-	5,000,000	5,000,000	-	-	-	-	-
Meezan Bank Limited	December 23, 2022	15.50%	-	2,500,000	2,500,000	-	-	-	-	-
Askari Bank Limited	December 26, 2022	15.50%	-	705,000	705,000	-	-	-	-	-
Meezan Bank Limited	December 30, 2022	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
UBL Ameen	January 13, 2023	15.70%	-	7,000,000	7,000,000	-	-	-	-	-
UBL Ameen	January 13, 2023	15.70%	-	800,000	800,000	-	-	-	-	-
UBL Ameen	January 13, 2023	15.70%	-	700,000	700,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	2,500,000	2,500,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,500,000	1,500,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	250,000	250,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	January 25, 2023	14.80%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	January 27, 2023	15.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	January 27, 2023	15.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	January 27, 2023	15.50%	-	3,300,000	3,300,000	-	-	-	-	-
UBL Ameen	January 27, 2023	15.25%	-	7,200,000	7,200,000	-	-	-	-	-
UBL Ameen	January 27, 2023	15.25%	-	1,500,000	1,500,000	-	-	-	-	-
Faysal Bank Limited	February 3, 2023	16.50%	-	3,000,000	3,000,000	-	-	-	-	-
Faysal Bank Limited	February 3, 2023	15.25%	-	5,000,000	5,000,000	-	-	-	-	-
Faysal Bank Limited	February 17, 2023	15.60%	-	6,000,000	6,000,000	-	-	-	-	-
Faysal Bank Limited	February 24, 2023	16.00%	-	1,500,000	1,500,000	-	-	-	-	-
Meezan Bank Limited	March 3, 2023	16.50%	-	700,000	700,000	-	-	-	-	-
Faysal Bank Limited	March 3, 2023	15.75%	-	6,000,000	6,000,000	-	-	-	-	-
UBL Ameen	March 3, 2023	16.50%	-	3,000,000	3,000,000	-	-	-	-	-
UBL Ameen	March 3, 2023	16.35%	-	2,000,000	2,000,000	-	-	-	-	-
UBL Ameen	March 6, 2023	16.35%	-	1,000,000	1,000,000	-	-	-	-	-
Askari Bank Limited	March 17, 2023	15.50%	-	300,000	300,000	-	-	-	-	-
Askari Bank Limited	March 17, 2023	15.50%	-	200,000	200,000	-	-	-	-	-
Meezan Bank Limited	March 17, 2023	16.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	March 17, 2023	16.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	March 17, 2023	16.50%	-	2,800,000	2,800,000	-	-	-	-	-
Dubai Islamic Bank Limited	March 17, 2023	19.00%	-	2,000,000	2,000,000	-	-	-	-	-
Dubai Islamic Bank Limited	March 28, 2023	17.50%	-	2,000,000	2,000,000	-	-	-	-	-
UBL Ameen	March 28, 2023	17.45%	-	9,300,000	9,300,000	-	-	-	-	-
Dubai Islamic Bank Limited	March 31, 2023	17.50%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	April 7, 2023	19.50%	-	1,900,000	1,900,000	-	-	-	-	-
Meezan Bank Limited	April 7, 2023	19.50%	-	5,000,000	5,000,000	-	-	-	-	-
Meezan Bank Limited	April 7, 2023	19.50%	-	2,000,000	2,000,000	-	-	-	-	-
Faysal Bank Limited	April 7, 2023	18.25%	-	10,700,000	10,700,000	-	-	-	-	-
Dubai Islamic Bank Limited	April 27, 2023	19.35%	-	2,500,000	2,500,000	-	-	-	-	-
UBL Ameen	April 28, 2023	19.00%	-	9,000,000	9,000,000	-	-	-	-	-
Meezan Bank Limited	May 5, 2023	20.15%	-	4,500,000	4,500,000	-	-	-	-	-
Meezan Bank Limited	May 5, 2023	20.15%	-	4,500,000	4,500,000	-	-	-	-	-
Faysal Bank Limited	May 8, 2023	19.25%	-	9,000,000	9,000,000	-	-	-	-	-
UBL Ameen	May 15, 2023	20.00%	-	9,000,000	9,000,000	-	-	-	-	-
Askari Bank Limited	June 1, 2023	19.50%	-	2,500,000	2,500,000	-	-	-	-	-
Faysal Bank Limited	June 14, 2023	20.00%	-	9,000,000	9,000,000	-	-	-	-	-
Askari Bank Limited	June 16, 2023	20.00%	-	3,000,000	3,000,000	-	-	-	-	-
Askari Bank Limited	June 16, 2023	20.00%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	June 16, 2023	20.15%	-	4,000,000	4,000,000	-	-	-	-	-
Meezan Bank Limited	June 16, 2023	20.15%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	June 16, 2023	20.15%	-	2,000,000	2,000,000	-	-	-	-	-
Faysal Bank Limited	June 16, 2023	19.75%	-	3,000,000	3,000,000	-	-	-	-	-
Meezan Bank Limited	June 23, 2023	19.90%	-	4,000,000	4,000,000	-	-	-	-	-
Meezan Bank Limited	June 23, 2023	19.90%	-	2,100,000	2,100,000	-	-	-	-	-
Meezan Bank Limited	June 23, 2023	19.90%	-	2,900,000	2,900,000	-	-	-	-	-
UBL Ameen	July 7, 2023	20.25%	-	5,000,000	-	5,000,000	5,000,000	-	5.21%	17.39%
Askari Bank Limited	July 14, 2023	20.20%	-	2,000,000	-	2,000,000	2,000,000	-	2.08%	6.96%
Askari Bank Limited	July 17, 2023	20.20%	-	5,000,000	-	5,000,000	5,000,000	-	5.21%	17.39%
UBL Ameen	August 21, 2023	20.25%	-	3,000,000	-	3,000,000	3,000,000	-	3.12%	10.43%
<b>As at June 30, 2023</b>				<b>238,255,000</b>	<b>223,255,000</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>-</b>	<b>15.62%</b>	<b>52.17%</b>
<b>As at June 30, 2022</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.3.1 The profit payments and principal redemptions of these term deposits and are receivable at maturity.

#### 6.4 Bai Muajjal receivable

Name of the counterparty	Maturity date	Profit rate	Total transaction price	Total deferred income	profit for the year	Carrying value as at June 30, 2023	As a percentage of net assets of the Fund	Percentage of total market value of investments
Pak Oman Investments Company Limited (AA+, VIS)	April 10, 2023	15.40%	641,204	49,237	49,237	-	-	-
Pak Oman Investments Company Limited (AA+, VIS)	April 12, 2023	15.40%	1,052,914	80,852	80,852	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	642,197	17,565	17,565	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	774,089	20,224	20,224	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	774,443	19,917	19,917	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	774,797	19,610	19,610	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	775,152	19,302	19,302	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	775,506	18,995	18,995	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	776,568	18,070	18,070	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	776,923	17,761	17,761	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	797,823	30,584	30,584	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	422,295	16,188	16,188	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	809,277	31,023	31,023	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	798,886	29,581	29,581	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	422,897	15,659	15,659	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	810,330	30,004	30,004	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	799,240	29,246	29,246	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	423,098	15,482	15,482	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	810,680	29,663	29,663	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	799,595	28,910	28,910	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	423,298	15,305	15,305	-	-	-
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 21, 2023	15.90%	811,031	29,324	29,324	-	-	-
<b>Total as at June 30, 2023</b>			<b>15,892,243</b>	<b>582,502</b>	<b>582,502</b>	-	-	-
<b>Total as at June 30, 2022</b>			<b>10,745,906</b>	<b>326,973</b>	<b>321,850</b>	-	-	-

#### 7 ACCRUED PROFIT

Profit accrued on:

	Note	2023	2022
----- (Rupees in '000) -----			
Bank balances		719,692	663,676
Term deposit receipts		456,371	21,571
Sukuk certificates		221,852	136,918
		<b>1,397,915</b>	<b>822,165</b>

#### 8 DEPOSIT AND PREPAYMENTS

Security deposit with Central Depository Company of Pakistan Limited		100	100
Prepayments		214	200
ATM deposit with Meezan Bank Limited		1,000	1,000
Advance against IBFT redemptions		1,000	-
		<b>2,314</b>	<b>1,300</b>

#### 9 PRELIMINARY EXPENSES AND FLOTATION COSTS

At the beginning of the year		300	500
Less: amortisation during the year		(200)	(200)
At the end of the year	9.1	<b>100</b>	<b>300</b>

9.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

#### 10 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	2023	2022
----- (Rupees in '000) -----			
Remuneration payable	10.1	8,154	1,802
Sindh Sales Tax payable on remuneration of the Management Company	10.2	1,060	234
Selling and marketing expenses payable	10.3	105,600	1,364
		<b>114,814</b>	<b>3,400</b>

- 10.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit.

Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates during the year:

2023	
Period	Rate applicable
From July 01, 2022 to October 17, 2022	0.33% of the average annual net assets
From October 18, 2022 to November 30, 2022	0.35% of the average annual net assets
From December 01, 2022 to June 30, 2023	0.40% of the average annual net assets

2022	
Period	Rate applicable
From July 01, 2021 to July 05, 2021	Nil
From July 06, 2021 to September 16, 2021	0.20% of the average annual net assets
From September 17, 2021 to June 30, 2022	0.15% of the average annual net assets

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

- 10.2 During the year, an amount of Rs.40.973 million (2022: Rs.10.679 million) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011, and an amount of Rs.40.147 million (2022: Rs.10.445 million) has been paid to the Management Company which acts as a collecting agent.
- 10.3 In accordance with Circular 11 dated July 05, 2019 issued by SECP, with respect to charging selling and marketing expenses, the Management Company, based on its own discretion has charged selling and marketing expenses at the following rates of the average annual net assets of the Fund during the year, subject to total expense charged being lower than actual expense incurred.

2023	
Period	Rates
From July 01, 2022 to November 30, 2022	0.12% of the average annual net assets
From December 01, 2022 to April 03, 2023	0.21% of the average annual net assets
From April 04, 2023 to June 30, 2023	0.46% of the average annual net assets

2022	
Period	Rates
From July 1, 2021 to July 31, 2021	Nil
From August 1, 2021 to September 16, 2021	0.10% of the average annual net assets
September 17, 2021 to September 30, 2021	Nil
From October 1, 2021 to June 30, 2022	0.03% of the average annual net assets

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

The Management Company, based on its own discretion, has not charged such expenses to the Fund during the year.

11	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023 ----- (Rupees in '000) -----	2022
	Remuneration of the Trustee	11.1	4,361	2,752
	Sindh Sales Tax payable on remuneration of the Trustee	11.1	567	358
			<u>4,928</u>	<u>3,110</u>

- 11.1 During the year, an amount of Rs. 5.970 million (2022: Rs. 3.897 million) was charged on account of sales tax at a rate of 13% on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 5.761 million (2022: Rs. 3.948 million) was paid to the Trustee which acts as a collecting agent.

## 12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% (2022: 0.02%) of average annual net assets during the current year.

13 ACCRUED EXPENSES AND OTHER LIABILITIES	2023	2022
	----- (Rupees in '000) -----	
Auditors' remuneration payable	323	290
Brokerage payable	250	-
Shariah advisor fee payable	522	537
Withholding tax payable	238,268	80,207
CDS charges payable	2,878	2,544
Zakat payable	152	230
Other payable	8	11
	<u>242,401</u>	<u>83,819</u>

## 14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

15 AUDITORS' REMUNERATION	2023	2022
	----- (Rupees in '000) -----	
Annual audit fee	348	332
Half yearly review fee	171	145
Out of pocket expenses	27	26
	<u>546</u>	<u>503</u>

## 16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 0.76% (2022: 0.31%) which includes 0.08% (2022: 0.05%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

## 17 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. 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 has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

## 18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

- 18.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.
- 18.3** Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.
- 18.4** Detail of transactions with connected persons and balances with them are as follows:

<b>Balances</b>	<b>2023</b>	<b>2022</b>
	----- (Rupees in '000) -----	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable to the Management Company	<u>8,154</u>	<u>1,802</u>
Sindh Sales Tax payable on remuneration of the Management Company	<u>1,060</u>	<u>234</u>
Selling and marketing expense payable	<u>105,600</u>	<u>1,364</u>
Investment of nil units (2022: 1,179,212 units)	<u>-</u>	<u>58,961</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	<u>4,361</u>	<u>2,752</u>
Sindh Sales Tax on remuneration of the Trustee	<u>567</u>	<u>358</u>
Security deposit	<u>100</u>	<u>100</u>
CDS charges payable	<u>2,878</u>	<u>2,544</u>
<b>Meezan Bank Limited</b>		
Balance with bank	<u>743,590</u>	<u>86,416</u>
Profit receivable on saving account	<u>2,808</u>	<u>1,986</u>
Shariah advisor fee payable	<u>522</u>	<u>537</u>
ATM deposit	<u>1,000</u>	<u>1,000</u>
Advance against IBFT redemptions	<u>1,000</u>	<u>-</u>
<b>MFPF Aggressive Allocation Plan</b>		
Investment of 320,358 units (2022: nil units)	<u>16,018</u>	<u>-</u>
<b>MFPF Moderate Allocation Plan</b>		
Investment of 618,835 units (2022: nil units)	<u>30,942</u>	<u>-</u>
<b>MFPF Conservative Allocation Plan</b>		
Investment of 887,813 units (2022: nil units)	<u>44,391</u>	<u>-</u>
<b>Meezan Strategic Asset Allocation Fund - MCPP - III</b>		
Investment of 2,433,027 units (2022: 3,503,861 units)	<u>121,651</u>	<u>175,193</u>
<b>Meezan Strategic Allocation Fund -II - MCPP - IV</b>		
Investment of 3,570,255 units (2022: 7,987,860 units)	<u>178,513</u>	<u>399,393</u>
<b>Meezan Strategic Allocation Fund-II - MCPP - V</b>		
Investment of 642,972 units (2022: 1,129,971 units)	<u>32,149</u>	<u>56,499</u>



Balances	2023	2022
	----- (Rupees in '000) -----	
<b>Meezan Strategic Allocation Fund II- MCPP - VI</b> Investment of 894,257 units (2022: 1,331,913 units)	<u>44,713</u>	<u>66,596</u>
<b>Meezan Strategic Allocation Fund II- MCPP - VII</b> Investment of 500,984 units (2022: 781,119 units)	<u>25,049</u>	<u>39,056</u>
<b>Meezan Strategic Allocation Fund III- MCPP - IX</b> Investment of 3,501,288 units (2022: 6,682,038 units)	<u>175,064</u>	<u>334,102</u>
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b> Investment of 668,284 units (2022: 501,508 units)	<u>33,414</u>	<u>25,075</u>
<b>Unitholders holding 10 percent or more of the Fund</b> Investment of nil units (2022: 152,229,568 units units)	<u>-</u>	<u>7,611,478</u>
<b>Directors and Executives of the Management Company</b> Investment of 1,222,770 units (2022: 7,428,001 units units)	<u>61,139</u>	<u>371,400</u>
Transactions during the year	2023	2022
	----- (Rupees in '000) -----	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	<u>315,173</u>	<u>82,143</u>
Sindh Sales Tax on remuneration of the Management Company	<u>40,973</u>	<u>10,679</u>
Selling and marketing expenses	<u>205,343</u>	<u>18,227</u>
Units issued: 11,611,661 units (2022: 64,730,439 units)	<u>580,583</u>	<u>3,236,522</u>
Units redeemed: 12,790,873 units (2022: 82,820,622 units)	<u>639,544</u>	<u>4,141,031</u>
Dividend paid	<u>12,098</u>	<u>35,892</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	<u>45,923</u>	<u>29,976</u>
Sindh Sales Tax on remuneration of the Trustee	<u>5,970</u>	<u>3,897</u>
CDS charges	<u>1,504</u>	<u>1,854</u>
Units issued: 4,185,805 units (2022: 2,000,000 units)	<u>209,290</u>	<u>100,000</u>
Units redeemed: 4,185,805 units (2022: 2,041,669 units)	<u>209,290</u>	<u>102,083</u>
Dividend paid	<u>10,930</u>	<u>2,083</u>
<b>Meezan Bank Limited</b>		
Profit on savings account	<u>23,960</u>	<u>7,419</u>
Certificate of musharika placed	<u>89,850,000</u>	<u>13,500,000</u>
Certificate of musharika matured	<u>89,850,000</u>	<u>18,500,000</u>
Profit on term deposit receipts	<u>951,209</u>	<u>128,088</u>
Shariah advisory fee expense	<u>1,065</u>	<u>1,078</u>
<b>MFPF Aggressive Allocation Plan</b> Units issued: 320,358 units (2022 : nil units)	<u>16,018</u>	<u>-</u>
<b>MFPF Moderate Allocation Plan</b> Units issued: 618,835 units (2022 : nil units)	<u>30,942</u>	<u>-</u>
<b>MFPF Conservative Allocation Plan</b> Units issued: 887,813 units (2022 : nil units)	<u>44,391</u>	<u>-</u>
<b>Meezan Strategic Allocation Fund - MSAP - I</b> Units issued: nil units (2022 : 65,728 units) Units redeemed: nil units (2022 : 3,614,533 units) Dividend paid	<u>-</u> <u>-</u> <u>-</u>	<u>3,286</u> <u>180,727</u> <u>3,286</u>

**Transactions during the year**

	2023	2022
	----- (Rupees in '000) -----	
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Units issued: nil units (2022: 41,413 units)	-	2,071
Units redeemed: nil units (2022 :2,307,532 units)	-	115,377
Dividend paid	-	2,071
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Units issued: nil units (2022: 48,418 units)	-	2,421
Units redeemed: nil units (2022: 2,658,182 units)	-	132,909
Dividend paid	-	2,421
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Units issued: nil units (2022: 17,598 units)	-	880
Units redeemed: nil units (2022: 1,099,549 units)	-	54,977
Dividend paid	-	880
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Units issued: nil units (2022: 5,753 units)	-	288
Units redeemed: nil units (2022: 308,152 units)	-	15,408
Dividend paid	-	288
<b>Meezan Strategic Asset Allocation Fund - MCPP - III</b>		
Units issued: 2,843,601 units (2022: 6,005,209 units)	142,180	300,260
Units redeemed: 3,914,436 units (2022: 6,815,530 units)	195,722	340,777
Dividend paid	20,529	13,392
<b>Meezan Strategic Allocation Fund II - MCPP - IV</b>		
Units issued: 5,347,995 units (2022: 11,260,798 units)	267,400	563,040
Units redeemed: 9,765,600 units (2022: 11,656,707 units)	488,280	582,835
Dividend paid	43,887	28,461
<b>Meezan Strategic Allocation Fund II - MCPP - V</b>		
Units issued: 772,930 units (2022: 2,780,922 units)	38,646	139,046
Units redeemed: 1,259,929 units (2022: 3,234,745 units)	62,996	161,737
Dividend paid	6,078	5,320
<b>Meezan Strategic Allocation Fund II - MCPP - VI</b>		
Units issued: 1,136,331 units (2022: 2,484,267 units)	56,817	124,213
Units redeemed: 1,573,986 units (2022: 3,016,155 units)	78,699	150,808
Dividend paid	7,604	5,856
<b>Meezan Strategic Allocation Fund II - MCPP - VII</b>		
Units issued: 636,792 units (2022: 3,161,311 units)	31,840	158,066
Units redeemed: 916,927 units (2022: 4,296,570 units)	45,846	214,829
Dividend paid	4,790	6,173
<b>Meezan Strategic Allocation Fund II - MCPP - VIII</b>		
Units issued: nil units (2022: 8,804 units)	-	440
Units redeemed: nil units (2022: 702,926 units)	-	35,146
Dividend paid	-	440
<b>Meezan Strategic Allocation Fund III - MCPP - IX</b>		
Units issued: 4,467,761 units (2022: 10,709,546 units)	223,388	535,477
Units redeemed: 7,648,511 units (2022: 5,124,136 units)	382,426	256,207
Dividend paid	35,584	20,239
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Units issued: 166,776 units (2022: 335,068 units)	8,339	16,753
Units redeemed: nil units (2022: 260,000 units)	-	13,000
Dividend paid	4,339	2,753

<b>Transactions during the year</b>		<b>Note</b>	<b>2023</b>	<b>2022</b>
			----- (Rupees in '000) -----	
<b>Unitholders holding 10 percent or more of the Fund</b>				
Units issued: nil units (2022: 260,265,461)			-	13,013,273
Units redeemed: nil units (2022: 272,474,751 units)			-	13,623,738
Dividend paid			-	168,754
<b>Directors and Executives of the Management Company</b>				
Units issued: 14,839,633 units (2022: 9,243,468 units)			<b>741,982</b>	462,173
Units redeemed: 21,044,859 units (2022: 2,251,759 units)			<b>1,052,243</b>	112,588
Dividend paid			<b>17,936</b>	2,107
<b>19 CASH AND CASH EQUIVALENTS</b>				
Balances with banks	5	<b>65,893,238</b>	64,902,950	
Term deposit receipts (with original maturity of three months or less)	6.2	<b>9,600,000</b>	2,700,000	
Certificate of Musharka	6.3	<b>15,000,000</b>	-	
		<b>90,493,238</b>	67,602,950	
<b>20 FINANCIAL INSTRUMENTS BY CATEGORY</b>				
<b>2023</b>				
	<b>At amortised cost</b>	<b>At fair value through profit or loss</b>	<b>Total</b>	
----- (Rupees in '000) -----				
<b>Financial assets</b>				
Balances with banks	<b>65,893,238</b>	-	<b>65,893,238</b>	
Investments	-	<b>28,750,000</b>	<b>28,750,000</b>	
Receivable against conversion of units	<b>865,887</b>	-	<b>865,887</b>	
Accrued profit	<b>1,397,915</b>	-	<b>1,397,915</b>	
Deposit	<b>2,100</b>	-	<b>2,100</b>	
	<b>68,159,140</b>	<b>28,750,000</b>	<b>96,909,140</b>	
<b>2023</b>				
	<b>At amortised cost</b>	<b>At fair value through profit or loss</b>	<b>Total</b>	
----- (Rupees in '000) -----				
<b>Financial liabilities</b>				
Payable to Al Meezan Investment Management Limited - Management Company	<b>114,814</b>	-	<b>114,814</b>	
Payable to Central Depository Company of Pakistan Limited - Trustee	<b>4,928</b>	-	<b>4,928</b>	
Payable against conversion and redemption of units	<b>375,827</b>	-	<b>375,827</b>	
Accrued expenses and other liabilities	<b>3,981</b>	-	<b>3,981</b>	
	<b>499,550</b>	-	<b>499,550</b>	
<b>2022</b>				
	<b>At amortised cost</b>	<b>At fair value through profit or loss</b>	<b>Total</b>	
----- (Rupees in '000) -----				
<b>Financial assets</b>				
Balances with banks	64,902,950	-	64,902,950	
Investments	-	7,025,000	7,025,000	
Receivable against conversion of units	412,683	-	412,683	
Accrued profit	822,165	-	822,165	
Deposit	1,100	-	1,100	
	<b>66,138,898</b>	<b>7,025,000</b>	<b>73,163,898</b>	



2022		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

**Financial liabilities**

Payable to Al Meezan Investment Management Limited - Management Company	3,400	-	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee	3,110	-	3,110
Payable against conversion and redemption of units	303,764	-	303,764
Accrued expenses and other liabilities	3,382	-	3,382
	<u>313,656</u>	<u>-</u>	<u>313,656</u>

**21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

Risks managed and measured by the Fund are explained below:

**21.1 Market risk**

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

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

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

**(i) Profit rate risk**

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks and investments in corporate sukuks, commercial papers, term deposit receipts and Bai Muajjal. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

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

The Fund's profit rate risk arises from the balances in saving accounts and investment in corporate sukuks and term deposit receipts. At June 30, 2023, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs.944.43 million (2022: Rs.794.43 million).

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

The Fund's fixed rate risk arises from investments in commercial papers and Bai Muajjal. At June 30, 2023, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs.Nil (2022: Rs.Nil).

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

2023					
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Rupees in '000					
<b>Financial assets</b>					
Balances with banks	6.74% to 20.25%	65,693,195	-	200,043	65,893,238
Investments	18.57% to 23.67%	27,100,000	1,650,000	-	28,750,000
Receivable against conversion of units		-	-	865,887	865,887
Accrued profit		-	-	1,397,915	1,397,915
Deposits		-	-	2,100	2,100
		<u>92,793,195</u>	<u>1,650,000</u>	<u>2,465,945</u>	<u>96,909,140</u>
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	114,814	114,814
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	4,928	4,928
Payable against conversion and redemption of units		-	-	375,827	375,827
Accrued expenses and other liabilities		-	-	3,981	3,981
		-	-	<u>499,550</u>	<u>499,550</u>
<b>On-balance sheet gap (a)</b>		<u>92,793,195</u>	<u>1,650,000</u>	<u>1,966,395</u>	<u>96,409,590</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		<u>92,793,195</u>	<u>1,650,000</u>	-	
<b>Cumulative profit rate sensitivity gap</b>		<u>92,793,195</u>	<u>94,443,195</u>	<u>94,443,195</u>	

2022					
Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Rupees in '000					
<b>Financial assets</b>					
Balances with banks	4.0% to 16.40%	64,902,906	-	44	64,902,950
Investments	11.61% to 16.83%	5,425,000	1,600,000	-	7,025,000
Receivable against conversion of units		-	-	412,683	412,683
Accrued profit		-	-	822,165	822,165
Deposits		-	-	1,100	1,100
		<u>70,327,906</u>	<u>1,600,000</u>	<u>1,235,992</u>	<u>73,163,898</u>
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	3,400	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	3,110	3,110
Payable against conversion and redemption of units		-	-	303,764	303,764
Accrued expenses and other liabilities		-	-	3,382	3,382
		-	-	<u>313,656</u>	<u>313,656</u>
<b>On-balance sheet gap (a)</b>		<u>70,327,906</u>	<u>1,600,000</u>	<u>922,336</u>	<u>72,850,242</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		<u>70,327,906</u>	<u>1,600,000</u>	-	
<b>Cumulative profit rate sensitivity gap</b>		<u>70,327,906</u>	<u>71,927,906</u>	<u>71,927,906</u>	

## (ii) Currency risk

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

## (iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

## 21.2 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemption requests during the year ended June 30, 2023.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including balances with banks have been included in the maturity grouping of one month:

	2023						Total
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
-----Rupees in '000-----							
<b>Financial assets</b>							
Balances with banks	65,893,238	-	-	-	-	-	65,893,238
Investments	-	27,100,000	1,650,000	-	-	-	28,750,000
Receivable against conversion of units	865,887	-	-	-	-	-	865,887
Profit accrued	1,176,063	221,852	-	-	-	-	1,397,915
Deposits	-	-	-	-	-	2,100	2,100
	<b>67,935,188</b>	<b>27,321,852</b>	<b>1,650,000</b>	<b>-</b>	<b>-</b>	<b>2,100</b>	<b>96,909,140</b>
<b>Financial liabilities</b>							
Payable to Al Meezan Investment Management Limited - Management Company	114,814	-	-	-	-	-	114,814
Payable to Central Depository Company of Pakistan Limited - Trustee	4,928	-	-	-	-	-	4,928
Payable against conversion and redemption of units	375,827	-	-	-	-	-	375,827
Accrued expenses and other liabilities	3,136	845	-	-	-	-	3,981
	<b>498,705</b>	<b>845</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>499,550</b>
<b>Net financial assets</b>	<b>67,436,483</b>	<b>27,321,007</b>	<b>1,650,000</b>	<b>-</b>	<b>-</b>	<b>2,100</b>	<b>96,409,590</b>

----- 2022 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
-----Rupees in '000-----						
<b>Financial assets</b>						
Balances with banks	64,902,950	-	-	-	-	64,902,950
Investments	-	5,425,000	1,600,000	-	-	7,025,000
Receivable against conversion of units	412,683	-	-	-	-	412,683
Accrued profit	685,247	136,918	-	-	-	822,165
Deposits	-	-	-	-	1,100	1,100
	66,000,880	5,561,918	1,600,000	-	1,100	73,163,898
<b>Financial liabilities</b>						
Payable to Al Meezan Investment Management Limited - Management Company	3,400	-	-	-	-	3,400
Payable to Central Depository Company of Pakistan Limited - Trustee	3,110	-	-	-	-	3,110
Payable against conversion and redemption of units	303,764	-	-	-	-	303,764
Accrued expenses and other liabilities	2,555	827	-	-	-	3,382
	312,829	827	-	-	-	313,656
<b>Net financial assets</b>	<b>65,688,051</b>	<b>5,561,091</b>	<b>1,600,000</b>	<b>-</b>	<b>1,100</b>	<b>72,850,242</b>

### 21.3 Credit risk

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

Credit risk arises from deposits with banks and financial instruments, profit receivable on balances with banks, commercial papers, corporate sukuks, receivable against conversion of units and credit exposure arising as a result of receivable against sale of investments. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. The investment committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
-----Rupees in '000-----				
Balances with banks	65,893,238	65,893,238	64,902,950	64,902,950
Investments	28,750,000	28,750,000	7,025,000	7,025,000
Receivable against conversion of units	865,887	865,887	412,683	412,683
Accrued profit	1,397,915	1,397,915	822,165	822,165
Deposits	2,100	2,100	1,100	1,100
	<b>96,909,140</b>	<b>96,909,140</b>	<b>73,163,898</b>	<b>73,163,898</b>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

### 21.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed	
	2023	2022
AAA	58.30%	93.84%
AA	35.42%	6.16%
AA+	6.28%	-
	<b>100.00%</b>	<b>100.00%</b>

Ratings of corporate sukuks and commercial papers have been disclosed in related notes to the financial statements.

### 21.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2023 are unsecured and are not impaired.

## 22 FAIR VALUE MEASUREMENT

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

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

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

### Fair value hierarchy

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

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

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

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

	2023		
	Level 1	Level 2	Level 3
	Rupees in '000		
<b>Financial assets - at fair value through profit or loss</b>			
Corporate sukuks *	-	4,150,000	-
Commercial papers **	-	-	-
Term deposit receipts - having original maturity of 3 months or less *	-	9,600,000	-
Bai Muajjal receivable **	-	-	-
	<b>-</b>	<b>13,750,000</b>	<b>-</b>

2022		
Level 1	Level 2	Level 3
Rupees in '000		
Financial assets - at fair value through profit or loss		
Corporate sukuku *	4,325,000	-
Commercial papers **	-	-
Term deposit receipts - having original maturity of 3 months or less *	2,700,000	-
Bai Muajjal receivable **	-	-
	<u>7,025,000</u>	<u>-</u>

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

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

### 23 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. the Fund has historically maintained and complied with the requirements of minimum fund size at all

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

In accordance with the risk management policies as stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

### 24 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investments	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investments
Individuals	8,841	43,013,325	44.80	5,052	24,257,653	33.34
Associated Companies /						
Directors	15	755,450	0.79	11	1,498,470	2.06
Insurance Companies	4	80,605	0.08	3	122,771	0.17
Banks and DFIs	-	-	-	1	1,002,873	1.38
Retirement Funds	104	2,899,594	3.02	88	2,520,488	3.46
Private Limited Companies	221	31,431,779	32.74	162	24,630,623	33.85
Others	142	17,824,853	18.57	96	18,727,061	25.74
	<u>9,327</u>	<u>96,005,606</u>	<u>100.00</u>	<u>5,413</u>	<u>72,759,939</u>	<u>100.00</u>

### 25 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

#### Name of broker

Paramount Capital (Private) Limited  
 JS Global Capital Limited  
 Invest one markets (Private) Limited  
 C&M Management Private Limited  
 Arif Habib Limited  
 Alfalah Securities (Pvt.) Ltd

2023	2022
% of commission paid	
0%	30%
27%	0%
48%	70%
1%	0%
15%	0%
9%	0%
<u>100%</u>	<u>100%</u>

25.1 The Fund has traded with only the above mentioned 6 brokers / dealers during the year ended June 30, 2023 (2022: 2 brokers / dealers).

## 26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoab	Chief Executive Officer	CFA / MBA	Thirty Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA/ACCA	Nine years

26.2 The Fund Manager of the Fund is Mr. Faizan Saleem. Other funds being managed by the Fund Manager are as follows:

- Meezan Islamic Income Fund;
- Meezan Fixed Term Fund; and
- Meezan Cash Fund.

## 27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Position on the Board	Meeting held on			
		16-Aug-22	13-Oct-22	13-Feb-23	12-Apr-23
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes
Mr. Muhammad Abdullah Ahmed	Non-Executive	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda*	Non-Executive	Yes	Yes	Yes	Yes
Mr. Furquan Kidwai	Independent Director	Yes	Yes	Yes	Yes
Mr. Mubashar Maqbool	Non-Executive	Yes	Yes	Yes	Yes
Mr. Tariq Mairaj	Non-Executive	Yes	Yes	Yes	Yes
Mr. Naeem	Non-Executive	Yes	Yes	Yes	Yes
Mr. Feroz Rizvi	Independent Director	Yes	Yes	Yes	Yes
Ms. Danish Zuberi	Independent Director	Yes	No	Yes	Yes
Mr. Mohammad Shoab, CFA	Chief Executive Officer	Yes	Yes	Yes	Yes

\*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

## 28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

## 29 GENERAL

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

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

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

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

\_\_\_\_\_  
Director

A black silhouette of a large bird perched on a branch, with a smaller bird nearby. A purple paper airplane is flying towards the right. Dashed lines represent flight paths or trajectories across the top of the page.

# Tailored *investment* Strategies

Al Meezan Investments demonstrates excellence by evolving its investment strategies to cater to the specific financial goals and risk preferences of each investor.

## Meezan Cash Fund

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



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

## 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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

Dr. Muhammad Imran Usmani  
Jamia Darul Uloom Karachi  
Korangi Industrial Area Karachi Postal Code 75180 Pakistan  
Tel: +92 21 35044770  
Email: [miu786@gmail.com](mailto:miu786@gmail.com)

## BANKERS TO THE FUND

Allied Bank Limited	Habib Metropolitan Bank Limited - Islamic Banking
Askari Bank Limited - Islamic Banking	MCB Bank Limited
Bank Al Habib Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Alfalah Limited	Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited	National Bank of Pakistan - Islamic Banking
Faysal Bank Limited - Islamic Banking	Sindh Bank Limited
Habib Bank Limited -Islamic Banking	The Bank of Punjab
	UBL Ameen - Islamic Banking

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



Pure. Profit.



## REPORT OF THE FUND MANAGER Meezan Cash Fund (MCF)

### Type of Fund

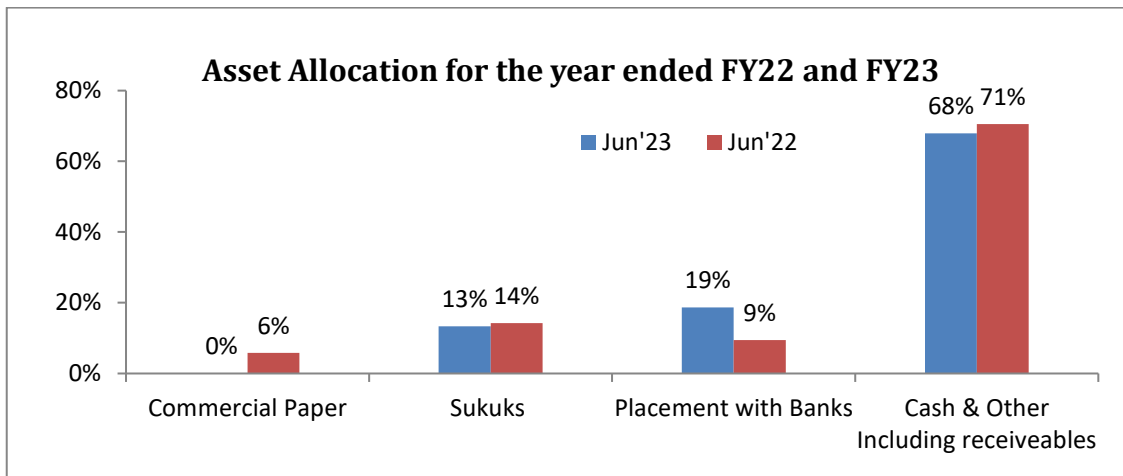
Open end cash fund investing primarily in Shariah compliant money market and Islamic bonds (Sukuks).

### Objective

Its objective is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market & debt securities.

### Investment Policy and Strategy

The fund provides investors with the opportunity to park their excess liquidity in secure high quality instruments. To minimize the impact of interest rate volatility, the investment policy limits the investment avenues to short term tenors. As per its investment policy, MCF can invest or place funds in instruments/avenues with a credit rating of at least 'double A' (AA). Moreover, the investment policy limits interest rate risk by capping the maturity of instruments up to a maximum of six months, along with maximum portfolio weighted average time to maturity of three months.



### Performance Review

Meezan Cash Fund (MCF) provided a return of 16.11% to its investors for the year ended June 30, 2023 as compared to its Six Month deposits at Islamic Banks (benchmark) return of 6.23%.

	MCF	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 30, 2022	50.61	
Net Asset Value as on June 30, 2023	51.02	
Return During the Period - Net	16.11%	6.23%
Outperformance - Net	9.88%	

***Benchmark: 3 Month average deposit rate of 3 AA rated Islamic Banks***



**Pure. Profit.**



The Fund earned a gross income of Rs. 3,443 million as compared to Rs. 1,249 million in last year, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 3,443 million. The fund also incurred expenses totalling to Rs. 234 million, which brought the net income figure to Rs. 3,210 million. The net assets of the Fund as at June 30, 2023 were Rs. 25,882 million as compared to Rs. 13,485 million at the end of last year depicting a increase of 91.93%. The net asset value per unit as at June 30, 2023 was Rs. 51.0165 as compared to Rs. 50.6141 per unit as on June 30, 2022.

### **Distributions**

The interim Pay out by the Fund during the fiscal year ended June 30, 2023 was Rs. 7.6929 per unit (15.20%). Total distribution made by the fund was Rs. 2,722 million.

### **Fund Stability Rating**

VIS Credit Rating Company has assigned Stability Rating of AA +(f) to Meezan Cash Fund.

### **SWWF Disclosure**

Not Applicable

### **Breakdown of unit holdings by size**

(As on June 30, 2023)

<b>Range (Units)</b>	<b>No. of investors</b>
1 - 9,999	28,540
10,000 - 49,999	3,771
50,000 - 99,999	913
100,000 - 499,999	714
500,000 and above	101
<b>Total</b>	<b>34,039</b>

**PERFORMANCE TABLE**  
**MEEZAN CASH FUND**

	2023	2022	2021
Net assets (Rs. '000) (ex-distribution)	25,881,569.00	13,484,524.00	13,557,014.00
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	51.0165	50.6141	50.5379
Offer price per unit as at June 30, (Rs.) (ex-distribution)	51.0165	50.6141	50.5379
Highest offer price per unit (Rs.)	58.3070	54.9255	53.3853
Lowest offer price per unit (Rs.)	50.6330	50.5451	50.5041
Highest redemption price per unit (Rs.)	58.3070	54.9255	53.3853
Lowest redemption price per unit (Rs.)	50.6330	50.5451	50.5041
Distribution (%)			
Interim	15.2	8.92	5.78
Final			
Date of distribution			
Interim	19-Jun-23	24-Jun-22	25-Jun-21
Final			
Income distribution (Rupees in '000)	1,497,207	659,747	408,221
Growth distribution (Rupees in '000)	1,224,555	420,323	254,111
Total return (%)	16.11	9.00	5.81

	One Year	Two Years	Three Years
Average annual return as at June 30, 2023 (%)	16.11%	12.50%	10.22%

*Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.*

# Dr. Muhammad Imran Usmani

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Pakistan

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## Report of the Shariah Advisor –Meezan Cash Fund (MCF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

**Alhamdulillah**, the period from July 1, 2022 to June 30, 2023 was the Fourteenth year of operations of Meezan Cash Fund (the “MCF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with the Trust Deed of the Fund. The scope of the Report is to express an opinion on the Shariah compliance of the Fund’s activity.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.



Dr. Muhammad Imran Ashraf Usmani  
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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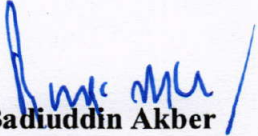
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN CASH FUND**

**Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Cash Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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, September 25, 2023

## INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Cash Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Meezan Cash Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<b>1. Existence and valuation of bank balances and investments</b>	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of debt instruments) held by the Fund represent 96% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> <li>- We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund.</li> <li>- We tested controls over acquisition, disposals and periodic valuation of investments portfolio.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4.</li> <li>- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations).</li> <li>- We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>- We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.



The Board of Directors are responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

#### **Other Matter**

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 26 September 2023

**Place:** Karachi

**UDIN Number:** AR20231007617MJtj0S



**MEEZAN CASH FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2023**

	Note	2023	2022
		----- (Rupees in '000) -----	
<b>Assets</b>			
Balances with banks	5	16,775,665	9,417,419
Investments	6	8,390,000	4,055,000
Receivable against conversion of units		532,755	85,601
Profit accrued	7	468,073	194,446
Deposits and prepayments	8	1,618	597
<b>Total assets</b>		<b>26,168,111</b>	<b>13,753,063</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	9	44,037	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee	10	1,276	724
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	4,287	2,698
Payable against conversion and redemption of units		157,419	106,817
Accrued expenses and other liabilities	12	79,523	153,566
<b>Total liabilities</b>		<b>286,542</b>	<b>268,539</b>
<b>Net Assets</b>		<b>25,881,569</b>	<b>13,484,524</b>
<b>Unit Holders' Fund (as per statement attached)</b>		<b>25,881,569</b>	<b>13,484,524</b>
<b>Contingencies And Commitments</b>	13		
		----- (Number of units) -----	
<b>Number Of Units In Issue</b>		<b>507,317,792</b>	<b>266,418,387</b>
		----- (Rupees) -----	
<b>Net Asset Value Per Unit</b>		<b>51.0165</b>	<b>50.6141</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN CASH FUND  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
----- (Rupees in '000) -----			
<b>Income</b>			
Profit on corporate sukuks		492,058	72,296
Profit on commercial papers		-	38,290
Profit on term deposits		544,477	137,135
Profit on saving accounts with banks		2,406,730	1,001,433
Other income		-	111
<b>Total income</b>		<b>3,443,265</b>	<b>1,249,265</b>
<b>Expenses</b>			
Remuneration of AI Meezan Investment Management Limited - Management Company	9.1	86,954	67,457
Sindh Sales Tax on remuneration of the Management Company	9.2	11,304	8,769
Selling and marketing expense	9.3	83,484	40,474
Allocated expenses	9.4	31,463	20,237
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	11,536	7,767
Sindh Sales Tax on remuneration of the Trustee	10.2	1,500	1,010
Annual fees to the Securities and Exchange Commission of Pakistan	11	4,195	2,698
Auditors' remuneration	14	542	551
Fees and subscription		1,412	1,423
Legal and professional charges		282	693
Brokerage expenses		131	-
Printing expense		17	-
Bank and settlement charges		776	595
Reversal of provision for Sindh Workers' Welfare Fund		-	(72,854)
<b>Total expenses</b>		<b>233,596</b>	<b>78,820</b>
<b>Net income for the year before taxation</b>		<b>3,209,669</b>	<b>1,170,445</b>
Taxation	16	-	-
<b>Net income for the year after taxation</b>		<b>3,209,669</b>	<b>1,170,445</b>
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		3,209,669	1,170,445
Income already paid on units redeemed		(1,527,952)	(491,120)
		<b>1,681,717</b>	<b>679,325</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		1,681,717	679,325
		<b>1,681,717</b>	<b>679,325</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN CASH FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>	<b>2022</b>
	------(Rupees in '000)-----	
<b>Net income for the year after taxation</b>	<b>3,209,669</b>	1,170,445
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b><u>3,209,669</u></b>	<b><u>1,170,445</u></b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

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

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

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

**MEEZAN CASH FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023			2022		
	(Rupees in '000)			(Rupees in '000)		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
<b>Net assets at the beginning of the year</b>	13,356,577	127,947	13,484,524	13,448,645	108,369	13,557,014
Issuance of 1,376,486,904 units (2022: 713,145,935 units)						
- Capital value (at net asset value per unit at the beginning of the year)	69,669,646	-	69,669,646	36,040,898	-	36,040,898
- Element of income	4,521,568	-	4,521,568	1,378,045	-	1,378,045
Total proceeds on issuance of units	74,191,214	-	74,191,214	37,418,943	-	37,418,943
Redemption of 1,135,587,499 units (2022: 714,981,922 units)						
- Capital value (at net asset value per unit at the beginning of the year)	57,476,739	-	57,476,739	36,133,685	-	36,133,685
- Element of income	3,277,385	1,527,952	4,805,337	957,003	491,120	1,448,123
Total payments on redemption of units	60,754,124	1,527,952	62,282,076	37,090,688	491,120	37,581,808
Total comprehensive income for the year	-	3,209,669	3,209,669	-	1,170,445	1,170,445
Distribution for the year ended June 30, 2023	-	(1,497,207)	(1,497,207)	-	-	-
Distribution for the year ended June 30, 2022	-	-	-	-	(659,747)	(659,747)
Refund of Capital for the year ended June 30, 2023	(1,224,555)	-	(1,224,555)	-	-	-
Refund of Capital for the year ended June 30, 2022	-	-	-	(420,323)	-	(420,323)
Total distribution during the year	(1,224,555)	(1,497,207)	(2,721,762)	(420,323)	(659,747)	(1,080,070)
<b>Net assets at the end of the year</b>	<b>25,569,112</b>	<b>312,457</b>	<b>25,881,569</b>	<b>13,356,577</b>	<b>127,947</b>	<b>13,484,524</b>
Undistributed income brought forward						
- Realised income		127,947			108,369	
- Unrealised income		-			-	
		127,947			108,369	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		1,681,717			679,325	
		1,681,717			679,325	
Distribution during the year: Rs. 7.6929 per unit i.e 15.20% of the par value of Rs. 50.6141/- each [2022: Rs. 4.4610 per unit i.e 8.92% of the par value of Rs. 50.6141/- each.]		(1,497,207)			(659,747)	
Undistributed income carried forward		312,457			127,947	
Undistributed income carried forward						
- Realised income		312,457			127,947	
- Unrealised income		-			-	
		312,457			127,947	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year		50.6141			51.8584	
Net assets value per unit at the end of the year		51.0165			50.6141	

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN CASH FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

Note	2023	2022
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	3,209,669	1,170,445
<b>(Increase) / decrease in assets</b>		
Investments - net	(735,000)	(1,330,483)
Profit accrued	(273,627)	(137,728)
Deposits and prepayments	(1,022)	(8)
	(1,009,649)	(1,468,219)
<b>Increase / (decrease) in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	39,303	(9,031)
Payable to Central Depository Company of Pakistan Limited - Trustee	552	(105)
Payable to the Securities and Exchange Commission of Pakistan	1,589	(266)
Accrued expenses and other liabilities	(74,043)	(37,764)
	(32,599)	(47,166)
<b>Net cash generated from / (used in) operating activities</b>	2,167,421	(344,940)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	72,519,506	37,361,915
Payments against redemption and conversion of units	(62,231,474)	(37,610,374)
Dividend paid	(1,497,207)	(659,747)
<b>Net cash generated from / (used in) financing activities</b>	8,790,825	(908,206)
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	10,958,246	(1,253,146)
Cash and cash equivalents at the beginning of the year	10,717,419	11,970,565
<b>Cash and cash equivalents at the end of the year</b>	18 21,675,665	10,717,419

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN CASH FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Meezan Cash Fund (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 9, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 The objective of the Fund is to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and Shariah compliant debt securities. The Fund shall also keep exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. Under the trust deed, all the conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.4 The Fund is categorized as an open-end Shariah Compliant (Islamic) Money Market Scheme listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of AA+(f) by VIS Credit Rating Company Limited dated January 03, 2023 (2022: AA(f) dated December 27, 2021).
- 1.6 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 conformity with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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



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

### 3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

#### Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

#### Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

#### Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

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

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments		Effective date (annual periods beginning on or after)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 - and IFRS 7	January 01, 2024
IAS 12	International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 First time adoption of IFRS	January 01, 2004
IFRS 17 Insurance Contracts	January 01, 2023

The fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

### 3.4 Critical accounting estimates and judgments

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

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

### 3.5 Accounting convention

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

### 3.6 Functional and presentation currency

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

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

### 4.2 Cash and cash equivalents

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

### 4.3 Financial assets

#### 4.3.1 Classification and subsequent measurement

##### 4.3.1.1 Debt instruments

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

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

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

#### **4.3.2 Impairment**

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

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

#### **4.3.3 Impairment loss on debt securities**

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

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

#### **4.3.4 Regular way contracts**

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

#### **4.3.5 Initial recognition and measurement**

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

#### **4.3.6 Derecognition**

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

#### **4.4 Financial liabilities**

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

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

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

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

#### **4.6 Margin Trading System (if any)**

Transactions of purchase under Margin Trading System (MTS) of marketable securities are entered into contracted rates for specified periods of time. Securities purchased under MTS are not recognised in the Statement of Assets and Liabilities. The amount paid under such agreements is recognised as receivable in respect of MTS. Profit is recognised on an accrual basis using the effective interest method. Cash releases are adjusted against the receivable as a reduction in the amount of receivable. The maximum maturity of an MTS contract is 60 calendar days out of which 25 percent exposure is automatically released at expiry of every 15th day from the day of contract.

#### 4.6 Provisions

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

#### 4.7 Net asset value per unit

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

#### 4.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours of the day when the application is received. The offer price represents the net assets value of the units as of the close of that business day plus the allowable sales load, provision for duties and charges and provision for transaction costs, if applicable.

Units redeemed are recorded at the redemption price prevalent on the date on which the distributors receive redemption applications during business hours on that date. The redeemed price represents the net assets value per unit less back end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

#### 4.9 Distributions to unit holders

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

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

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

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

#### 4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place;
- Profit on bank deposits and term deposit receipts is recognised on time proportion basis using the effective yield method;
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise; and
- Income on sukuk certificates, commercial papers and government securities is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis.

#### 4.12 Expenses

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

#### 4.13 Taxation

##### Current

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

##### Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

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

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

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

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

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

#### 4.15 Foreign currency translation

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

	Note	2023	2022
		----- (Rupees in '000) -----	
<b>5 BALANCES WITH BANKS</b>			
Balances with banks in:			
Current accounts		200,192	187
Savings accounts	5.1	16,575,473	9,417,232
		<u>16,775,665</u>	<u>9,417,419</u>
5.1			
These include balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 10% (2022: 6.01%) per annum. Other savings accounts have expected profit rates ranging from 6.74% to 20.25% (2022: 3.00% to 16.40%) per annum.			
<b>6 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Corporate sukuks	6.1	3,490,000	2,755,000
Certificate of Musharika	6.2	2,300,000	-
Term deposit receipts - having original maturity of 3 months or less	6.3	2,600,000	1,300,000
		<u>8,390,000</u>	<u>4,055,000</u>

**6.1 Corporate sukus**

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchases during the year	Sales / redemptions / maturity during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/(diminution) as at June 30, 2023	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----		---- % ----			
K-Electric Limited - III (A-1+, PACRA)	September 01, 2022	6 months KIBOR plus base rate of 0.85%	450	-	450	-	-	-	-	-	-
K-Electric Limited - V (A-1+, PACRA)	October 13, 2022	6 months KIBOR plus base rate of 0.95%	750	-	750	-	-	-	-	-	-
Hub Power Company Limited (AA+, PACRA)	October 27, 2022	6 months KIBOR plus base rate of 1%	3,250	-	3,250	-	-	-	-	-	-
Lucky Electric (A-1+, PACRA)	December 15, 2022	6 months KIBOR plus base rate of 1.2%	800	-	800	-	-	-	-	-	-
K-Electric Limited - IX (A-1+, PACRA)	March 21, 2023	6 months KIBOR plus base rate of 1.40%	-	430	430	-	-	-	-	-	-
Lucky Electric - IV (A-1+, PACRA)	March 28, 2023	6 months KIBOR plus base rate of 1.50%	-	300	300	-	-	-	-	-	-
Nishat Mills Limited	February 23, 2023	6 months KIBOR plus base rate of 0.9%	-	250	250	-	-	-	-	-	-
K-Electric Limited - X (A-1+, PACRA)	April 5, 2023	6 months KIBOR plus base rate of 1.45%	-	750	750	-	-	-	-	-	-
K-Electric Limited - XI (A-1+, PACRA)	June 13, 2023	6 months KIBOR plus base rate of 1.4%	-	50	50	-	-	-	-	-	-
Lucky Electric (A-1+, PACRA)	June 14, 2023	6 months KIBOR plus base rate of 1.35%	-	300	300	-	-	-	-	-	-
Lucky Electric - VII (A-1+, PACRA)	August 15, 2023	6 months KIBOR plus base rate of 0.65%	-	440	-	440	440,000	440,000	-	1.70%	5.24%
Lucky Electric - VIII (A-1+, PACRA)	September 27, 2023	6 months KIBOR plus base rate of 0.55%	-	500	-	500	500,000	500,000	-	1.93%	5.96%
Chaina Power Hub Generation Company	September 29, 2023	6 months KIBOR plus base rate of 0.70%	-	1,050	-	1,050	1,050,000	1,050,000	-	4.06%	12.51%
Lucky Electric - XI (A-1+, PACRA)	December 23, 2023	6 months KIBOR plus base rate of 0.50%	-	450	-	450	450,000	450,000	-	1.74%	5.36%
Lucky Electric - IX (A-1+, PACRA)	October 12, 2023	6 months KIBOR plus base rate of 0.30%	-	1,050	-	1,050	1,050,000	1,050,000	-	4.06%	12.51%
<b>Total as at June 30, 2023</b>							<b>3,490,000</b>	<b>3,490,000</b>		<b>13.49%</b>	<b>41.58%</b>
<b>Total as at June 30, 2022</b>							<b>2,755,000</b>	<b>2,755,000</b>			

6.1.1 The nominal value of these sukuk certificates is Rs 1,000,000 each.

**6.2 Certificate of Musharika**

Name of the bank	Maturity	Profit rate	As at July 1, 2022	Term deposit receipts placed during the year	Matured during the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/(diminution) as at June 30, 2023	Percentage in relation to	
									Net Assets of the Fund	Total Market Value of Investment
		%	----- (Rupees in '000) -----						----(%)----	
Meezan Bank Limited	December 16, 2022	15.50%	-	2,000,000	2,000,000	-	-	-	-	-
United Bank Limited	December 13, 2022	14.80%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	December 23, 2022	15.50%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Dubai Islamic Bank	December 23, 2022	15.25%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	January 13, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
United Bank Limited	January 13, 2023	15.70%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	March 17, 2023	16.50%	-	2,000,000	2,000,000	-	-	-	-	-
United Bank Limited	March 06, 2023	16.35%	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	February 03, 2023	15.25%	-	2,000,000	2,000,000	-	-	-	-	-
Faysal Bank Limited	February 17, 2023	15.60%	-	2,000,000	2,000,000	-	-	-	-	-
United Bank Limited	January 27, 2023	15.25%	-	2,000,000	2,000,000	-	-	-	-	-
Faysal Bank Limited	January 25, 2023	14.80%	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	January 27, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	March 03, 2023	15.75%	-	2,000,000	2,000,000	-	-	-	-	-
United Bank Limited	March 28, 2023	17.45%	-	2,400,000	2,400,000	-	-	-	-	-
Habib Bank Limited	March 29, 2023	18.50%	-	2,400,000	2,400,000	-	-	-	-	-
Dubai Islamic Bank	March 31, 2023	17.50%	-	2,000,000	2,000,000	-	-	-	-	-
Meezan Bank Limited	April 07, 2023	19.50%	-	2,400,000	2,400,000	-	-	-	-	-
Faysal Bank Limited	April 07, 2023	18.25%	-	2,300,000	2,300,000	-	-	-	-	-
Faysal Bank Limited	May 05, 2023	19.25%	-	2,200,000	2,200,000	-	-	-	-	-
Meezan Bank Limited	May 08, 2023	20.15%	-	2,200,000	2,200,000	-	-	-	-	-
United Bank Limited	April 28, 2023	19.00%	-	2,200,000	2,200,000	-	-	-	-	-
Meezan Bank Limited	June 16, 2023	20.15%	-	1,200,000	1,200,000	-	-	-	-	-
Meezan Bank Limited	June 16, 2023	20.15%	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	June 14, 2023	20.00%	-	2,200,000	2,200,000	-	-	-	-	-
Meezan Bank Limited	June 23, 2023	19.90%	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	June 23, 2023	19.90%	-	1,200,000	1,200,000	-	-	-	-	-
United Bank Limited	July 24, 2023	20.25%	-	2,300,000	-	2,300,000	2,300,000	-	8.89%	27.41%
<b>Total as at June 30, 2023</b>				<b>53,000,000</b>	<b>50,700,000</b>	<b>2,300,000</b>	<b>2,300,000</b>		<b>8.89%</b>	<b>27.41%</b>
<b>As at June 30, 2022</b>										

**6.3 Term Deposit Receipts**

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Term deposit receipts placed during the year	Matured during the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation/(diminution) as at June 30, 2023	Percentage in relation to	
									Net assets of the fund	Total market value of investment
		%	----- (Rupees in '000) -----						-----%	
<b>Having original maturity of 3 months or less</b>										
Bank Alfalah Limited	July 13, 2022	16.20%	1,300,000	-	1,300,000	-	-	-	-	-
Meezan Bank Limited	August 29, 2022	14.15%	-	1,200,000	1,200,000	-	-	-	-	-
Bank Alfalah Limited	July 5, 2023	20.50%	-	1,000,000	-	1,000,000	1,000,000	-	3.86%	11.92%
Bank Alfalah Limited	July 5, 2023	20.50%	-	1,200,000	-	1,200,000	1,200,000	-	4.64%	14.30%
Bank Alfalah Limited	July 5, 2023	20.50%	-	400,000	-	400,000	400,000	-	1.55%	4.77%
<b>As at June 30, 2023</b>				<b>3,800,000</b>	<b>2,500,000</b>	<b>2,600,000</b>	<b>2,600,000</b>		<b>10.05%</b>	<b>30.99%</b>
<b>As at June 30, 2022</b>						<b>1,300,000</b>	<b>1,300,000</b>			

	Note	2023	2022
------(Rupees in '000)-----			
<b>7</b>	<b>PROFIT ACCRUED</b>		
	Profit accrued on:		
	Balances with banks	235,040	111,935
	Term deposit receipts	49,065	10,386
	Sukuk certificates	183,968	72,125
		<u>468,073</u>	<u>194,446</u>
<b>8</b>	<b>DEPOSITS AND PREPAYMENTS</b>		
	Security deposit with Central Depository Company of Pakistan Limited	100	100
	Prepayments	318	297
	ATM deposit with Meezan Bank Limited	200	200
	IBFT deposit with Meezan Bank Limited	1,000	-
		<u>1,618</u>	<u>597</u>
<b>9</b>	<b>PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
	Remuneration payable	9.1      1,702	1,109
	Sindh Sales Tax payable on remuneration of the Management Company	9.2      221	144
	Selling and marketing expenses payable	9.3      39,066	3,368
	Allocated expenses payable	9.4      3,048	113
		<u>44,037</u>	<u>4,734</u>

**9.1** As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.5% from July 01, 2022 till Mar 31, 2023 of average annual net assets of the Fund and 0.2% of average annual net assets of the Fund from April 01, 2023 till June 30, 2023 (2022: 0.3% per annum of the average annual net assets of the Fund). The remuneration is payable to the Management Company monthly in arrears.

**9.2** During the year, an amount of Rs.11.304 million (2022: Rs.8.769 million) was charged on account of sales tax at a rate of 13% on management fee levied through the Sindh Sales Tax on Services Act, 2011, and an amount of Rs.11.227 million (2022: Rs 8.682 million) has been paid to the Management Company which acts as a collecting agent.

**9.3** 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.

In accordance with Circular 11 dated July 05, 2019 issued by the SECP with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 0.3% per annum of the average annual net assets of the Fund from July 01, 2022 to March 31, 2023 and at 0.6% per annum from April 01, 2023 to May 31, 2022 and at 0.73% per annum from June 01, 2023 to June 30, 2023 (2022: 0.3% per annum of the average annual net assets of the Fund) during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred:

**9.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses for 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 0.15% of the average annual net assets of the Fund (2022: 0.15% of the average annual net assets of the fund) during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.



	Note	2023	2022
----- (Rupees in '000) -----			
<b>10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Remuneration of the Trustee	10.1	1,129	641
Sindh Sales Tax payable on remuneration of the Trustee	10.2	147	83
		<u>1,276</u>	<u>724</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed.

Previous Tariff (Flat Rate)	Revised Tariff (Flat Rate)
0.065% per annum of net assets	0.055% per annum of net assets

10.2 During the year, an amount of Rs.1.500 million (2022: Rs.1.010 million) was charged on account of sales tax at a rate of 13% on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.1.436 million (2022: Rs.1.022 million) was paid to the Trustee which acts as a collecting agent.

#### 11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2022: 0.02%) per annum of average annual net assets of the Fund.

	Note	2023	2022
----- (Rupees in '000) -----			
<b>12 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		345	365
Other payable		3,495	-
Brokerage payable		91	-
Shariah advisor fee payable		653	661
Withholding tax payable		-	111,902
Capital gain tax payable		46,252	12,791
Federal Excise Duty payable on remuneration of the Management Company	12.1	27,018	27,018
Other expenses payable		212	70
Zakat payable		1,457	759
		<u>79,523</u>	<u>153,566</u>

12.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs.27.018 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2023 would have been higher by Re.0.05 (2022: Re.0.10) per unit.

### 13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

14 AUDITORS' REMUNERATION	Note	2023	2022
		----- (Rupees in '000) -----	
Annual audit fee		376	401
Half yearly review		144	137
Out of pocket expenses		22	13
		542	551

### 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.11% (2022: 1.12%) which includes 0.08% (2022: 0.09%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

### 16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

### 17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1 Related parties / Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Collective Investment Schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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

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

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

<b>Balances</b>	<b>2023</b>	<b>2022</b>
	------(Rupees in '000)-----	
<b>AI Meezan Investment Management Limited - Management Company</b>		
Management fee payable	1,702	1,109
Sindh Sales Tax payable on the remuneration of the Management Company	221	144
Selling and marketing expenses payable	39,066	3,368
Allocated expenses payable	3,048	113
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	1,129	641
Sindh Sales Tax payable on trustee fee	147	83
Security deposit with Central Depository Company of Pakistan Limited	100	100
<b>Meezan Bank Limited</b>		
Balance with bank	877,491	539,768
Profit receivable on saving account	820	656
Shariah advisor fee payable	653	661
ATM deposit	200	200
IBFT deposit	1,000	-
<b>AI Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investment of 667,563 units (2022: 259,884 units)	34,057	13,157
<b>Directors and Executives of the Management Company</b>		
Investment of 5,284,903 units (2022: 7,830,474 units)	269,617	396,332
<b>For the year ended June 30,</b>		
	<b>2023</b>	<b>2022</b>
	------(Rupees in '000)-----	
<b>Transactions during the year</b>		
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration of AI Meezan Investment Management Limited - Management Company	86,954	67,457
Sindh Sales Tax on the remuneration of the Management Company	11,304	8,769
Selling and marketing expenses	83,484	40,474
Allocated expenses	31,463	20,237
Units issued: 18,082 units (2022: Nil)	1,046	-
Units redeemed: 18,082 units (2022: Nil)	1,003	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11,536	7,767
Sindh Sales Tax on remuneration of the Trustee	1,500	1,010
CDS charges	7	6

Transactions during the year	For the year ended June 30,	
	2023	2022
	------(Rupees in '000)-----	
<b>Meezan Bank Limited</b>		
Profit on saving accounts	14,347	4,360
Term deposit receipts and certificate of musharika placed	<u>20,200,000</u>	<u>2,900,000</u>
Term deposit receipts and certificate of musharika matured	<u>20,200,000</u>	<u>2,900,000</u>
Profit on term deposit receipts and certificate of musharika	<u>210,102</u>	<u>19,762</u>
Shariah advisor fee	<u>1,071</u>	<u>1,087</u>

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

Units issued: 407,719 units (2022: Nil)	<u>22,458</u>	<u>-</u>
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**Directors and Executives of the Management Company**

Units issued: 21,486,024 units (2022: 5,122,156 units)	<u>1,096,142</u>	<u>271,208</u>
Units redeemed: 26,386,751 units (2022: 5,586,316 units)	<u>1,346,160</u>	<u>290,747</u>
Dividend Paid	<u>40,655</u>	<u>30,152</u>
Refund of Capital	<u>863</u>	<u>1,943</u>

17.5 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

18 CASH AND CASH EQUIVALENTS	Note	------(Rupees in '000)-----	
		2023	2022
Balances with banks	5	16,775,665	9,417,419
Certificate of Musharika	6.2	2,300,000	-
Term deposit receipt	6.3	<u>2,600,000</u>	<u>1,300,000</u>
		<u>21,675,665</u>	<u>10,717,419</u>

**19 FINANCIAL INSTRUMENTS BY CATEGORY**

	-----2023-----		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees in '000)-----		
<b>Financial assets</b>			
Balances with banks	16,775,665	-	16,775,665
Investments	-	8,390,000	8,390,000
Receivable against conversion of units	532,755	-	532,755
Profit accrued	468,073	-	468,073
Deposits	1,300	-	1,300
	<u>17,777,793</u>	<u>8,390,000</u>	<u>26,167,793</u>
<b>Financial liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	44,037	-	44,037
Payable to Central Depository Company of Pakistan Limited - Trustee	1,276	-	1,276
Payable against conversion and redemption of units	157,419	-	157,419
Accrued expenses and other liabilities	4,796	-	4,796
	<u>207,528</u>	<u>-</u>	<u>207,528</u>

	-----2022-----		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees in '000)-----		
<b>Financial assets</b>			
Balances with banks	9,417,419	-	9,417,419
Investments	-	4,055,000	4,055,000
Receivable against conversion of units	85,601	-	85,601
Profit accrued	194,446	-	194,446
Deposits	300	-	300
	<u>9,697,766</u>	<u>4,055,000</u>	<u>13,752,766</u>

----- 2022 -----		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----		
Payable to Al Meezan Investment Management Limited - Management Company	4,734	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee	724	724
Payable against conversion and redemption of units	106,817	106,817
Accrued expenses and other liabilities	1,096	1,096
	<u>113,371</u>	<u>113,371</u>

**Financial liabilities**
**20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

Risks managed and measured by the Fund are explained below:

**20.1 Market risk**

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

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

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

**(i) Profit rate risk**

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks and investments in commercial papers and term deposit receipts. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

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

The Fund's profit rate risk arises from the balances in savings accounts and investments in term deposit receipts. At June 30, 2023, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs 165.754 million (2022: Rs 134.722 million).

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

The Fund's fixed rate risk arises from investments in commercial papers. At June 30, 2023, if there had been increase / decrease of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the year then ended would have been higher / lower by Rs nil (2022: nil).

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

----- 2023 -----					
Effective interest rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- Rupees in '000 -----					
<b>Financial assets</b>					
Balances with banks	6.74% to 20.25%	16,575,473	-	200,192	16,775,665
Investments	20.50% - 22.77%	4,590,000	1,500,000	-	6,090,000
Receivable against conversion of units		-	-	532,755	532,755
Profit accrued		-	-	468,073	468,073
Deposits		-	-	1,300	1,300
		<b>21,165,473</b>	<b>1,500,000</b>	<b>1,202,320</b>	<b>23,867,793</b>
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	44,037	44,037
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	1,276	1,276
Payable against conversion and redemption of units		-	-	157,419	157,419
Accrued expenses and other liabilities		-	-	4,796	4,796
		-	-	207,528	207,528
<b>On-balance sheet gap (a)</b>		<b>21,165,473</b>	<b>1,500,000</b>	<b>994,792</b>	<b>23,660,265</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		<b>21,165,473</b>	<b>1,500,000</b>	<b>-</b>	
<b>Cumulative profit rate sensitivity gap</b>		<b>21,165,473</b>	<b>22,665,473</b>	<b>22,665,473</b>	

----- 2022 -----					
Effective interest rate (%)	Exposed to profit rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- Rupees in '000 -----					
<b>Financial assets</b>					
Balances with banks	3.00% to 16.40%	9,417,232	-	187	9,417,419
Investments	6.8% - 16.83%	2,180,000	1,875,000	-	4,055,000
Receivable against conversion of units		-	-	85,601	85,601
Profit accrued		-	-	194,446	194,446
Deposits		-	-	300	300
		<b>11,597,232</b>	<b>1,875,000</b>	<b>280,534</b>	<b>13,752,766</b>
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	4,734	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	724	724
Payable against conversion and redemption of units		-	-	106,817	106,817
Accrued expenses and other liabilities		-	-	-	-
		-	-	113,371	113,371
<b>On-balance sheet gap (a)</b>		<b>11,597,232</b>	<b>1,875,000</b>	<b>167,163</b>	<b>13,639,395</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		<b>11,597,232</b>	<b>1,875,000</b>	<b>-</b>	
<b>Cumulative profit rate sensitivity gap</b>		<b>11,597,232</b>	<b>13,472,232</b>	<b>13,472,232</b>	

**(ii) Currency risk**

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

**(iii) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

**20.2 Liquidity risk**

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

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

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum limit of which is 15% of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. The Fund did not withhold any redemption requests during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
-----Rupees in '000-----						
<b>Financial assets</b>						
Balances with banks	16,775,665	-	-	-	-	16,775,665
Investments	4,900,000	1,990,000	1,500,000	-	-	8,390,000
Receivable against conversion of units	532,755	-	-	-	-	532,755
Profit accrued	284,105	127,603	55,604	-	-	467,312
Deposits	-	-	-	-	1,300	1,300
	<b>22,492,525</b>	<b>2,117,603</b>	<b>1,555,604</b>	<b>-</b>	<b>1,300</b>	<b>26,167,032</b>
<b>Financial liabilities</b>						
Payable to Al Meezan Investment Management Limited - Management Company	44,037	-	-	-	-	44,037
Payable to Central Depository Company of Pakistan Limited - Trustee	1,276	-	-	-	-	1,276
Payable against conversion and redemption of units	157,419	-	-	-	-	157,419
Accrued expenses and other liabilities	91	4,705	-	-	-	4,796
	<b>202,823</b>	<b>4,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>207,528</b>
<b>Net financial assets</b>	<b>22,289,702</b>	<b>2,112,898</b>	<b>1,555,604</b>	<b>-</b>	<b>1,300</b>	<b>25,959,504</b>

----- 2022 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

-----Rupees in '000-----

**Financial assets**

Balances with banks	9,417,419	-	-	-	-	9,417,419
Investments	1,300,000	880,000	1,875,000	-	-	4,055,000
Receivable against conversion of units	85,601	-	-	-	-	85,601
Profit accrued	122,321	38,360	33,765	-	-	194,446
Deposits	-	-	-	-	300	300
	10,925,341	918,360	1,908,765	-	300	13,752,766

**Financial liabilities**

Payable to Al Meezan Investment Management Limited - Management Company	4,734	-	-	-	-	4,734
Payable to Central Depository Company of Pakistan Limited - Trustee	724	-	-	-	-	724
Payable against conversion and redemption of units	106,817	-	-	-	-	106,817
Accrued expenses and other liabilities	-	1,096	-	-	-	1,096
	112,275	1,096	-	-	-	113,371

**Net financial assets**

	10,813,066	917,264	1,908,765	-	300	13,639,395
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**20.3 Credit risk**

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

Credit risk arising on the debt instruments other than government securities is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

2023		2022	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk

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

Balances with banks	16,775,665	16,775,665	9,417,419	9,417,419
Investments	8,390,000	8,390,000	4,055,000	4,055,000
Receivable against conversion of units	532,755	532,755	85,601	85,601
Profit accrued	468,073	468,073	194,446	194,446
Deposits	1,300	1,300	300	300
	<u>26,167,793</u>	<u>26,167,793</u>	<u>13,752,766</u>	<u>13,752,766</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.



### 20.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2023	2022
AAA	77.62	99.95
AA+	0.01	0.04
AA	22.37	0.01
	<b>100.00</b>	<b>100.00</b>

Ratings of outstanding investments have been disclosed in related notes to the financial statements.

### 20.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2023 are unsecured and are not impaired.

## 21 FAIR VALUE MEASUREMENT

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

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

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

### Fair value hierarchy

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

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

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

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

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

Financial assets - at fair value through profit or loss	2023		
	Level 1	Level 2	Level 3
	Rupees in '000		
Certificate of Musharika & Term deposit receipts	-	4,900,000	-
Corporate sukuks *	-	3,490,000	-
	-	<b>8,390,000</b>	-

	2022		
	Level 1	Level 2	Level 3
<b>Financial assets - at fair value through profit or loss</b>	Rupees in '000		
Corporate sukuks *	-	2,755,000	-
Term deposit receipts - having original maturity of 3 months or less *	-	1,300,000	-
	<u>-</u>	<u>4,055,000</u>	<u>-</u>

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

## 22 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirements of minimum fund size at all times.

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

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

## 23 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	33,805	21,806,252	84.25	25,068	11,535,521	85.55
Associated Companies /						
Directors	8	349,640	1.35	6	390,135	2.89
Insurance Companies	4	320,589	1.24	3	235,599	1.75
Retirement Funds	88	1,194,291	4.61	72	684,797	5.08
Private Limited						
Companies	89	1,991,894	7.70	70	133,266	0.99
Others	45	218,903	0.85	385	505,206	3.75
	<u>34,039</u>	<u>25,881,569</u>	<u>100.00%</u>	<u>25,604</u>	<u>13,484,524</u>	<u>100.00%</u>

## 24 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2023	2022
	Percentage of commission paid	
Paramount Capital (Private) Limited	1%	-
JS Global Capital Limited	35%	-
Invest one markets (Private) Limited	15%	-
Arif Habib Limited	47%	-
Alfalsh Securities (Pvt.) Ltd	2%	-
	<u>100%</u>	<u>-</u>

**25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA Level II / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA/ACCA	Nine years

25.2 The Fund manager of the Fund is Mr. Faizan Saleem. Other funds being managed by the Fund Manager are as follows:

- Meezan Islamic Income Fund
- Meezan Rozana Amdani Fund
- Meezan Fixed Term Fund

**26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Designation	Meeting held on			
		August 16, 2022	October 13, 2022	February 23, 2023	April 12, 2023
Mr. Ariful Islam	Chairman	✓	✓	✓	✓
Mr. Muhammad Abdullah	Director	✓	✓	✓	✓
Mr. Moin M. Fudda*	Director	✓	✓	✓	✓
Mr. Furquan Kidwai	Director	✓	✓	✓	✓
Mr. Mubashar Maqbool	Director	✓	✓	✓	✓
Mr. Tariq Mairaj	Director	✓	✓	✓	✓
Mr. Naeem	Director	✓	✓	✓	✓
Mr. Feroz Rizvi	Director	✓	✓	✓	✓
Ms. Danish Zuberi	Director	✓	x	✓	✓
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	✓	✓	✓	✓

\*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

**27 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 7, 2023.

**28 GENERAL**

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

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

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

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

\_\_\_\_\_  
Director

# Client-Centric Evolution



At Al Meezan, clients are at the heart of our business. By actively listening to client feedback and evolving its offerings accordingly, Al Meezan Investments maintains excellence in serving its clients evolving financial needs.

## Meezan Fixed Term Fund

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

# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Muhammad Abdullah Ahmed	Non-Executive Nominee Director- MBL
Mr. Naeem Sattar	Non-Executive Nominee Director- PKIC
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

Ms. Shazia Khurram was appointed on July 4, 2023 as director in place of Mr. Moin M. Fudda who resigned from the Board on June 9, 2023 and Mr. Saad Ur Rahman Khan was appointed on August 7, 2023 in place of Mr. Mubashar Maqbool who resigned from the Board on July 21, 2023. The revised composition of the Board Committees is as under.

## 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. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Saad Ur Rahman Khan	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

Dr. Muhammad Imran Usmani  
Jamia Darul Uloom Karachi  
Korangi Industrial Area Karachi Postal Code 75180 Pakistan  
Tel: +92 21 35044770  
Email: [miu786@gmail.com](mailto:miu786@gmail.com)

## BANKERS TO THE FUND

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

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



Pure. Profit.



## REPORT OF THE FUND MANAGER Meezan Paaidar Munafa Plan (MPMP-III) (Managed under Meezan Fixed Term Fund)

### Type of Fund

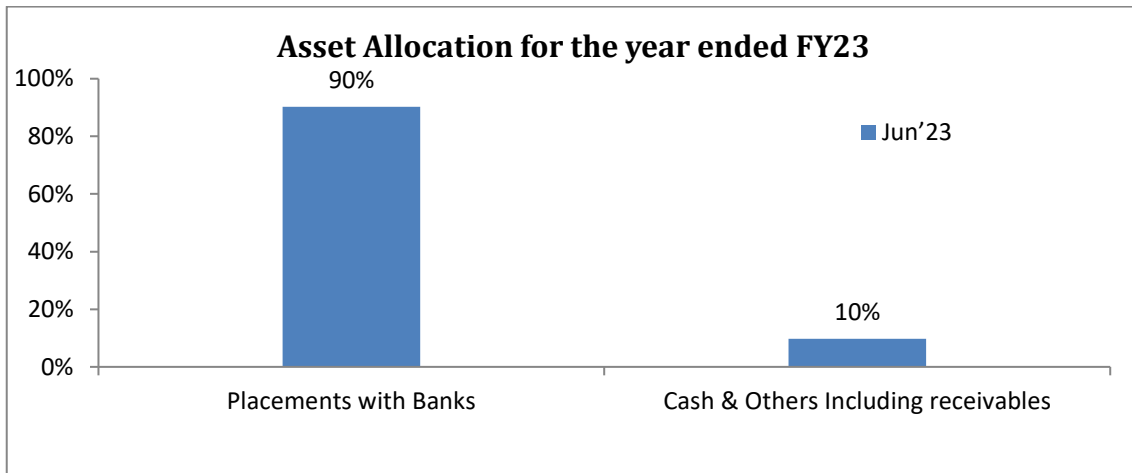
Open ended Shariah Compliant Fixed Rate/ Return plans investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

### Objective

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

### Investment Policy and Strategy

The Allocation Plans being launched under "Meezan Fixed Term Fund (MFTF)" will be allocated between Shariah Compliant authorized investable avenues as mentioned in Offering Document of MFTF. The Allocation Plans shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.



### Performance Review

Meezan Paaidar Munafa Plan (MPMP-III) provided a return of 20.27% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 6.38%

Launched date March 28, 2023

	MPMP III	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on March 28, 2023	50.00	
Net Asset Value as on June 30, 2023	50.10	
Return for the year	20.27%	6.38%
Outperformance	13.89%	

**Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks**



**Pure. Profit.**



The Fund earned a gross income of Rs. 31 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 30 million. The fund also incurred expenses totalling to Rs. 1.5 million, which brought the net income figure to Rs. 30 million. The net assets of the Fund as at June 30, 2023 were Rs. 543 million. The net asset value per unit as at June 30, 2023 was Rs. 50.0964 (Ex-dividend).

### **Distributions**

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 2.5084 per unit (5.02%). Total distribution made by the fund was Rs. 26 million.

### **Breakdown of unit holdings by size**

(As on June 30, 2023)

<b>Range (Units)</b>	<b>No. of investors</b>
1 - 9,999	0
10,000 - 49,999	14
50,000 - 99,999	7
100,000 - 499,999	27
500,000 and above	4
<b>Total</b>	<b>52</b>



Pure. Profit.



## REPORT OF THE FUND MANAGER Meezan Paaidaar Munafa Plan (MPMP-IV) (Managed under Meezan Fixed Term Fund)

### Type of Fund

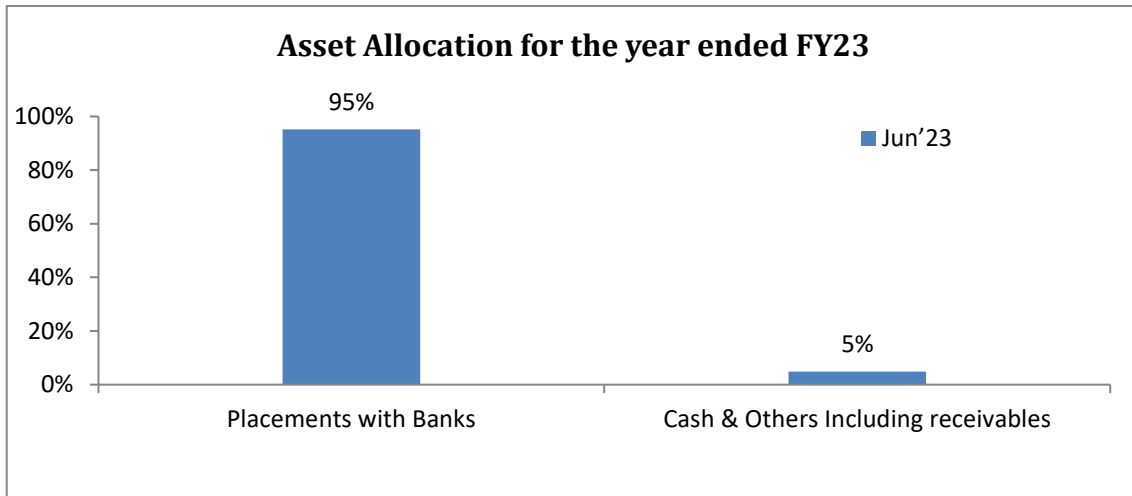
Open ended Shariah Compliant Fixed Rate/ Return plans investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

### Objective

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

### Investment Policy and Strategy

The Allocation Plans being launched under "Meezan Fixed Term Fund (MFTF)" will be allocated between Shariah Compliant authorized investable avenues as mentioned in Offering Document of MFTF. The Allocation Plans shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.



### Performance Review

Meezan Paaidaar Munafa Plan (MPMP-IV) provided a return of 19.92% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 6.41%

Launched date April 18, 2023

	MPMP IV	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on April 18, 2023	50.00	
Net Asset Value as on June 30, 2023	50.10	
Return for the year	19.92%	6.41%
Outperformance	13.51%	

**Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks**





**Pure. Profit.**



The Fund earned a gross income of Rs. 193 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 188 million. The fund also incurred expenses totalling to Rs. 18 million, which brought the net income figure to Rs. 176 million. The net assets of the Fund as at June 30, 2023 were Rs. 4,564 million. The net asset value per unit as at June 30, 2023 was Rs. 50.1020 (Ex-dividend).

### **Distributions**

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 1.8863 per unit (3.87%). Total distribution made by the fund was Rs. 166.4 million.

### **Breakdown of unit holdings by size**

(As on June 30, 2023)

<b>Range (Units)</b>	<b>No. of investors</b>
1 - 9,999	0
10,000 - 49,999	242
50,000 - 99,999	87
100,000 - 499,999	110
500,000 and above	32
<b>Total</b>	<b>471</b>



Pure. Profit.



## REPORT OF THE FUND MANAGER Meezan Paaidaar Munafa Plan (MPMP-V) (Managed under Meezan Fixed Term Fund)

### Type of Fund

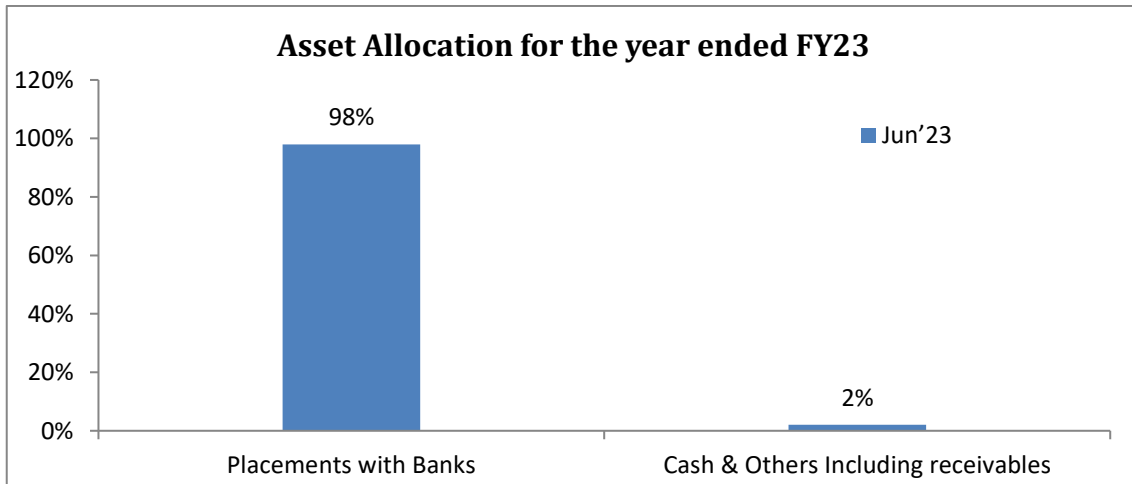
Open ended Shariah Compliant Fixed Rate/ Return plans investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

### Objective

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

### Investment Policy and Strategy

The Allocation Plans being launched under "Meezan Fixed Term Fund (MFTF)" will be allocated between Shariah Compliant authorized investable avenues as mentioned in Offering Document of MFTF. The Allocation Plans shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.



### Performance Review

Meezan Paaidaar Munafa Plan (MPMP-V) provided a return of 21.87% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 6.75%

Launched date May 28, 2023

	MPMP V	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on May 28, 2023	50.00	
Net Asset Value as on June 30, 2023	50.10	
Return for the year	21.87%	6.75%
Outperformance	15.12%	

**Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks**



Pure. Profit.



The Fund earned a gross income of Rs. 210 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 210 million. The fund also incurred expenses totalling to Rs. 12 million, which brought the net income figure to Rs. 198 million. The net assets of the Fund as at June 30, 2023 were Rs. 10,171 million. The net asset value per unit as at June 30, 2023 was Rs. 50.0973 (Ex-dividend).

### Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 0.8896 per unit (1.78%). Total distribution made by the fund was Rs. 178 million.

### Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	0
10,000 - 49,999	0
50,000 - 99,999	0
100,000 - 499,999	0
500,000 and above	1
<b>Total</b>	<b>1</b>



Pure. Profit.



## REPORT OF THE FUND MANAGER Meezan Paaidaar Munafa Plan (MPMP-VI) (Managed under Meezan Fixed Term Fund)

### Type of Fund

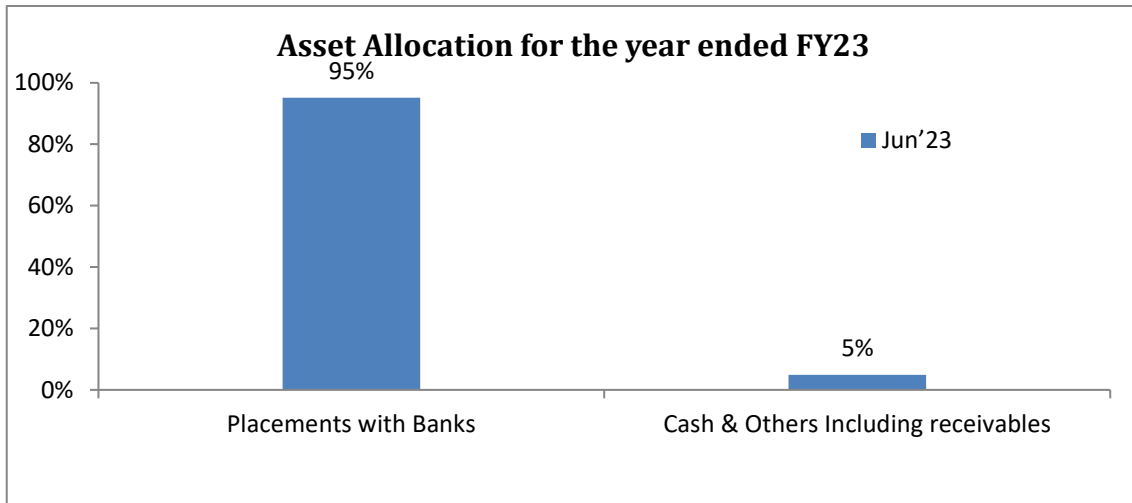
Open ended Shariah Compliant Fixed Rate/ Return plans investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

### Objective

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

### Investment Policy and Strategy

The Allocation Plans being launched under "Meezan Fixed Term Fund (MFTF)" will be allocated between Shariah Compliant authorized investable avenues as mentioned in Offering Document of MFTF. The Allocation Plans shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.



### Performance Review

Meezan Paaidaar Munafa Plan (MPMP-VI) provided a return of 19.65% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 6.75%

Launched date May 22, 2023

	MPMP VI	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on May 22, 2023	50.00	
Net Asset Value as on June 30, 2023	50.10	
Return for the year	19.65%	6.75%
Outperformance	12.90%	

**Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks**



Pure. Profit.



The Fund earned a gross income of Rs. 22 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 22 million. The fund also incurred expenses totalling to Rs. 2 million, which brought the net income figure to Rs. 20 million. The net assets of the Fund as at June 30, 2023 were Rs. 989 million. The net asset value per unit as at June 30, 2023 was Rs. 50.1025 (Ex-dividend).

### Distributions

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 0.9451 per unit (1.90%). Total distribution made by the fund was Rs. 18 million.

### Breakdown of unit holdings by size

(As on June 30, 2023)

Range (Units)	No. of investors
1 - 9,999	0
10,000 - 49,999	149
50,000 - 99,999	30
100,000 - 499,999	37
500,000 and above	11
<b>Total</b>	<b>227</b>



Pure. Profit.



## REPORT OF THE FUND MANAGER Meezan Paaidaar Munafa Plan (MPMP-VIII) (Managed under Meezan Fixed Term Fund)

### Type of Fund

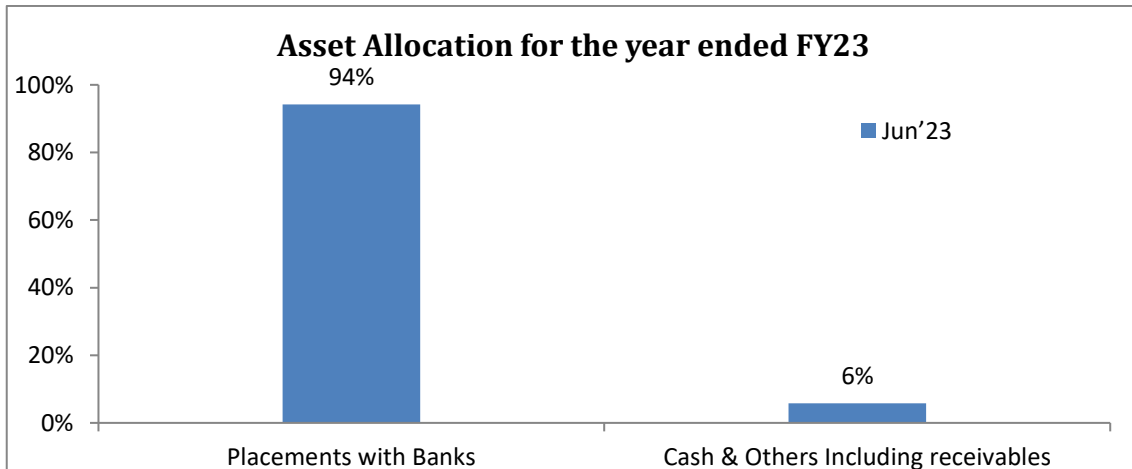
Open ended Shariah Compliant Fixed Rate/ Return plans investing primarily in Shariah Compliant TDRs and money market placements/ Instruments for a specific duration.

### Objective

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

### Investment Policy and Strategy

The Allocation Plans being launched under "Meezan Fixed Term Fund (MFTF)" will be allocated between Shariah Compliant authorized investable avenues as mentioned in Offering Document of MFTF. The Allocation Plans shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.



### Performance Review

Meezan Paaidaar Munafa Plan (MPMP-VIII) provided a return of 18.54% to its investors for the year ended June 30, 2023 as compared to its benchmark return of 7.16%

Launched date June 05, 2023

	MPMP VIII	Six Month deposits at Islamic Banks (Benchmark)
Net Asset Value as on June 05, 2023	50.00	
Net Asset Value as on June 30, 2023	50.05	
Return for the year	18.54%	7.16%
Outperformance	11.38%	

**Benchmark: 6 Months average deposit rates of 3 A -rated Islamic Banks**



**Pure. Profit.**



The Fund earned a gross income of Rs. 56 million, which was primarily due to profit on bank deposits, placements and Sukuks amounting to Rs. 56 million. The fund also incurred expenses totalling to Rs. 5 million, which brought the net income figure to Rs. 51 million. The net assets of the Fund as at June 30, 2023 were Rs. 4,064 million. The net asset value per unit as at June 30, 2023 was Rs. 50.0507 (Ex-dividend).

### **Distributions**

The Total Pay-out by the Fund during the period ended June 30, 2023 was Rs. 0.5330 per unit (1.06%). Total distribution made by the fund was Rs. 43 million.

### **Breakdown of unit holdings by size**

(As on June 30, 2023)

<b>Range (Units)</b>	<b>No. of investors</b>
1 - 9,999	0
10,000 - 49,999	146
50,000 - 99,999	41
100,000 - 499,999	36
500,000 and above	18
<b>Total</b>	<b>241</b>

**PERFORMANCE TABLE****MEEZAN FIXED TERM FUND- MEEZAN PAIDAR MUNAFA PLAN III**

	2023
Net assets (Rs. '000) (ex-distribution)	542,967.00
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	50.0964
Offer price per unit as at June 30, (Rs.) (ex-distribution)	-
Highest offer price per unit (Rs.)	-
Lowest offer price per unit (Rs.)	-
Highest redemption price per unit (Rs.)	52.5084
Lowest redemption price per unit (Rs.)	50.0000
Distribution (%)	
Interim	5.02%
Final	
Date of distribution	27-Jun-23
Interim	
Final	
Income distribution (Rupees in '000)	26,062
Growth distribution (Rupees in '000)	-
Total return (%)	20.27

Average annual return as at June 30, 2023 (%)

**One Year**

20.27%

*Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.*



# Dr. Muhammad Imran Usmani

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## Report of the Shariah Advisor –Meezan Fixed Term Fund (MFTF)

July 29, 2023/ Dhu Al-Hijjah 29, 1443

**Alhamdulillah**, the period from July 1, 2022 to June 30, 2023 was the First year of operations of Meezan Fixed Term Fund (the “MFTF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with the Trust Deed of the Fund. The scope of the Report is to express an opinion on the Shariah compliance of the Fund’s activity.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2023 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.



**Dr. Muhammad Imran Ashraf Usmani**  
Shariah Advisor

**Head Office:**

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



## **TRUSTEE REPORT TO THE UNIT HOLDERS**

### **MEEZAN FIXED TERM FUND**

#### **Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Fixed Term Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from June 09, 2022 to June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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, September 25, 2023

## INDEPENDENT AUDITORS' REPORT

To the Unit holders of Meezan Fixed Term Fund

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Meezan Fixed Term Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2023**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<b>1. Existence and valuation of bank balances and investments</b>	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of debt instruments) held by the Fund represent 98% of the total assets of the Fund as at the year end.	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> <li>- We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund.</li> <li>- We tested controls over acquisition, disposals and periodic valuation of investments portfolio.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4.</li> <li>- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations).</li> <li>- We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>- We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

#### **Other Matter**

The annual financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants, whose audit report dated 21 September 2022, expressed an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



**Chartered Accountants**

**Date:** 26 September 2023

**Place:** Karachi

**UDIN Number:** AR202310076vhcJMqkHp



**MEEZAN FIXED TERM FUND  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2023**

	2023	2023	2023	2023	2023	2023	2023	2023	2023
	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII	Total
(Rupees in '000)									
<b>Assets</b>									
Balances with banks	5	-	21,092	32,688	67,712	26,027	49,000	179,941	327,460
Investments	6	-	494,857	4,379,738	10,000,000	945,000	-	3,840,000	19,659,595
Receivables Against Conversion Of Units		-	-	-	-	-	517,500	-	-
Accrued profit	7	-	32,431	191,567	142,113	22,513	2,467	56,242	444,865
<b>Total assets</b>		-	548,380	4,603,993	10,209,825	993,540	568,968	4,076,183	20,431,921
<b>Liabilities</b>									
Payable to Al Meezan Investment Management Limited - Management Company	9	-	1,375	16,814	11,245	1,568	-	4,872	35,874
Payable to Central Depository Company of Pakistan Limited - Trustee	10	-	93	560	567	65	-	172	1,457
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	-	30	180	182	21	-	55	468
Profit Payable To Pre-Ipo Investors		-	-	-	-	-	2,467	-	0
Accrued expenses and other liabilities	12	-	3,915	22,615	26,844	3,021	-	7,076	63,471
<b>Total liabilities</b>		-	5,413	40,169	38,838	4,675	2,467	12,175	101,270
<b>Net Assets</b>		-	542,967	4,563,824	10,170,987	988,865	566,500	4,064,008	20,897,151
<b>Unit holders' fund (as per statement attached)</b>		-	542,967	4,563,824	10,170,987	988,865	566,500	4,064,008	20,897,151
<b>Contingencies and commitments</b>	13								
(Number of units)									
<b>Number of units in issue</b>		-	10,838,446	91,090,733	203,024,640	19,736,823	11,330,009	81,197,889	
(Rupees)									
<b>Net asset value per unit</b>		-	50.0964	50.1020	50.0973	50.1025	50.0000	50.0507	

The annexed notes 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN FIXED TERM FUND**

**INCOME STATEMENT**

**FOR THE PERIOD FROM JUNE 09, 2022 TO JUNE 30, 2023 AND YEAR ENDED JUNE 30, 2023**

	MPMP-I (Upon initial maturity)	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII	Total
	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from January 6, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 21, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023	
Note -----(Rupees in '000)-----											
<b>Income</b>											
Profit on saving accounts with banks	2,370	4,672	2,315	49,259	775	2,695	54,181	584	-	2,324	119,175
Profit on certificate of musharaka	-	-	-	-	-	-	155,644	-	-	-	155,644
Profit on term deposit receipts	67,742	69,172	45,556	146,908	-	-	-	-	-	53,918	383,296
Profit on government sukuk certificates	-	-	-	-	28,808	185,937	-	21,507	-	-	236,252
Net realized loss on investments	-	-	-	-	-373	-	-	-	-	-	(373)
Other Income	115	24	162	-	559	-	-	-	-	-	860
Net unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	-	-	-	-	1,308	4,738	-	-	-	-	6,046
<b>Total income</b>	<b>70,227</b>	<b>73,868</b>	<b>48,033</b>	<b>196,167</b>	<b>31,077</b>	<b>193,370</b>	<b>209,825</b>	<b>22,091</b>	<b>-</b>	<b>56,242</b>	<b>900,900</b>
<b>Expenses</b>											
Remuneration of AI Meezan Investment Management Limited - Management Company	9.1 2,078	4,748	2,798	7,070	1,195	14,865	9,889	1,379	-	4,290	48,312
Sindh Sales Tax on remuneration of the Management Company	9.2 270	617	364	920	155	1,932	1,286	179	-	558	6,281
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 322	253	166	702	82	495	502	58	-	152	2,732
Sindh Sales Tax on remuneration of the Trustee	10.2 42	33	22	91	11	64	65	8	-	20	356
Annual fees to the Securities and Exchange Commission of Pakistan	11 99	92	60	255	30	180	182	21	-	55	974
Auditors' remuneration	14 72	88	42	42	13	9	26	5	-	13	310
Formation Cost	8.1 90	93	90	90	25	18	71	10	-	25	512
Bank and settlement charges	47	4	12	6	2	1	-	2	-	36	110
Fees and subscription	108	156	151	151	48	35	129	17	-	46	841
<b>Total expenses</b>	<b>3,128</b>	<b>6,084</b>	<b>3,705</b>	<b>9,327</b>	<b>1,561</b>	<b>17,599</b>	<b>12,150</b>	<b>1,679</b>	<b>-</b>	<b>5,195</b>	<b>60,428</b>
<b>Net income for the period before taxation</b>	<b>67,099</b>	<b>67,784</b>	<b>44,328</b>	<b>186,840</b>	<b>29,516</b>	<b>175,771</b>	<b>197,675</b>	<b>20,412</b>	<b>-</b>	<b>51,047</b>	<b>840,472</b>
Taxation	16 -	-	-	-	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>67,099</b>	<b>67,784</b>	<b>44,328</b>	<b>186,840</b>	<b>29,516</b>	<b>175,771</b>	<b>197,675</b>	<b>20,412</b>	<b>-</b>	<b>51,047</b>	<b>840,472</b>
<b>Allocation of net income for the period</b>											
Net income for the period after taxation	67,099	67,784	44,328	186,840	29,516	175,771	197,675	20,412	-	51,047	840,472
Income already paid on units redeemed	(7,379)	(31,391)	(19,061)	(69,259)	(2,409)	(86)	-	(25)	-	(26)	(129,636)
	<b>59,720</b>	<b>36,393</b>	<b>25,267</b>	<b>117,581</b>	<b>27,107</b>	<b>175,685</b>	<b>197,675</b>	<b>20,387</b>	<b>-</b>	<b>51,021</b>	<b>710,836</b>
<b>Accounting income available for distribution</b>											
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	59,720	36,393	25,267	117,581	27,107	175,685	197,675	20,387	-	51,021	710,836
	<b>59,720</b>	<b>36,393</b>	<b>25,267</b>	<b>117,581</b>	<b>27,107</b>	<b>175,685</b>	<b>197,675</b>	<b>20,387</b>	<b>-</b>	<b>51,021</b>	<b>710,836</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

For AI Meezan Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director





**MEEZAN FIXED TERM FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM JUNE 09, 2022 TO JUNE 30, 2023 AND YEAR ENDED JUNE 30, 2023**

MPMP-I (Upon initial maturity)	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII	Total	
For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from January 6, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 21, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023		
------(Rupees in '000)-----											
Net income for the period after taxation	67,099	67,784	44,328	186,840	29,516	175,771	197,675	20,412	-	51,047	840,472
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>67,099</b>	<b>67,784</b>	<b>44,328</b>	<b>186,840</b>	<b>29,516</b>	<b>175,771</b>	<b>197,675</b>	<b>20,412</b>	<b>-</b>	<b>51,047</b>	<b>840,472</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director



**MEEZAN FIXED TERM FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE PERIOD FROM JUNE 09, 2022 TO JUNE 30, 2023 AND YEAR ENDED JUNE 30, 2023**

For the period from June 09, 2022 to September 09, 2022			For the period from September 26, 2022 to December 26, 2022			For the period from January 6, 2023 to March 17, 2023			For the period from September 12, 2022 to March 12, 2023			For the period from March 28, 2023 to June 30, 2023			For the period from April 18, 2023 to June 30, 2023			For the period from May 28, 2023 to June 30, 2023			For the period from May 22, 2023 to June 30, 2023			For the period from June 21, 2023 to June 30, 2023			For the period from June 05, 2023 to June 30, 2023		
Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total

Issuance of units:  
MPMP-I: 38,766,267, 59,472,927 and 31,080,683 units /  
MPMP-II: 52,510,000 units /  
MPMP-III :11,938,548 units /  
MPMP-IV: 91,206,697 units /  
MPMP-V: 203,024,640 units /  
MPMP-VI: 19,767,292 units /  
MPMP-VII: 11,330,000 units and  
MPMP-VIII: 81,331,889 units

- Capital value (at par value per unit)  
- Element of income

1,938,313	-	1,938,313	2,973,646	-	2,973,646	4,033,130	-	4,033,130	2,625,500	-	2,625,500	596,927	-	596,927	4,560,335	-	4,560,335	10,151,232	-	10,151,232	988,365	-	988,365	566,500	-	566,500	4,066,597	-	4,066,597
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1,938,313	-	1,938,313	2,973,646	-	2,973,646	4,033,130	-	4,033,130	2,625,500	-	2,625,500	596,927	-	596,927	4,560,335	-	4,560,335	10,151,232	-	10,151,232	988,365	-	988,365	566,500	-	566,500	4,066,597	-	4,066,597

Redemption of units:  
MPMP-I : 23,406,872, 40,130,443 and 63,134,603 units /  
MPMP-II: 21,344,130 units /  
MPMP-III :1,100,102 units /  
MPMP-IV: 115,964 units /  
MPMP-VI: 30,469 units and  
MPMP-VIII: 134,000 units

- Capital value (at par value per unit)  
- Element of loss

1,170,344	-	1,170,344	2,006,522	-	2,006,522	3,156,730	-	3,156,730	1,067,208	-	1,067,208	55,005	-	55,005	5,798	-	5,798	-	-	-	1,524	-	1,524	-	-	-	6,700	-	6,700
-	7,379	7,379	364	31,391	31,755	19,061	19,061	19,061	69,259	69,259	2,409	2,409	2,409	86	86	5,884	-	-	-	-	25	25	25	-	-	-	-	26	
1,170,344	7,379	1,177,723	2,006,886	31,391	2,038,277	3,156,730	19,061	3,175,791	1,067,208	69,259	1,136,467	55,005	2,409	57,414	5,798	86	5,884	-	-	-	1,524	25	1,549	-	-	-	6,700	26	

Total proceeds on issuance of units

Accounting income available for distribution  
- Relating to capital gains  
- Excluding capital gains

-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59,720	-	59,720	36,393	-	36,393	25,267	-	25,267	117,581	-	117,581	27,107	-	27,107	175,685	-	175,685	197,675	-	197,675	20,387	-	20,387	-	-	-	51,021	-
59,720	-	59,720	36,393	-	36,393	25,267	-	25,267	117,581	-	117,581	27,107	-	27,107	175,685	-	175,685	197,675	-	197,675	20,387	-	20,387	-	-	-	51,021	-
(59,720)	-	(59,720)	(36,393)	-	(36,393)	(25,267)	-	(25,267)	(117,581)	-	(117,581)	(26,062)	-	(26,062)	(166,398)	-	(166,398)	(177,920)	-	(177,920)	(18,363)	-	(18,363)	-	-	-	(46,910)	-
(59,720)	-	(59,720)	(36,393)	-	(36,393)	(25,267)	-	(25,267)	(117,581)	-	(117,581)	(26,062)	-	(26,062)	(166,398)	-	(166,398)	(177,920)	-	(177,920)	(18,363)	-	(18,363)	-	-	-	(46,910)	-
-	-	-	-	-	-	-	-	-	-	-	-	1,045	-	1,045	9,287	-	9,287	19,755	-	19,755	2,024	-	2,024	-	-	-	4,111	-
-	-	-	-	-	-	-	-	-	-	-	-	1,045	-	1,045	9,287	-	9,287	19,755	-	19,755	2,024	-	2,024	-	-	-	4,111	-
-	-	-	-	-	-	-	-	-	-	-	-	1,045	-	1,045	9,287	-	9,287	19,755	-	19,755	2,024	-	2,024	-	-	-	4,111	-
(Rupees)	-	(Rupees)	(Rupees)	-	(Rupees)	(Rupees)	-	(Rupees)	(Rupees)	-	(Rupees)	(Rupees)	-	(Rupees)	(Rupees)	-	(Rupees)	(Rupees)	-	(Rupees)	(Rupees)	-	(Rupees)	(Rupees)	-	(Rupees)	(Rupees)	-

Net assets value per unit at the end of the period

50.0000	-	50.0000	50.0000	-	50.0000	50.0000	-	50.0000	50.0964	-	50.0964	50.1020	-	50.1020	50.0973	-	50.0973	50.1025	-	50.1025	50.0000	-	50.0000	-	-	-	50.0507	-
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The annexed notes 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN FIXED TERM FUND**

**CASH FLOW STATEMENT**

**FOR THE PERIOD FROM JUNE 09, 2022 TO JUNE 30, 2023 AND YEAR ENDED JUNE 30, 2023**

MPMP-I (Upon initial maturity)	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII	Total
For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from January 6, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 21, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023	

(Rupees in '000)

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period before taxation	67,099	67,784	44,328	186,840	29,516	175,771	197,675	20,412	-	51,047	840,472
<b>Adjustment for non-cash items:</b>											
Amortisation of preliminary expenses and flotation costs	90	93	90	90	25	18	71	10	-	25	512
<b>Increase in assets</b>	67,189	67,877	44,418	186,930	29,541	175,789	197,746	20,422	-	51,072	840,984
Investments	-	-	-	-	(494,857)	(4,379,738)	-	(945,000)	-	-	(5,819,595)
Accrued profit	(870)	(2,083)	(3,435)	(150,700)	(32,431)	(191,567)	(142,113)	(22,513)	(2,467)	(56,242)	(601,954)
Preliminary expenses and flotation costs	(90)	(93)	(90)	(90)	(25)	(18)	(71)	(10)	-	(25)	(512)
<b>Increase in liabilities</b>	(960)	(2,176)	(3,525)	(150,790)	(527,312)	(4,571,323)	(142,184)	(967,523)	(2,467)	(56,267)	(6,422,060)
Payable to Al Meezan Investment Management Limited - Management Company	2,349	5,548	3,435	8,115	1,375	16,814	11,245	1,568	-	4,872	55,321
Payable to Central Depository Company of Pakistan Limited - Trustee	363	286	187	793	93	560	567	65	-	172	3,086
Payable to the Securities and Exchange Commission of Pakistan (SECP)	99	92	152	255	30	180	182	21	-	55	1,066
Profit Payable To Pre-Ipo Investors	-	-	-	-	-	-	-	-	2,467	-	2,467
Accrued expenses and other liabilities	7,892	3,564	2,331	9,099	3,914	22,615	26,844	3,021	-	7,076	86,356
	10,703	9,490	6,105	18,262	5,412	40,169	38,838	4,675	2,467	12,175	148,296
<b>Net cash generated from / (used in) operating activities</b>	76,932	75,191	46,998	54,402	(492,359)	(4,355,365)	94,400	(942,426)	-	6,980	(5,432,781)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Receipts against issuance and conversion of units	1,916,562	2,973,646	4,033,130	2,625,500	596,927	4,560,335	10,151,232	988,365	49,000	4,066,597	31,912,294
Payments against redemption and conversion of units	(25,432)	(1,177,359)	(2,503,378)	(1,136,467)	(57,414)	(5,884)	-	(1,549)	-	(6,726)	(4,914,209)
Dividend paid	-	-	-	-	(26,062)	(166,398)	(177,920)	(18,363)	-	(46,910)	(435,653)
<b>Net cash generated from financing activities</b>	1,891,130	1,796,287	1,529,752	1,489,033	513,451	4,388,053	9,973,312	968,453	49,000	4,012,961	26,562,432
<b>Net increase in cash and cash equivalents</b>	1,968,062	1,871,478	1,576,750	1,543,435	21,092	32,688	10,067,712	26,027	49,000	4,019,941	21,176,185
Cash and cash equivalents at the beginning of the period	-	-	-	-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the period</b>	1,968,062	1,871,478	1,576,750	1,543,435	21,092	32,688	10,067,712	26,027	49,000	4,019,941	21,176,185

The annexed notes 1 to 26 form an integral part of these financial statements.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**MEEZAN FIXED TERM FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM JUNE 09, 2022 TO JUNE 30, 2023**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Meezan Fixed Term Fund (the "Fund", the "Scheme") was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on April 05, 2022 under Sindh Trusts Act, 2020 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 Meezan Fixed Term Fund is an Open Ended Shariah Compliant Collective Investment Scheme as per SECP's Circular No.3 of 2022 dated February 10, 2022 with different allocation plans. The investment objective of the Fund is to earn potentially high returns by investing in Shariah Compliant Fixed Income instruments.
- 1.3 The following plans were launched on the following respective dates, with an objective to provide investors with potentially high returns through placement of deposit in Shariah Compliant Banks.

PLAN	LAUNCH DATE
Meezan Paaidaar Munafa Plan - I	June 9, 2022
Meezan Paaidaar Munafa Plan - II *	September 12, 2022
Meezan Paaidaar Munafa Plan - III *	March 28, 2023
Meezan Paaidaar Munafa Plan - IV *	April 18, 2023
Meezan Paaidaar Munafa Plan - V *	May 28, 2023
Meezan Paaidaar Munafa Plan - VI *	May 22, 2023
Meezan Paaidaar Munafa Plan - VII **	June 21, 2023
Meezan Paaidaar Munafa Plan - VIII *	June 5, 2023

\* These plans were launched during the year, accordingly no comparative information in respect of Statement of Assets and Liabilities, Income statement, Statement of Comprehensive Income, Statement of Movement in unit holders' fund and Cashflow statement has been disclosed.

\*\* The plan's subscription period commenced on June 21, 2023, however the plan is launched subsequently on July 11, 2023. During the year disclosures containing balances are disclosed, however, those with nil balances are not disclosed.

The assets and liabilities of MPMP-I initially matured on September 09, 2022 stood at Rs.1,968.933 million and Rs.1,162.995 million, respectively. The liabilities amounting to Rs.1,162.626 million has been paid off as at January 05, 2023, remaining outstanding balance of Rs.0.369 million was settled during the year.

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

The assets and liabilities of roll over plan MPMP-I matured on December 26, 2022 stood at Rs.1,873.561 million and Rs.870.407 million, respectively. The liabilities amounting to Rs.857.251 million has been paid off as at January 05, 2023 related to payments on redemption and conversion of units, remaining outstanding balance of Rs.13.157 was settled during the year.

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

The assets and liabilities of roll over plan MPMP-I matured on March 17, 2023 stood at Rs.1,580.185 million and Rs.703.786 million, respectively. The liabilities amounting to Rs.672.413 million has been paid off as at March 22, 2023 related to payments on redemption and conversion of units, remaining outstanding balance of Rs.31.373 will be paid off subsequently.

Amongst the remaining assets amounting to Rs.876.399 million, dividend distribution of Rs.25.2596 million is made upon maturity of the plan.

The assets and liabilities of plan MPMP-II matured on March 10, 2023 stood at Rs.1,694.132 million and Rs.135.837 million, respectively. The liabilities outstanding balance will be paid off subsequently.

Amongst the remaining assets amounting to Rs.1,558.294 million, dividend distribution of Rs.117.5764 million is made upon maturity of the plan.

- 1.4 Units are offered for public subscription for limited time period. The units are transferable and can be redeemed by surrendering them to the Fund after deduction of contingent load.
- 1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 As per offering document approved by SECP, the accounting period, in case of the first such period for MPMP-I, shall commence from the date on which the trust property is first paid or transferred to the Trustee. On the request of AMC, the SECP through letter # SCD/AMCW/MFTF/361/2022 dated June 06, 2022 has granted exemption from publishing financial statements for the period ending June 30, 2022. Accordingly, these financial statements have been prepared for the period from June 09, 2022 to June 30, 2023, and no comparative information in respect of Statement of Assets and Liabilities, Income statement, Statement of Comprehensive Income, Statement of Movement in unit holders' fund and Cashflow statement has been disclosed.

## 2 BASIS OF PRESENTATION

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

## 3 BASIS OF PREPARATION

### 3.1 Statement of compliance

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

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

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

### 3.2 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

#### **Amendments and improvements to the approved accounting and reporting standards that became effective during the year**

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

**Amendments to approved accounting standards**

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

**Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)**

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

**3.3 Standards and amendments to the approved accounting standards that are not yet effective**

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

<b>Amendments</b>	<b>Effective date (annual periods beginning on or after)</b>
IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
IAS 8 Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising - from a Single Transaction - Amendments to IAS 12	January 01, 2023
IAS 1 Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its - Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
IAS 7 / IFRS 7 Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 -and IFRS 7	January 01, 2024
IAS 12 International Tax Reform – Pillar Two Model Rules -Amendments to IAS 12	January 01, 2023

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 First time adoption of IFRS	January 01, 2004
IFRS 17 Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the fund's financial statements in the period of initial application.

**3.4 Critical accounting estimates and judgments**

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

### **3.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

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

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

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

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

### **4.1 Cash and cash equivalents**

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

### **4.2 Financial assets**

#### **4.2.1 Initial recognition and measurement**

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

#### **4.2.2 Classification and subsequent measurement**

##### **4.2.2.1 Debt instruments**

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

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

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

##### **4.2.2.2 Impairment**

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

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

##### **4.2.2.3 Impairment loss on debt securities**

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

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

#### **4.2.2.4 Regular way contracts**

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

#### **4.2.2.5 Derecognition**

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

#### **4.3 Financial liabilities**

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

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

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

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

#### **4.5 Provisions**

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

#### **4.6 Net asset value per unit**

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

#### **4.7 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of any duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

#### **4.8 Distribution to unit holders**

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

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



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

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

**4.10 Revenue recognition**

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Income on sukuk certificates and government securities is recognised on a time proportionate basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Profit on savings accounts and term deposits with banks is recognised on time proportion basis using the effective yield method.

**4.11 Expenses**

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

**4.12 Taxation**

**Current**

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

**Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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

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

**4.13 Earnings / (loss) per unit**

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

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

**4.14 Foreign currency translation**

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

5	BALANCES WITH BANKS	Note	June 30, 2023								Total
			MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII	
	Balances with banks in:										
	Savings accounts	5.1	-	-	21,092	32,688	67,712	26,027	49,000	179,941	376,461

5.1 These include a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 10.00% per annum. Other savings accounts of the Fund have expected rates of profit ranging from 20.00% to 20.25% per annum.

6	INVESTMENTS	Note	June 30, 2023								Total
			MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VIII		
	At fair value through profit or loss										
	Certificate of musharaka	6.1	-	-	-	-	10,000,000	-	-	-	10,000,000
	Term deposit receipts	6.2	-	-	-	-	-	-	3,840,000	-	3,840,000
	Government sukuk certificates	6.3	-	-	494,857	4,379,738	-	945,000	-	-	5,819,595
	<b>Total as at 30 June 2023</b>		-	-	<b>494,857</b>	<b>4,379,738</b>	<b>10,000,000</b>	<b>945,000</b>	<b>3,840,000</b>	-	<b>19,659,595</b>

6.1 Certificate of musharaka

Name of the bank	Maturity date	Profit rate	Placed during the period	Matured during the period	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to		
								Net assets of the fund	Total market value of investment	
		%							%	
			(Rupees in '000)							

**Meezan Paaidar Munafa Plan - V**

Faysal Bank (AA, PACRA)	July 10, 2023	20.30%	5,000,000	-	5,000,000	5,000,000	-	48.97%	49.16%
Faysal Bank (AA, PACRA)	June 9, 2023	20.30%	5,000,000	5,000,000	-	-	-	0.00%	0.00%
UBL Al Ameen (AAA, PACRA)	July 4, 2023	20.25%	5,000,000	-	5,000,000	5,000,000	-	48.97%	49.16%
<b>As at June 30, 2023</b>			<b>15,000,000</b>	<b>5,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>-</b>	<b>97.94%</b>	<b>98.32%</b>

## 6.2 Term deposit receipts

Name of the bank	Maturity date	Profit rate	Placed during the period	Matured during the period	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
								Net assets of the fund	Total market value of investment
		%			(Rupees in '000)			%	
<b>Meezan Paaidar Munafa Plan - I</b>									
Askari Bank Limited (AA+, PACRA)	September 09, 2022	14.27%	1,918,500	1,918,500	-	-	-	0.00%	0.00%
Askari Bank Limited (AA+, PACRA)	December 26, 2022	15.50%	1,792,000	1,792,000	-	-	-	0.00%	0.00%
Askari Bank Limited (AA+, PACRA)	March 17, 2023	15.50%	1,548,500	1,548,500	-	-	-	0.00%	0.00%
<b>Meezan Paaidar Munafa Plan - II</b>									
Bank of Punjab (AA+, PACRA)	March 10, 2023	15.80%	1,875,000	1,875,000	-	-	-	0.00%	0.00%
<b>Meezan Paaidar Munafa Plan - VIII</b>									
Bank Alfalah (AA+, PACRA)	September 06, 2023	20.50%	3,840,000	-	3,840,000	3,840,000	-	94.49%	100.00%
<b>As at June 30, 2023</b>			<b>10,974,000</b>	<b>7,134,000</b>	<b>3,840,000</b>	<b>3,840,000</b>	<b>-</b>	<b>94.49%</b>	<b>100.00%</b>

6.2.1 The profit and principal of term deposit receipts is receivable at maturity.

## 6.3 Government sukuk certificates

Name of the Security	Maturity date	Profit payments / principal redemptions	Issue Date	Profit rate	As at July 1, 2022	Purchased during the year	Sales / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Percentage in relation to	
												Number of certificates	(Rs in '000)
												(%)	(%)
<b>Meezan Paaidar Munafa Plan - III</b>													
GoP Ijarah Sukuk Certificates - XVIII - FRR (note 6.1.1)	March 08, 2024	Semi-annually / At maturity	March 08, 2023	21.70%	-	5,500	565	4,935	493,549	494,857	1,308	91.14%	100.00%
<b>Meezan Paaidar Munafa Plan - IV</b>													
GoP Ijarah Sukuk Certificates - XX - FRR (note 6.1.1)	April 17, 2024	Semi-annually / At maturity	April 17, 2023	21.25%	-	43,750	-	43,750	4,375,000	4,379,738	4,738	95.97%	100.00%
<b>Meezan Paaidar Munafa Plan - VI</b>													
GoP Ijarah Sukuk Certificates - XXII - FRR (note 6.1.1)	April 17, 2024	Semi-annually / At maturity	May 22, 2023	21.30%	-	9,450	-	9,450	945,000	945,000	-	95.56%	100.00%
<b>Total as at June 30, 2023</b>					<b>-</b>	<b>58,700</b>	<b>565</b>	<b>58,135</b>	<b>5,813,549</b>	<b>5,819,595</b>	<b>6,046</b>	<b>282.67%</b>	<b>300.00%</b>

7	ACCRUED PROFIT	Note	June 30, 2023					Total		
			MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V		MPMP-VI	MPMP-VIII
	Profit accrued on:									
	Balances with banks		-	-	245	535	28,154	454	2,324	31,712
	Term deposit receipts		-	-	-	-	-	-	-	-
	Certificate of musharaka		-	-	-	-	113,959	-	-	113,959
	Government sukuk certificates		-	-	32,186	191,032	-	22,059	53,918	299,194
	<b>Total as at June 30, 2022</b>		-	-	<b>32,431</b>	<b>191,567</b>	<b>142,113</b>	<b>22,513</b>	<b>56,242</b>	<b>444,865</b>

**8 PRELIMINARY EXPENSES AND FLOTATION COSTS**

<b>Total for the year ended June 30, 2022</b>	8.1	-	-	25	18	71	10	25	149
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8.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund.

9	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	June 30, 2023					Total		
			MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V		MPMP-VI	MPMP-VIII
	Remuneration payable	9.1	-	-	1,195	14,864	9,889	1,379	4,290	31,617
	Sindh Sales Tax payable on remuneration of the Management Company	9.2	-	-	155	1,932	1,285	179	557	4,109
	Formation cost payable		-	-	25	18	71	10	25	148
	<b>Total as at June 30, 2023</b>		-	-	<b>1,375</b>	<b>16,814</b>	<b>11,245</b>	<b>1,568</b>	<b>4,872</b>	<b>35,874</b>

9.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold.

9.2 The sales tax is charged at the rate of 13% of management fee.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30, 2023					Total		
			MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V		MPMP-VI	MPMP-VIII
	Trustee fee payable	10.1	-	-	82	495	502	58	152	1,289
	Sindh Sales Tax payable on trustee fee	10.2	-	-	11	64	65	8	20	168
	<b>Total as at June 30, 2023</b>		-	-	<b>93</b>	<b>560</b>	<b>567</b>	<b>65</b>	<b>172</b>	<b>1,457</b>

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

10.2 The sales tax is charged at the rate of 13% of trustee fee.

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

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

12 ACCRUED EXPENSES AND OTHER LIABILITIES	June 30, 2023							Total
	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VIII	
	(Rupees in '000)							
Auditors' remuneration payable	-	-	13	9	26	5	13	66
Fund rating fee payable	-	-	19	14	39	5	14	91
Shariah advisor fee payable	-	-	29	21	90	12	32	184
Withholding tax payable on dividend	-	-	3,635	22,564	26,689	2,999	7,014	62,901
Capital gain tax payable	-	-	219	7	-	-	3	229
<b>Total as at June 30, 2023</b>	<b>-</b>	<b>-</b>	<b>3,915</b>	<b>22,615</b>	<b>26,844</b>	<b>3,021</b>	<b>7,076</b>	<b>63,471</b>

**13 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at June 30, 2023.

14 AUDITORS' REMUNERATION	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2023 to December 26, 2023	For the period from January 9, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023	Total
	MPMP-I	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VIII	
	(Rupees in '000)									
Statutory audit fee	35	79	42	42	13	9	26	5	13	264
Half yearly review fee	37	9	-	-	-	-	-	-	-	46
<b>Total as at June 30, 2023</b>	<b>72</b>	<b>88</b>	<b>42</b>	<b>42</b>	<b>13</b>	<b>9</b>	<b>26</b>	<b>5</b>	<b>13</b>	<b>310</b>

**15 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund for the period ended June 30, 2023 is as under:

	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from January 06, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023
	MPMP-I	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VIII
Total Expense Ratio (TER)	0.63%	1.32%	1.04%	0.12%	1.04%	1.95%	1.19%	1.56%	1.17%
Government Levies	0.08%	0.16%	0.67%	0.21%	0.13%	0.24%	0.15%	0.19%	0.14%

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

**16 TAXATION**

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

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

**17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

**17.1** Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Collective Investment Schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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

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

	June 30, 2023							
Balances	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII
	(Rupees in '000)							
<b>Al Meezan Investment Management Limited - Management Company</b>								
Management fee payable	-	-	1,195	14,864	9,889	1,379	-	4,290
Sindh Sales Tax payable on the remuneration of the Management Company	-	-	155	1,932	1,285	179	-	557
Formation cost payable	-	-	25	18	71	10	-	25
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration payable to the Trustee	-	-	82	495	502	58	-	152
Sindh Sales Tax on remuneration of the Trustee	-	-	11	64	65	8	-	20
<b>Meezan Bank Limited</b>								
Balance with bank	-	-	21,092	32,688	67,712	26,027	-	179,941
Profit receivable on saving account	-	-	245	535	28,154	454	-	2,324
Shariah advisor fee payable	-	-	29	21	90	12	-	32
<b>Directors and Executives of the Management Company</b>								
Investment	-	-	-	207,868	-	-	252,000	1,011
Investment (Units)	-	-	-	4,148,910	-	-	5,040	20,181
<b>Unitholders holding 10% or more units of the Fund</b>								
Investment	-	-	-	-	-	101,815	-	-
Investment (Units)	-	-	-	-	-	2,032,133	-	-



Transactions during the period	For the period from June 09, 2022 to September 09, 2022	For the period from September 26, 2022 to December 26, 2022	For the period from January 06, 2023 to March 17, 2023	For the period from September 12, 2022 to March 10, 2023	For the period from March 28, 2023 to June 30, 2023	For the period from April 18, 2023 to June 30, 2023	For the period from May 28, 2023 to June 30, 2023	For the period from May 22, 2023 to June 30, 2023	For the period from June 21, 2023 to June 30, 2023	For the period from June 05, 2023 to June 30, 2023
	MPMP-I	MPMP-I	MPMP-I	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VIII
(Rupees in '000)										
<b>AI Meezan Investment Management Limited - Management Company</b>										
Remuneration of AI Meezan Investment Management Limited - Management Company	2,078	4,748	2,798	7,070	1,195	14,865	9,889	-	-	4,290
Sindh Sales Tax on the remuneration of the Management Company	270	617	364	920	155	1,932	1,286	179	-	558
Invested during the period	-	-	-	300,000	-	-	-	-	-	-
Invested during the period (Units)	-	-	-	6,000,000	-	-	-	-	-	-
Redeemed during the period	-	-	-	309,875	-	-	-	-	-	-
Redeemed during the period (Units)	-	-	-	6,000,000	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>										
Remuneration of the Trustee	322	253	166	702	82	495	502	58	-	152
Sindh Sales Tax on remuneration of the Trustee	42	33	22	91	11	64	65	8	-	20
<b>Meezan Bank Limited</b>										
Profit on savings account	60	48	1	29	144	1,478	0	7	-	5
Shariah advisory fee	65	111	107	42	29	21	90	12	-	32
<b>AI Meezan Investment Management Limited - Employees' Gratuity Fund</b>										
Invested during the period	-	-	-	11,830	-	-	-	-	-	-
Invested during the period (Units)	-	-	-	236,599	-	-	-	-	-	-
Redeemed during the period	-	-	-	11,830	-	-	-	-	-	-
Redeemed during the period (Units)	-	-	-	236,599	-	-	-	-	-	-
Dividend paid	-	-	-	830	-	-	-	-	-	-
<b>Directors and Executives of the Management Company</b>										
Invested during the period	2,500	111,500	177,500	24,000	-	207,868	-	-	252,000	1,011
Invested during the period (Units)	50,000	2,230,000	3,550,000	480,000	-	4,148,910	-	-	5,040	20,181
Redeemed during the period	2,500	117,856	182,169	25,630	-	-	-	-	-	-
Redeemed during the period (Units)	50,000	2,280,332	3,499,668	480,000	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	7,583	-	-	-	12
<b>Unitholders holding 10% or more units of the Fund</b>										
Invested during the period	-	-	-	-	-	-	-	100,000	-	-
Invested during the period (Units)	-	-	-	-	-	-	-	2,000,000	-	-
Dividend paid	-	-	-	-	-	-	-	30	-	-



**18 FINANCIAL INSTRUMENTS BY CATEGORY**

June 30, 2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

**Financial assets**

**Meezan Paaidar Munafa Plan - I**

Balances with banks	-	-	-
Investments	-	-	-
Accrued Profit	-	-	-

**Meezan Paaidar Munafa Plan - II**

Balances with banks	-	-	-
Investments	-	-	-
Accrued Profit	-	-	-

**Meezan Paaidar Munafa Plan - III**

Balances with banks	21,092	-	21,092
Investments	-	494,857	494,857
Accrued Profit	32,431	-	32,431

**Meezan Paaidar Munafa Plan - IV**

Balances with banks	32,688	-	32,688
Investments	-	4,379,738	4,379,738
Accrued Profit	191,567	-	191,567

**Meezan Paaidar Munafa Plan - V**

Balances with banks	67,712	-	67,712
Investments	-	10,000,000	10,000,000
Accrued Profit	142,113	-	142,113

**Meezan Paaidar Munafa Plan - VI**

Balances with banks	26,027	-	26,027
Investments	-	945,000	945,000
Accrued Profit	22,513	-	22,513

**Meezan Paaidar Munafa Plan - VII**

Balances with banks	49,000	-	49,000
Investments	-	-	-
Receivables Against Conversion Of Units	517,500	-	-
Accrued Profit	2,467	-	-

**Meezan Paaidar Munafa Plan - VIII**

Balances with banks	179,941	-	179,941
Investments	-	3,840,000	3,840,000
Accrued Profit	56,242	-	56,242

**Financial Liabilities**

**Meezan Paaidar Munafa Plan - I**

Payable to AI Meezan Investment Management Limited - Management Company	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-
Accrued expenses and other liabilities	-	-	-





June 30, 2023		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		

**Financial Liabilities**

**Meezan Paaidar Munafa Plan - II**

Payable to AI Meezan Investment Management Limited - Management Company	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-
Accrued expenses and other liabilities	-	-	-

**Meezan Paaidar Munafa Plan - III**

Payable to AI Meezan Investment Management Limited - Management Company	1,375	-	1,375
Payable to Central Depository Company of Pakistan Limited - Trustee	93	-	93
Accrued expenses and other liabilities	3,915	-	3,915

**Meezan Paaidar Munafa Plan - IV**

Payable to AI Meezan Investment Management Limited - Management Company	16,814	-	16,814
Payable to Central Depository Company of Pakistan Limited - Trustee	560	-	560
Accrued expenses and other liabilities	22,615	-	22,615

**Meezan Paaidar Munafa Plan - V**

Payable to AI Meezan Investment Management Limited - Management Company	11,245	-	11,245
Payable to Central Depository Company of Pakistan Limited - Trustee	567	-	567
Accrued expenses and other liabilities	26,844	-	26,844

**Meezan Paaidar Munafa Plan - VI**

Payable to AI Meezan Investment Management Limited - Management Company	1,568	-	1,568
Payable to Central Depository Company of Pakistan Limited - Trustee	65	-	65
Accrued expenses and other liabilities	3,021	-	3,021

**Meezan Paaidar Munafa Plan - VII**

Payable to AI Meezan Investment Management Limited - Management Company	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-
Profit Payable To Pre-Ipo Investors	2,467	-	2,467
Accrued expenses and other liabilities	-	-	-

**Meezan Paaidar Munafa Plan - VIII**

Payable to AI Meezan Investment Management Limited - Management Company	4,872	-	4,872
Payable to Central Depository Company of Pakistan Limited - Trustee	172	-	172
Accrued expenses and other liabilities	7,076	-	7,076

## 19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### 19.1 Market risk

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

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

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

#### (i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

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

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.211, Rs. 0.327, Rs. 0.677, Rs. 0.260, Rs. 1.799 for the MPMP-III, MPMP-IV, MPMP-V, MPMP-VI and MPMP-VIII respectively.

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

Presently, the Fund holds fixed rate GoP Ijara sukuk certificates which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs.4.949, Rs.43.797, Rs.9.450 million for the MPMP-III, MPMP-V and MPMP-VI respectively.

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

	June 30, 2023					Total
	Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
		Up to three months	More than three months and up to one year	More than one year		
(Rupees in '000)						
<b>Financial assets</b>						
<b>Meezan Paaidaar Munafa Plan - I</b>						
Balances with banks		-	-	-	-	-
Investments		-	-	-	-	-
Accrued Profit		-	-	-	-	-
<b>Meezan Paaidaar Munafa Plan - II</b>						
Balances with banks		-	-	-	-	-
Investments		-	-	-	-	-
Accrued Profit		-	-	-	-	-
<b>Meezan Paaidaar Munafa Plan - III</b>						
Balances with banks	10% to 20%	21,092	-	-	-	21,092
Investments	21.70%	-	-	-	494,857	494,857
Accrued Profit		-	-	-	32,431	32,431
<b>Meezan Paaidaar Munafa Plan - IV</b>						
Balances with banks	10% to 20%	32,688	-	-	-	32,688
Investments	21.25%	-	-	-	4,379,738	4,379,738
Accrued Profit		-	-	-	191,567	191,567
<b>Meezan Paaidaar Munafa Plan - V</b>						
Balances with banks	10% to 20%	67,712	-	-	-	67,712
Investments	21.30%	-	-	-	10,000,000	10,000,000
Accrued Profit		-	-	-	142,113	142,113
<b>Meezan Paaidaar Munafa Plan - VI</b>						
Balances with banks	10% to 20%	26,027	-	-	-	26,027
Investments	20.25% to 20.30%	-	-	-	945,000	945,000
Accrued Profit		-	-	-	22,513	22,513
<b>Meezan Paaidaar Munafa Plan - VII</b>						
Balances with banks	10% to 20%	49,000	-	-	-	49,000
Investments		-	-	-	-	-
Receivables Against Conversion Of Units		517,500	-	-	-	517,500
Accrued Profit		2,467	-	-	-	2,467
<b>Meezan Paaidaar Munafa Plan - VIII</b>						
Balances with banks	10% to 20.25%	179,941	-	-	-	179,941
Investments	14.27% to 20.5%	-	-	-	3,840,000	3,840,000
Accrued Profit		-	-	-	56,242	56,242
		<b>896,428</b>	-	-	<b>20,104,461</b>	<b>21,000,888</b>



**Financial Liabilities**

**Meezan Paaidaar Munafa Plan - I**

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-

**Meezan Paaidaar Munafa Plan - II**

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-

**Meezan Paaidaar Munafa Plan - III**

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	1,375	1,375
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	93	93
Accrued expenses and other liabilities	-	-	-	3,915	3,915

**Meezan Paaidaar Munafa Plan - IV**

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	16,814	16,814
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	560	560
Accrued expenses and other liabilities	-	-	-	22,615	22,615

**Meezan Paaidaar Munafa Plan - V**

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	11,245	11,245
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	567	567
Accrued expenses and other liabilities	-	-	-	26,844	26,844

**Meezan Paaidaar Munafa Plan - VI**

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	1,568	1,568
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	65	65
Accrued expenses and other liabilities	-	-	-	3,021	3,021

**Meezan Paaidaar Munafa Plan - VII**

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-
Profit Payable To Pre-Ipo Investors	-	-	-	2,467	2,467
Accrued expenses and other liabilities	-	-	-	-	-

**Meezan Paaidaar Munafa Plan - VIII**

Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	4,872	4,872
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	172	172
Accrued expenses and other liabilities	-	-	-	7,076	7,076

	-	-	-	103,269	103,268
<b>On-balance sheet gap (a)</b>	<b>896,428</b>	-	-	<b>20,001,192</b>	<b>20,897,620</b>

<b>Off-balance sheet financial instruments</b>	-	-	-	-	-
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<b>Off-balance sheet gap (b)</b>	-	-	-	-	-
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<b>Total interest rate sensitivity gap (a+b)</b>	<b>896,428</b>	-	-		
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<b>Cumulative interest rate sensitivity gap</b>	<b>896,428</b>	<b>896,428</b>	<b>896,428</b>		
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(ii) **Currency risk**

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

(iii) **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

**19.2 Liquidity risk**

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

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

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemption requests during the year ended June 30, 2023.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including balances with banks have been included in the maturity grouping of one month:

2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

(Rupees in '000)

**Financial assets**
**Meezan Paaidaar Munafa Plan - I**

Balances with banks	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Accrued Profit	-	-	-	-	-	-

**Meezan Paaidaar Munafa Plan - II**

Balances with banks	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Accrued Profit	-	-	-	-	-	-
Preliminary expenses	-	-	-	-	-	-

**Meezan Paaidaar Munafa Plan - III**

Balances with banks	21,092	-	-	-	-	21,092
Investments	-	-	494,857	-	-	494,857
Accrued Profit	32,431	-	-	-	-	32,431

**Meezan Paaidaar Munafa Plan - IV**

Balances with banks	32,688	-	-	-	-	32,688
Investments	-	-	4,379,738	-	-	4,379,738
Accrued Profit	191,567	-	-	-	-	191,567

**Meezan Paaidaar Munafa Plan - V**

Balances with banks	67,712	-	-	-	-	67,712
Investments	10,000,000	-	-	-	-	10,000,000
Accrued Profit	142,113	-	-	-	-	142,113

**Meezan Paaidaar Munafa Plan - VI**

Balances with banks	26,027	-	-	-	-	26,027
Investments	-	-	945,000	-	-	945,000
Accrued Profit	22,513	-	-	-	-	22,513

**Meezan Paaidaar Munafa Plan - VII**

Balances with banks	49,000	-	-	-	-	49,000
Investments	-	-	-	-	-	-
Receivables Against Conversion Of Units	517,500	-	-	-	-	517,500
Accrued Profit	2,467	-	-	-	-	2,467

**Meezan Paaidaar Munafa Plan - VIII**

Balances with banks	179,941	-	-	-	-	179,941
Investments	-	3,840,000	-	-	-	3,840,000
Accrued Profit	56,242	-	-	-	-	56,242
<b>Total</b>	<b>11,341,293</b>	<b>3,840,000</b>	<b>5,819,595</b>	-	-	<b>21,000,888</b>

	2023						Total
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
<b>Financial Liabilities</b>	(Rupees in '000)						
<b>Meezan Paaidaar Munafa Plan - I</b>							
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-	-	-
<b>Meezan Paaidaar Munafa Plan - II</b>							
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-	-	-
<b>Meezan Paaidaar Munafa Plan - III</b>							
Payable to Al Meezan Investment Management Limited - Management Company	1,375	-	-	-	-	-	1,375
Payable to Central Depository Company of Pakistan Limited - Trustee	93	-	-	-	-	-	93
Accrued expenses and other liabilities	-	61	-	-	-	-	61
<b>Meezan Paaidaar Munafa Plan - IV</b>							
Payable to Al Meezan Investment Management Limited - Management Company	16,814	-	-	-	-	-	16,814
Payable to Central Depository Company of Pakistan Limited - Trustee	560	-	-	-	-	-	560
Accrued expenses and other liabilities	-	44	-	-	-	-	44
<b>Meezan Paaidaar Munafa Plan - V</b>							
Payable to Al Meezan Investment Management Limited - Management Company	11,245	-	-	-	-	-	11,245
Payable to Central Depository Company of Pakistan Limited - Trustee	567	-	-	-	-	-	567
Accrued expenses and other liabilities	-	155	-	-	-	-	155
<b>Meezan Paaidaar Munafa Plan - VI</b>							
Payable to Al Meezan Investment Management Limited - Management Company	1,568	-	-	-	-	-	1,568
Payable to Central Depository Company of Pakistan Limited - Trustee	65	-	-	-	-	-	65
Accrued expenses and other liabilities	-	22	-	-	-	-	22
<b>Meezan Paaidaar Munafa Plan - VII</b>							
Payable to Al Meezan Investment Management Limited - Management Company	-	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	-
Profit Payable To Pre-Ipo Investors	2,467	-	-	-	-	-	2,467
Accrued expenses and other liabilities	-	-	-	-	-	-	-
<b>Meezan Paaidaar Munafa Plan - VIII</b>							
Payable to Al Meezan Investment Management Limited - Management Company	4,872	-	-	-	-	-	4,872
Payable to Central Depository Company of Pakistan Limited - Trustee	172	-	-	-	-	-	172
Accrued expenses and other liabilities	-	59	-	-	-	-	59
	<b>39,798</b>	<b>341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,139</b>
<b>Net financial assets / (liabilities)</b>	<b>11,301,495</b>	<b>3,839,659</b>	<b>5,819,595</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,960,749</b>

### 19.3 Credit risk

19.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arises from deposits with banks and financial institutions, profit receivable on bank deposits, credit exposure arising as a result of investment in debt securities, profit receivable on debt securities and receivable against conversion of units.

Credit risk arising on the debt instruments other than government securities is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed. The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

June 30, 2023		
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	
----- (Rupees in '000) -----		
<b>Meezan Paaidaar Munafa Plan - I</b>		
Balances with banks	-	-
Investments	-	-
Accrued Profit	-	-
<b>Meezan Paaidaar Munafa Plan - II</b>		
Balances with banks	-	-
Investments	-	-
Accrued Profit	-	-
Preliminary expense	-	-
<b>Meezan Paaidaar Munafa Plan - III</b>		
Balances with banks	21,092	21,092
Investments	494,857	494,857
Accrued Profit	32,431	32,431
<b>Meezan Paaidaar Munafa Plan - IV</b>		
Balances with banks	32,688	32,688
Investments	4,379,738	4,379,738
Accrued Profit	191,567	191,567
<b>Meezan Paaidaar Munafa Plan - V</b>		
Balances with banks	67,712	67,712
Investments	10,000,000	10,000,000
Accrued Profit	142,113	142,113
<b>Meezan Paaidaar Munafa Plan - VI</b>		
Balances with banks	26,027	26,027
Investments	945,000	945,000
Accrued Profit	22,513	22,513
<b>Meezan Paaidaar Munafa Plan - VII</b>		
Balances with banks	49,000	49,000
Investments	-	-
Receivables Against Conversion Of Units	517,500	517,500
Accrued Profit	2,467	2,467
<b>Meezan Paaidaar Munafa Plan - VIII</b>		
Balances with banks	179,941	179,941
Investments	3,840,000	3,840,000
Accrued Profit	56,242	56,242

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in government securities and related profit receivable, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

#### Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk							
	----- June 30, 2023 -----							
	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII
AA+	-	-	-	-	-	-	-	-
AAA	-	-	100.00	100.00	100.00	100.00	100.00	100.00
	-	-	100	100	100	100	100	100

Ratings of investments have been disclosed in related notes to these financial statements. Since, the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

#### Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2023 are unsecured and are not impaired.

## 20 FAIR VALUE MEASUREMENT

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

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

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

### Fair value hierarchy

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

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

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

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

As at June 30, 2023, the Fund held the following financial instruments measured at fair values.

As at June 30, 2023			
Level 1	Level 2	Level 3	Total

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

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

#### MFTF-MPMP I

Term deposit receipts\*

- - - -

#### MFTF-MPMP II

Term deposit receipts\*

- - - -

#### MFTF-MPMP III

GOP ijarah sukuks

-	494,857	-	494,857
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#### MFTF-MPMP IV

GOP ijarah sukuks

-	4,379,738	-	4,379,738
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#### MFTF-MPMP V

Certificate of musharaka\*

-	10,000,000	-	10,000,000
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#### MFTF-MPMP VI

GOP ijarah sukuks

-	945,000	-	945,000
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#### MFTF-MPMP VIII

Term deposit receipts\*

-	3,840,000	-	3,840,000
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\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

## 21 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 UNIT HOLDING PATTERN OF THE FUND

Category	June 30, 2023		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investment (%)
<b>MPMP-I</b>			
Individuals	-	-	-
Associated Companies / Directors	-	-	-
Retirement funds	-	-	-
Private Limited Companies	-	-	-
Insurance	-	-	-
Others	-	-	-
Total	-	-	-
<b>MPMP-II</b>			
Individuals	-	-	-
Associated Companies / Directors	-	-	-
Retirement funds	-	-	-
Private Limited Companies	-	-	-
Insurance	-	-	-
Others	-	-	-
Total	-	-	-
<b>MPMP-III</b>			
Individuals	45	364,034	67.04
Associated Companies / Directors	-	-	-
Retirement funds	6	167,442	30.84
Private Limited Companies	-	-	-
Insurance	-	-	-
Others	1	11,491	2.12
Total	52	542,967	100.00
<b>MPMP-IV</b>			
Individuals	448	3,428,345	75.12
Associated Companies / Directors	-	-	-
Retirement funds	13	600,836	13.17
Private Limited Companies	-	-	0.00
Insurance	2	157,194	3.44
Others	8	377,449	8.27
Total	471	4,563,824	100.00
<b>MPMP-V</b>			
Individuals	-	-	-
Associated Companies / Directors	-	-	-
Retirement funds	-	-	-
Private Limited Companies	1	10,170,987	100.00
Insurance	-	-	-
Others	-	-	-
Total	1	10,170,987	100
<b>MPMP-VI</b>			
Individuals	222	948,624	95.94
Associated Companies / Directors	-	-	-
Retirement funds	4	38,714	3.91
Private Limited Companies	-	-	-
Insurance	-	-	-
Others	1	1,527	0.15
Total	227	988,865	100.00
<b>MPMP-VII</b>			
Individuals	81	314,500	314,581
Associated Companies / Directors	2	252,000	252,002
Retirement funds	-	-	-
Private Limited Companies	-	-	-
Insurance	-	-	-
Others	-	-	-
Total	83	566,500	566,583



Category	June 30, 2023		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total investment (%)
<b>MPMP-VIII</b>			
Individuals	237	1,921,907	47.29
Associated Companies / Directors	-	-	-
Retirement funds	3	91,605	2.25
Private Limited Companies	-	-	-
Insurance	1	57,632	1.42
Others	8	1,992,864	49.04
<b>Total</b>	<b>241</b>	<b>4,064,008</b>	<b>100.00</b>

**23 Cash and cash equivalent**

	June 30, 2023							
	MPMP-I	MPMP-II	MPMP-III	MPMP-IV	MPMP-V	MPMP-VI	MPMP-VII	MPMP-VIII
Cash at bank	-	-	21,092	32,688	67,712	26,027	49,000	179,941
Term deposit receipts	-	-	-	-	-	-	-	3,840,000
Certificate of musharaka	-	-	-	-	10,000,000	-	-	-
	-	-	21,092	32,688	10,067,712	26,027	49,000	4,019,941

**23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Name	Designation	Qualification	Overall experience
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Thirty Three years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty Seven years
Mr. Taha Javed	Head of Equities	CFA / MBA	Sixteen years
Mr. Faizan Saleem	Head of Fixed Income	CFA level II / MBA	Sixteen years
Mr. Ali Asghar	Head of Research	CFA / MBA	Twelve years
Mr. Ali Khan	Head of Product Development	CFA / FRM / MBA	Thirteen years
Mr. Akhtar Munir	Head of Risk Management	CFA / MBA, ACCA, FRM, FCMA	Fourteen years
Mr. Ahmed Hassan	SVP Investments	CFA / MBA	Sixteen years
Mr. Asif Imtiaz	VP Investments	CFA / MBA - Finance	Fifteen years
Mr. Zohaib Saeed	AVP Fixed Income	CFA / ACCA	Nine years

23.2 The Fund manager of the Fund is Mr. Faizan Saleem. Other Funds being managed by the Fund Manager are as follows:

- Meezan Cash Fund;
- Meezan Islamic Income Fund; and
- Meezan Rozana Amdani Fund

**24 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name of Directors	Position on the Board	Meeting held on			
		16-Aug-22	13-Oct-22	13-Feb-23	12-Apr-23
Mr. Ariful Islam	Chairman	✓	✓	✓	✓
Mr. Muhammad Abdullah Ahmed	Non-Executive	✓	✓	✓	✓
Mr. Moin M. Fudda*	Non-Executive	✓	✓	✓	✓
Mr. Furquan Kidwai	Independent Director	✓	✓	✓	✓
Mr. Mubashar Maqbool	Non-Executive	✓	✓	✓	✓
Mr. Tariq Mairaj	Non-Executive	✓	✓	✓	✓
Mr. Naeem	Non-Executive	✓	✓	✓	✓
Mr. Feroz Rizvi	Independent Director	✓	✓	✓	✓
Ms. Danish Zuberi	Independent Director	✓	x	✓	✓
Mr. Mohammad Shoaib, CFA	Chief Executive Officer	✓	✓	✓	✓

\*Mr. Moin M. Fudda resigned from the Board on June 9, 2023.

**25 GENERAL**

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

**26 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director