

# *Innovative* **Financial Solutions**

With a commitment to innovation, Al Meezan's evolution towards innovative financial products ensures that it provides clients with cutting-edge investment opportunities and solutions.

## **Meezan Islamic Fund**

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

# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Irfan Siddiqui	Chairman
Mr. Ahmed Iqbal Rajani	Non-Executive Nominee Director- PKIC
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan R Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Moin M. Fudda	Non-Executive Nominee Director- MBL
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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Syed Haseeb Ahmed Shah

## BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Ahmed Iqbal Rajani	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. Irfan Siddiqui	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C, I.I. Chundrigar Road,  
Karachi-74000

## 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 Bank Limited -Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	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
Bank Islami Pakistan Limited	National Bank of Pakistan - Islamic Banking
Dubai Islamic Bank Pakistan Limited	Samba Bank Limited
Faysal Bank Limited - Islamic Banking	Sindh Bank Limited
	UBL Ameen - Islamic Banking

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office:**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN ISLAMIC FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Islamic Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 27, 2024



**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Islamic Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2023. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

**Scope of Review**

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

**Conclusion**

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

**Other matter**

The condensed interim financial statements of the Fund for the six months period ended December 31, 2022 and the financial statements for the year ended June 30, 2023 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 27, 2023 and September 26, 2023 respectively.

A.F. Ferguson & Co.  
Chartered Accountants  
Engagement Partner: **Khattab Muhammad Akhi Baig**  
Dated: February 28, 2024  
Karachi  
UDIN: RR202310081QUvqt7S8k

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



**MEEZAN ISLAMIC FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2023**

	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>Assets</b>		
Balances with banks	5 945,207	580,890
Investments	6 19,970,017	16,779,045
Receivable against sale of investments - net	-	237,355
Receivable against conversion of units	308,382	134,071
Dividend receivable	13,162	22,360
Advances, deposits and prepayments	16,793	12,379
<b>Total assets</b>	<u>21,253,561</u>	<u>17,766,100</u>
<b>Liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	7 60,451	54,643
Payable to Central Depository Company of Pakistan Limited - Trustee	8 2,141	1,701
Payable to the Securities and Exchange Commission of Pakistan	9 1,739	4,169
Payable to Meezan Bank Limited	257	120
Payable against redemption and conversion of units	198,876	218,046
Payable against purchase of investments - net	38,199	-
Accrued expenses and other liabilities	10 357,965	332,615
<b>Total liabilities</b>	<u>659,628</u>	<u>611,294</u>
<b>Net assets</b>	<u>20,593,933</u>	<u>17,154,806</u>
<b>Unit holders' funds (as per statement attached)</b>	<u>20,593,933</u>	<u>17,154,806</u>
<b>Contingencies and commitments</b>	11	
	<b>----- (Number of units) -----</b>	
<b>Number of units in issue</b>	<u>252,095,237</u>	<u>313,029,444</u>
	<b>----- (Rupees) -----</b>	
<b>Net asset value per unit</b>	<u>81.6911</u>	<u>54.8025</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ISLAMIC FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023**

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
<b>(Rupees in '000)</b>					
<b>Income</b>					
Net realised gain / (loss) on sale of investments		1,380,839	(368,370)	1,015,147	(247,484)
Dividend income		658,697	978,775	441,995	635,140
Profit on savings accounts with banks		44,683	44,904	26,017	18,057
		<u>2,084,219</u>	<u>655,309</u>	<u>1,483,159</u>	<u>405,713</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	5,683,812	(553,520)	4,364,590	(413,570)
<b>Total income</b>		<u>7,768,031</u>	<u>101,789</u>	<u>5,847,749</u>	<u>(7,857)</u>
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	183,975	232,203	97,099	113,236
Sindh Sales Tax on remuneration of the Management Company	7.2	23,917	30,186	12,623	14,720
Allocated expenses	7.3	10,119	12,771	5,341	6,228
Selling and marketing expenses	7.4	91,988	116,101	48,550	56,617
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	9,703	12,114	5,107	5,914
Sindh Sales Tax on remuneration of the Trustee	8.2	1,261	1,575	664	769
Fee to the Securities and Exchange Commission of Pakistan	9.1	8,739	2,322	4,612	1,132
Auditors' remuneration		456	499	319	287
Charity expense		23,840	34,474	20,010	26,084
Fees and subscription		1,333	1,314	654	658
Legal and professional charges		-	170	-	170
Brokerage expense		23,138	11,564	12,700	5,110
Bank and settlement charges		1,195	1,038	727	494
Printing expense		8	23	8	-
<b>Total expenses</b>		<u>379,672</u>	<u>456,354</u>	<u>208,414</u>	<u>231,419</u>
<b>Net income / (loss) for the period before taxation</b>		<u>7,388,359</u>	<u>(354,565)</u>	<u>5,639,335</u>	<u>(239,276)</u>
Taxation	15	-	-	-	-
<b>Net income / (loss) for the period before taxation</b>		<u>7,388,359</u>	<u>(354,565)</u>	<u>5,639,335</u>	<u>(239,276)</u>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		7,388,359	-	-	-
Income already paid on units redeemed		(1,225,502)	-	-	-
		<u>6,162,857</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		6,162,857	-	-	-
- Excluding capital gains		-	-	-	-
		<u>6,162,857</u>	<u>-</u>	<u>-</u>	<u>-</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ISLAMIC FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023**

	<u>Six months period ended,</u>		<u>Quarter ended,</u>	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>----- (Rupees in '000) -----</u>			
<b>Net income / (loss) for the period after taxation</b>	7,388,359	(354,565)	5,639,335	(239,276)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>7,388,359</u>	<u>(354,565)</u>	<u>5,639,335</u>	<u>(239,276)</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ISLAMIC FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Six months period ended December 31, 2023			Six months period ended December 31, 2022		
	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period (audited)</b>	17,223,993	(69,187)	17,154,806	23,419,662	401,862	23,821,524
Issuance of 168,549,378 units (2022: 133,629,016 units)						
- Capital value (at net asset value per unit at the beginning of the period)	9,236,927	-	9,236,927	7,514,160	-	7,514,160
- Element of income	2,583,150	-	2,583,150	118,819	-	118,819
<b>Total proceeds on issuance of units</b>	<b>11,820,077</b>	<b>-</b>	<b>11,820,077</b>	<b>7,632,979</b>	<b>-</b>	<b>7,632,979</b>
Redemption of 229,483,585 units (2022: 180,571,999 units)						
- Capital value (at net asset value per unit at the beginning of the period)	12,576,274	-	12,576,274	10,153,834	-	10,153,834
- Element of loss	1,967,533	1,225,502	3,193,035	167,923	-	167,923
<b>Total payments on redemption of units</b>	<b>14,543,807</b>	<b>1,225,502</b>	<b>15,769,309</b>	<b>10,321,757</b>	<b>-</b>	<b>10,321,757</b>
Total comprehensive income / (loss) for the period	-	7,388,359	7,388,359	-	(354,565)	(354,565)
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	7,388,359	7,388,359	-	(354,565)	(354,565)
<b>Net assets at the end of the period (unaudited)</b>	<b>14,500,263</b>	<b>6,093,670</b>	<b>20,593,933</b>	<b>20,730,884</b>	<b>47,297</b>	<b>20,778,181</b>
<b>(Accumulated loss) / undistributed income brought forward</b>						
- Realised income		529,214			4,127,791	
- Unrealised loss		(598,401)			(3,725,929)	
		<u>(69,187)</u>			<u>401,862</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains	6,162,857			-		
- Excluding capital gains	-			-		
	<u>6,162,857</u>			<u>-</u>		
Net loss for the period after taxation		-			(354,565)	
Distribution during the period		-			-	
Undistributed income carried forward		<u>6,093,670</u>			<u>47,297</u>	
<b>Undistributed income carried forward</b>						
- Realised income		409,858			600,817	
- Unrealised income / (loss)		5,683,812			(553,520)	
		<u>6,093,670</u>			<u>47,297</u>	
			<b>(Rupees)</b>			<b>(Rupees)</b>
Net asset value per unit at the beginning of the period			<u>54.8025</u>			<u>56.2315</u>
Net asset value per unit at the end of the period			<u>81.6911</u>			<u>55.1599</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director





**MEEZAN ISLAMIC FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	<b>Six months period ended December 31,</b>		
	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the period before taxation		7,388,359	(354,565)
<b>Adjustments for:</b>			
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	(5,683,812)	553,520
		1,704,547	198,955
<b>Decrease / (increase) in assets</b>			
Investments - net		2,492,840	2,272,138
Receivable against sale of investments - net		237,355	(28,771)
Dividend receivable		9,198	(1,472)
Deposits, prepayments and other receivables		(4,414)	2,218
		2,734,979	2,244,113
<b>Increase / (decrease) in liabilities</b>			
Payable to Al Meezan Investment Management Limited - the Management Company		5,808	44,235
Payable to Central Depository Company of Pakistan Limited - the Trustee		440	(190)
Payable to Meezan Bank Limited		137	(154)
Payable to the Securities and Exchange Commission of Pakistan		(2,430)	(3,717)
Payable against purchase of investments - net		38,199	3,865
Accrued expenses and other liabilities		25,350	(10,317)
		67,504	33,722
<b>Net cash generated from operating activities</b>		<b>4,507,030</b>	<b>2,476,790</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		11,645,766	7,665,707
Payments against redemption and conversion of units		(15,788,479)	(10,660,465)
<b>Net cash used in from financing activities</b>		<b>(4,142,713)</b>	<b>(2,994,758)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>		<b>364,317</b>	<b>(517,968)</b>
Cash and cash equivalents at the beginning of the period		580,890	1,208,150
<b>Cash and cash equivalents at the end of the period</b>	5	<b>945,207</b>	<b>690,182</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN ISLAMIC FUND  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

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

1.1 Meezan Islamic Fund (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 16, 2003 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 4, 2003 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations, 2008). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on September 2, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant and to optimise total investment returns through prudent investment management, which would consist of combination of capital appreciation and income. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are

1.3 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Equity Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).

1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 29, 2023 (2022: 'AM1' dated December 30, 2022) 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.

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

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

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

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the six months period ended December 31, 2023.

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

4.1 The accounting policies applied and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty are the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, the new standards, interpretations and amendments to the approved accounting standards will not have any material impact on the Fund's financial statements in the period of adoption and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>5. BALANCES WITH BANKS</b>			
Balances with banks in:			
Savings accounts	5.1	935,284	543,334
Current accounts	5.2	9,923	37,556
		945,207	580,890

5.1 This includes a balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 11.01% (June 30, 2023: 10.00%) per annum. Other savings accounts of the Fund have expected profit rates ranging from 3.00% to 21.40% (June 30, 2023: 5.25% to 20.25%) per annum.

5.2 This includes balances maintained with Meezan Bank Limited (a related party).



**December 31, 2023**  
**(Unaudited)**  
----- (Rupees in '000) -----

**June 30, 2023**  
**(Audited)**

**6. INVESTMENTS**

**Note**

**At fair value through profit or loss**

Shares of listed companies - 'ordinary shares'

6.1

19,970,017

16,779,045

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

Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / rights issue received during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation/ (diminution) as at December 31, 2023	Percentage in relation to		
									Net assets of the Fund	Total market value of investments of the Fund	Paid-up capital of investee company (with face value of investment) *
	(Number of shares)				(Rupees in '000)			%			
<b>Automobile Assembler</b>											
Millat Tractors Limited	172,269	-	-	140,000	32,269	12,595	18,757	6,162	0.09%	0.09%	0.02%
Pak Suzuki Motor Company Limited	-	174,877	-	131,257	43,620	23,197	24,356	1,159	0.12%	0.12%	0.05%
									0.21%	0.21%	0.07%
<b>Automobile Parts and Accessories</b>											
Panther Tyres Limited	28,008	-	-	-	28,008	565	1,268	703	0.01%	0.01%	0.02%
Thal Limited (note 6.1.1)	-	500,000	-	500,000	-	-	-	-	-	-	-
									0.01%	0.01%	0.02%
<b>Chemicals</b>											
Dynea Pakistan Limited (note 6.1.1)	313,500	-	-	32,700	280,800	35,384	52,004	16,620	0.25%	0.26%	2.98%
Descon Oxychem Limited	-	200,000	-	200,000	-	-	-	-	-	-	-
Lucky Core Industries Limited	609,701	1,000	-	303,711	306,990	185,487	239,022	53,535	1.16%	1.20%	0.10%
Sitara Chemical Industries Limited	45,500	-	-	5,500	40,000	9,023	10,000	977	0.05%	0.05%	0.19%
									1.46%	1.51%	3.27%
<b>Cement</b>											
Attock Cement Pakistan Limited	378,300	95,000	-	-	473,300	40,150	45,541	5,391	0.22%	0.23%	0.34%
Bestway Cement Limited	284,500	-	-	-	284,500	41,253	53,503	12,250	0.26%	0.27%	0.05%
Cherat Cement Company Limited	3,770,129	292,504	-	911,002	3,151,631	389,423	513,653	124,230	2.49%	2.57%	1.62%
D.G. Khan Cement Company Limited	2,050,000	166,000	-	2,099,846	116,154	5,992	8,990	2,998	0.04%	0.05%	0.03%
Fauji Cement Company Limited	2,969,812	15,851,500	-	6,664,812	12,156,500	218,335	230,001	11,666	1.12%	1.15%	0.50%
Kohat Cement Company Limited	6,154,476	140,896	-	369,428	5,925,944	1,028,096	1,388,034	359,938	6.74%	6.95%	3.03%
Lucky Cement Limited	1,920,060	521,870	-	584,113	1,857,817	1,037,041	1,462,065	425,024	7.10%	7.32%	0.59%
Maple Leaf Cement Factory Limited	9,423,422	5,264,320	-	4,270,000	10,417,742	324,535	405,459	80,924	1.97%	2.03%	0.97%
Pioneer Cement Limited	1,131,412	-	-	337,163	794,249	68,806	91,291	22,485	0.44%	0.46%	0.35%
									20.38%	21.03%	7.48%
<b>Paper and Board</b>											
Cherat Packaging Limited	186,932	-	-	186,932	-	-	-	-	-	-	-
Century Paper & Board Mills Limited	9,134,383	-	-	1,286,000	7,848,383	221,638	255,543	33,905	1.24%	1.28%	1.95%
Packages Limited	970,915	90,450	-	432,440	628,925	251,079	333,387	82,308	1.62%	1.67%	0.44%
Roshan Packages Limited	1,348,500	-	-	1,348,500	-	-	-	-	-	-	-
									2.86%	2.95%	2.39%
<b>Technology and Communication</b>											
Avanceon Limited	1,048,083	-	-	1,048,083	-	-	-	-	-	-	-
Systems Limited	3,956,142	405,000	-	677,693	3,683,449	1,497,405	1,560,162	62,757	7.58%	7.81%	1.26%
									7.58%	7.81%	1.26%
<b>Refinery</b>											
Attock Refinery Limited	-	170,500	-	50,000	120,500	35,395	39,460	4,065	0.19%	0.20%	0.11%
Energyco PK Limited	17,079,947	-	-	17,079,947	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	4,250,000	-	448,521	3,801,479	94,954	110,965	16,011	0.54%	0.56%	3.57%
National Refinery Limited	-	282,896	-	85,000	197,896	55,329	63,550	8,221	0.31%	0.32%	0.25%
									1.04%	1.08%	3.93%
<b>Commercial Banks</b>											
Meezan Bank Limited (a related party of the Fund)	11,217,430	114,998	-	4,629,590	6,702,838	581,187	1,081,570	500,383	5.25%	5.42%	0.37%
BankIslami Pakistan Limited	17,446,000	12,720,661	-	27,265,116	2,901,545	52,658	64,414	11,756	0.31%	0.32%	0.26%
									5.56%	5.74%	0.63%

Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / rights issue received during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation/ (diminution) as at December 31, 2023	Percentage in relation to		
									Net assets of the Fund	Total market value of investments of the Fund	Paid-up capital of investee company (with face value of investment) *
								----- (Number of shares) -----			
								----- (Rupees in '000) -----			
								----- % -----			
<b>Oil and Gas Marketing Companies</b>											
Attock Petroleum Limited	978,224	-	-	287,609	690,615	207,357	261,405	54,048	1.27%	1.31%	0.56%
Hascol Petroleum Limited (note 6.1.3) *	39,192	-	-	-	39,192	218	291	73	-	-	-
Shell Pakistan Limited	125,000	-	-	125,000	-	-	-	-	-	-	-
Pakistan State Oil Company Limited (note 6.1.3)	3,043,233	2,385,000	-	1,675,500	3,752,733	471,602	663,145	191,543	3.22%	3.32%	0.80%
Sui Northern Gas Pipelines Limited	8,688,815	277,256	-	2,417,256	6,548,815	262,781	481,469	218,688	2.34%	2.41%	1.03%
Sui Southern Gas Company Limited	4,161,500	-	-	1,450,000	2,711,500	23,292	30,721	7,429	0.15%	0.15%	0.31%
								6.98%	7.19%	2.70%	
<b>Oil and Gas Exploration Companies</b>											
Oil and Gas Development Company Limited	17,189,314	5,773,311	-	7,356,945	15,605,680	1,365,068	1,754,859	389,791	8.52%	8.79%	0.36%
Pakistan Oilfields Limited	32,261	-	-	32,261	-	-	-	-	-	-	-
Pakistan Petroleum Limited	22,655,978	5,846,870	-	8,528,891	19,973,957	1,347,757	2,297,603	949,846	11.16%	11.51%	0.73%
Mari Petroleum Company Limited (note 6.1.3)	1,378,011	47,084	-	444,798	980,297	1,493,608	2,054,801	561,193	9.98%	10.29%	0.73%
								29.66%	30.59%	1.82%	
<b>Pharmaceuticals</b>											
Haleon Pakistan Limited	275,556	-	-	1,700	273,856	38,378	46,284	7,906	0.22%	0.23%	0.23%
IBL HealthCare Limited (note 6.1.4) *	337,524	-	67,504	398,278	6,750	183	244	61	-	-	0.01%
Highnoon Laboratories Limited (note 6.1.3)	183,341	-	-	3,700	179,641	60,390	90,640	30,250	0.44%	0.45%	0.43%
The Searle Company Limited (note 6.1.3)	176,159	-	-	-	176,159	6,750	9,069	2,319	0.04%	0.05%	0.05%
								0.70%	0.73%	0.72%	
<b>Power Generation and Distribution</b>											
The Hub Power Company Limited	15,411,365	4,006,137	-	2,797,841	16,619,661	1,219,894	1,945,996	726,102	9.45%	9.74%	1.28%
K-Electric Limited (note 6.1.1)	80,651,024	11,469,720	-	52,333,241	39,787,503	82,848	209,282	126,434	1.02%	1.05%	0.41%
Lalpir Power Limited *	-	2,846,000	-	2,826,000	20,000	430	452	22	-	-	0.01%
Nishat Chunian Power Limited	-	3,983,500	-	1,267,998	2,715,502	61,755	75,953	14,198	0.37%	0.38%	0.74%
								10.84%	11.17%	2.44%	
<b>Fertilizer</b>											
Engro Corporation Limited (note 6.1.2)	5,247,450	214,000	-	3,082,100	2,379,350	617,031	701,694	84,663	3.41%	3.51%	0.41%
Engro Fertilizers Limited	1,664,820	1,659,571	-	2,398,880	925,511	75,758	103,870	28,112	0.50%	0.52%	0.07%
								3.91%	4.03%	0.48%	
<b>Engineering</b>											
Mughal Iron & Steel Industries Limited	2,935,914	68,003	-	1,550,503	1,453,414	70,523	96,187	25,664	0.47%	0.48%	0.43%
								0.47%	0.48%	0.43%	
<b>Food and Personal Care Products</b>											
Al-Shaheer Corporation Limited (note 6.1.3) *	58,967	-	-	-	58,967	426	732	306	-	-	0.02%
At-Tahur Limited	2,460,539	-	-	950,500	1,510,039	24,855	20,914	(3,941)	0.10%	0.10%	0.69%
National Foods Limited (note 6.1.1)	330,800	668,500	-	977,000	22,300	2,353	3,234	881	0.02%	0.02%	0.02%
The Organic Meat Company Limited (note 6.1.4)	2,795,375	-	53,187	2,795,375	53,187	1,005	1,155	150	0.01%	0.01%	0.04%
								0.13%	0.13%	0.77%	
<b>Glass and Ceramics</b>											
Ghani Global Glass Limited	1,492,561	-	-	1,492,561	-	-	-	-	-	-	-
Shabbir Tiles and Ceramics Limited (note 6.1.1)	2,251,500	-	-	1,200,000	1,051,500	8,748	14,984	6,236	0.07%	0.08%	0.88%
Tariq Glass Industries Limited	1,462,070	265,000	-	235,891	1,491,179	109,420	148,700	39,280	0.72%	0.74%	0.87%
								0.79%	0.82%	1.75%	
<b>Textile Composite</b>											
Feroze1888 Mills Limited	3,000	-	-	3,000	-	-	-	-	-	-	-
Interloop Limited	7,143,722	1,209,622	-	232,603	8,120,741	332,052	584,693	252,641	2.84%	2.93%	0.58%
Kohinoor Textile Mills Limited (note 6.1.3)	2,496,514	-	-	752,855	1,743,659	88,770	165,212	76,442	0.80%	0.83%	0.65%
Nishat Mills Limited *	141,824	150,000	-	290,000	1,824	106	140	34	-	-	-
								3.64%	3.76%	1.23%	
<b>Leather &amp; Tanneries</b>											
Service Global Footwear Limited	609,325	-	-	35,000	574,325	16,012	34,643	18,631	0.17%	0.17%	0.28%
								0.17%	0.17%	0.28%	

Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / rights issue received during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation/ (diminution) as at December 31, 2023	Percentage in relation to		
									Net assets of the Fund	Total market value of investments of the Fund	Paid-up capital of investee company (with face value of investment) *
	(Number of shares)				(Rupees in '000)				%		
<b>Property</b>											
TPL Properties Limited	6,075,000	-	-	4,550,000	1,525,000	19,002	20,618	1,616	0.10%	0.10%	0.27%
									0.10%	0.10%	0.27%
<b>Miscellaneous</b>											
Pakistan Aluminum Beverage Cans Limited	99,000	2,313,602	-	1,115,349	1,297,253	68,306	98,032	29,726	0.48%	0.49%	0.36%
Synthetic Products Enterprises Limited (note 6.1.1)	729,034	-	-	729,034	-	-	-	-	0.48%	0.49%	0.36%
<b>Total as at December 31, 2023</b>					<u>194,084,649</u>	<u>14,286,205</u>	<u>19,970,017</u>	<u>5,683,812</u>	<u>96.97%</u>	<u>100.00%</u>	
<b>Total as at June 30, 2023</b>					<u>284,963,333</u>	<u>17,377,446</u>	<u>16,779,045</u>	<u>(598,401)</u>			

\* Nil figures due to rounding off difference.

- 6.1.1** All shares have a nominal value of Rs.10 each except for the shares of Dynea Pakistan Limited, Shabbir Tiles and Ceramics Limited, Synthetic Products Enterprises Limited, Thal Limited and National Foods Limited which have a nominal value of Rs. 5 each and shares of K-Electric Limited which have a nominal value of Rs. 3.5 each.
- 6.1.2** Investments include 1,060,000 shares (June 30, 2023: 1,060,000 shares) of Engro Corporation Limited, having market value of Rs. 312.605 million (June 30, 2023: Rs. 275.483 million) as at December 31, 2023, have been pledged as collateral in favour of National Clearing Company Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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

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

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. As at December 31, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 47.279 million (June 30, 2023: Rs. 32.965 million).

- 6.1.4 The Finance Act, 2023 has introduced Section 236Z of the Income Tax Ordinance, 2001 effective from July 1, 2023. As per the aforementioned section, every company quoted on stock exchange issuing bonus shares to the shareholders of the company, is required to withhold tax ten percent of the bonus shares to be issued, determined on the basis of day-end price on the first day of closure of books of the issuing company. Since the CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001, the Fund has applied for the exemption of withholding tax on the bonus shares and the said application is pending before Federal Board of Revenue (FBR). The Management Company is confident that the exemption shall be given in due course. As at December 31, 2023, the bonus shares withheld under this section amounted to Rs. 0.360 million.

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31, 2023	June 30, 2023
		(Unaudited)	(Audited)
----- (Rupees in '000) -----			
Remuneration payable	7.1	5,534	7,472
Sindh Sales Tax payable on remuneration of the Management Company	7.2	719	970
Allocated expenses payable	7.3	2,013	1,565
Selling and marketing expenses payable	7.4	48,551	44,573
Sales load payable		3,216	56
Sindh Sales Tax payable on sales load		418	7
		<u>60,451</u>	<u>54,643</u>

- 7.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (December 31, 2022: 2%) per annum of the average net assets of the Fund during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

- 7.2 Sindh Sales Tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (December 31, 2022: 13%).

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

The Management Company, based on its own discretion, has charged such expense at the rate of 0.11% (December 31, 2022: 0.11%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023, subject to total expense charged being lower than actual expense incurred.

- 7.4 In accordance with Circular 11 dated July 5, 2019 issued by the SECP with respect to selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 1% (December 31, 2022: 1%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023, subject to total expense charged being lower than actual expense incurred.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	December 31, 2023	June 30, 2023
		(Unaudited)	(Audited)
----- (Rupees in '000) -----			
Remuneration payable	8.1	1,895	1,505
Sindh Sales Tax payable on remuneration of the Trustee	8.2	246	196
		<u>2,141</u>	<u>1,701</u>

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as follows:

Net assets (Rs.)	Fee
- Up to Rs 1,000 million	Rs. 0.7 million or 0.20% per annum of net assets, whichever is higher
- On exceeding Rs. 1,000 million	Rs 2 million plus 0.10% per annum of net assets on amount exceeding Rs. 1,000 million.

- 8.2 Sindh Sales Tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (December 31, 2022: 13%).

9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31,	June 30,
			2023 (Unaudited)	2023 (Audited)
			----- (Rupees in '000) -----	
	Fee payable	9.1	1,739	4,169

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

10	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
			2023 (Unaudited)	2023 (Audited)
			----- (Rupees in '000) -----	
	Charity payable		23,872	62,533
	Capital gain tax payable		45,492	886
	Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	10.1	231,867	231,867
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.1	32,607	32,607
	Auditors' remuneration payable		383	545
	Zakat payable		29	29
	Shariah advisory fee payable		2,392	2,014
	Brokerage payable		8,750	2,134
	Other payable		12,573	-
			<u>357,965</u>	<u>332,615</u>

- 10.1 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% 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 made 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 Honourable 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 and the related Sindh Sales Tax made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 264.474 million (June 30, 2023: Rs. 264.474 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED and related Sindh Sales Tax not been made, the Net Asset Value of the Fund at at December 31, 2023 would have been higher by Rs. 1.05 (June 30, 2023: Re. 0.84) per unit.



## 11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

## 12. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

<b>Balances as at period end</b>	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	----- (Rupees in '000) -----	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	5,534	7,472
Sindh Sales Tax payable on remuneration of the Management Company	719	970
Sales load payable	3,216	56
Sindh Sales Tax payable on sales load	418	7
Allocated expenses payable	2,013	1,565
Selling and marketing expenses payable	48,551	44,573
Investment of 70,780 units (June 30, 2023: 1,381,285 units)	5,782	75,698
<b>Meezan Bank Limited</b>		
Balances with bank	152,386	129,198
Profit receivable on savings account	220	310
Sales load payable	227	106
Sindh Sales Tax payable on sales load	30	14
Shariah advisory fee payable	2,392	2,014
Advance against IBFT redemptions	7,000	1,000
Investment in 6,702,838 shares (June 30, 2023: 11,217,430 shares)	1,081,570	968,849
Investment of 12,475,049 units (June 30, 2023: 12,475,049 units)	1,019,100	683,664
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	1,895	1,505
Sindh Sales Tax payable on remuneration of the Trustee	246	196
Security deposit	100	100
Investment of 851,967 units (June 30, 2023: 2,125,742 units)	69,598	-
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investment of 189,837 units (June 30, 2023: 189,837 units)	15,508	10,404



Balances as at period end	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b> Investment of 661,118 units (June 30, 2023: 873,360 units)	54,007	47,874
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b> Investment of 453,372 units (June 30, 2023: 562,357 units)	37,036	30,826
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b> Investment of 167,820 units (June 30, 2023: 268,928 units)	13,709	14,742
<b>Meezan Strategic Allocation Fund - MSAP - I</b> Investment of 68,371 units (June 30, 2023: 109,823 units)	5,585	6,019
<b>Meezan Strategic Allocation Fund - MSAP - II</b> Investment of 69,046 units (June 30, 2023: 143,230 units)	5,640	7,848
<b>Meezan Strategic Allocation Fund - MSAP - III</b> Investment of 5,978 units (June 30, 2023: 197,440 units)	488	10,823
<b>Meezan Strategic Allocation Fund - MSAP - V</b> Investment of 23,538 units (June 30, 2023: 46,929 units)	1,923	2,572
<b>Directors and Executives of the Management Company</b> Investment of 3,281,177 units (June 30, 2023: 1,399,745 units)	268,043	76,710
<b>Unit holders holding 10% or more units of the Fund</b> Investment of 60,232,539 units (2023: 63,951,330 units)	4,920,462	3,504,693
<b>Transactions during the period</b>	<b>Six months period ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	183,975	232,203
Sindh Sales Tax on remuneration of the Management Company	23,917	30,186
Allocated expenses	10,119	12,771
Selling and marketing expenses	91,988	116,101
Units issued: 1,523,402 units (December 31, 2022: 2,650,756 units)	100,000	149,000
Units redeemed: 2,833,907 units (December 31, 2022: 1,763,648 units)	215,000	103,500
<b>Meezan Bank Limited</b>		
Profit on savings account	3,165	1,725
Shares purchased: 114,998 shares (December 31, 2022: 1,162,735 shares)	13,421	133,420
Shares sold: 4,629,590 shares (December 31, 2022: 1,272,970 shares)	686,488	155,142
Bonus issue: Nil shares (December 31, 2022: 1,428,074 shares)	-	-
Shariah advisory fee	1,302	1,300
Dividend income	93,152	55,711
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	9,703	12,114
Sindh Sales Tax on remuneration of the Trustee	1,261	1,575
CDS charges	398	254
Units redeemed: 1,273,775 units (December 31, 2022: Nil units)	100,000	-
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Units issued: 391,847 units (December 31, 2022: 105,320 units)	26,850	5,724
Units redeemed: 604,089 units (December 31, 2022: 817735 units)	41,448	45,975



**Transactions during the period**

	<b>Six months period ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Units issued: 40,350 units (December 31, 2022: 77,357 units)	<u>2,550</u>	<u>4,255</u>
Units redeemed: 149,335 units (December 31, 2022: 261,248 units)	<u>10,093</u>	<u>14,820</u>
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Units issued: 4,125 units (December 31, 2022: 34,632 units)	<u>250</u>	<u>1,896</u>
Units redeemed: 105,233 units (December 31, 2022: 329,249 units)	<u>7,589</u>	<u>18,775</u>
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Units redeemed: 41,452 units (December 31, 2022: 622,530 units)	<u>2,500</u>	<u>34,020</u>
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Units issued: 97,011 units (December 31, 2022: 87,437 units)	<u>6,000</u>	<u>4,972</u>
Units redeemed: 171,195 units (December 31, 2022: 2,009,609 units)	<u>11,000</u>	<u>109,500</u>
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Units issued: Nil units (December 31, 2022: 122,059 units)	<u>-</u>	<u>6,941</u>
Units redeemed: 191,462 units (December 31, 2022: 112,583 units)	<u>12,000</u>	<u>6,500</u>
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Units issued: Nil units (December 31, 2022: 15,663 units)	<u>-</u>	<u>891</u>
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Units issued: Nil units (December 31, 2022: 32,505 units)	<u>-</u>	<u>1,848</u>
Units redeemed: 23,391 (December 31, 2022: Nil units)	<u>1,500</u>	<u>-</u>
<b>Directors and executives of the Management Company</b>		
Units issued: 2,431,570 units (December 31, 2022: 11,439,641 units)	<u>159,778</u>	<u>654,865</u>
Units redeemed: 550,575 units (December 31, 2022: 6,716,310 units)	<u>40,294</u>	<u>392,036</u>

**13. FAIR VALUE MEASUREMENT**

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

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

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

**13.1 Fair value hierarchy**

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

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

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

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



As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

As at December 31, 2023			
(Unaudited)			
Level 1	Level 2	Level 3	Total
ASSETS			
----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>			
Shares of listed companies - 'ordinary shares'			
19,970,017	-	-	19,970,017

As at June 30, 2023			
(Audited)			
Level 1	Level 2	Level 3	Total
ASSETS			
----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>			
Shares of listed companies - 'ordinary shares'			
16,779,045	-	-	16,779,045

#### 14. TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2023 based on current period results is 4.12% (December 31, 2022: 3.93%) which includes 0.40% (December 31, 2022: 0.31%) representing government levies on the Fund such as sales taxes, fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

#### 15. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements during the period.

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

#### 16. GENERAL

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

#### 17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue on February 9, 2024 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director

# Adapting to Change



Embracing change is core to Al Meezan's pursuit of excellence. With agility, it evolves alongside industry shifts, technology advancements, and customer needs to stay ahead of the curve.

## Al Meezan Mutual Fund

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

# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Irfan Siddiqui	Chairman
Mr. Ahmed Iqbal Rajani	Non-Executive Nominee Director- PKIC
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan R Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Moin M. Fudda	Non-Executive Nominee Director- MBL
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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Syed Haseeb Ahmed Shah

## BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Ahmed Iqbal Rajani	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. Irfan Siddiqui	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C, I.I. Chundrigar Road,  
Karachi-74000

## 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

**Head Office:**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AL MEEZAN MUTUAL FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Al Meezan Mutual Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 27, 2024



**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Al Meezan Mutual Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2023. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

**Scope of Review**

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

**Conclusion**

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

**Other matter**

The condensed interim financial statements of the Fund for the six months period ended December 31, 2022 and the financial statements for the year ended June 30, 2023 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 27, 2023 and September 26, 2023 respectively.

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Khattab Muhammad Akhi Baig**

Dated: February 28, 2024

Karachi

UDIN: RR202310081mX279uLza

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>





**AL MEEZAN MUTUAL FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2023**

	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
<b>Note</b>	----- (Rupees in '000) -----	
<b>Assets</b>		
Balances with banks	5 175,449	121,100
Investments	6 4,239,241	3,111,672
Receivable against sale of investments	-	2,208
Receivable against conversion of units	80,370	23,440
Dividend receivable	1,858	1,668
Deposits and profit receivable	4,874	3,642
<b>Total assets</b>	<u>4,501,792</u>	<u>3,263,730</u>
<b>Liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	7 12,437	9,804
Payable to Central Depository Company of Pakistan Limited - Trustee	8 525	384
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9 366	768
Payable to Meezan Bank Limited	119	17
Payable against purchase of investments	22,545	-
Payable against conversion and redemption of units	63,783	40,064
Dividend payable	4,917	4,917
Accrued expenses and other liabilities	10 67,273	54,582
<b>Total liabilities</b>	<u>171,965</u>	<u>110,536</u>
<b>Net assets</b>	<u>4,329,827</u>	<u>3,153,194</u>
<b>Unit holders' fund (as per statement attached)</b>	<u>4,329,827</u>	<u>3,153,194</u>
<b>Contingencies and commitments</b>	11	
	----- (Number of units) -----	
<b>Number of units in issue</b>	<u>183,565,232</u>	<u>201,147,634</u>
	----- (Rupees) -----	
<b>Net asset value per unit</b>	<u>23.5874</u>	<u>15.6760</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**AL MEEZAN MUTUAL FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023**

	Note	Six months period ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Income</b>					
Net realised gain / (loss) on sale of investments		321,409	(39,747)	244,640	(19,415)
Dividend income		138,366	203,218	90,316	126,642
Profit on savings accounts with banks		8,359	6,424	4,760	3,263
		<u>468,134</u>	<u>169,895</u>	<u>339,716</u>	<u>110,490</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	1,135,157	(97,045)	893,024	(49,787)
<b>Total income</b>		<u>1,603,291</u>	<u>72,850</u>	<u>1,232,740</u>	<u>60,703</u>
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	37,247	43,782	20,061	21,553
Sindh Sales Tax on remuneration of the Management Company	7.2	4,842	5,692	2,608	2,802
Allocated expenses	7.3	2,049	2,408	1,104	1,185
Selling and marketing expenses	7.4	18,623	21,891	10,030	10,777
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,365	2,693	1,254	1,330
Sindh Sales Tax on remuneration of the Trustee		307	350	163	173
Fee to the Securities and Exchange Commission of Pakistan		1,769	438	953	216
Auditors' remuneration		884	665	549	437
Charity expense		4,500	7,101	3,630	5,092
Fees and subscription		270	285	120	122
Brokerage expense		5,493	2,588	3,700	1,087
Printing expenses		1	3	-	-
Bank and settlement charges		407	400	240	195
<b>Total expenses</b>		<u>78,757</u>	<u>88,296</u>	<u>44,412</u>	<u>44,969</u>
<b>Net income / (loss) for the period after taxation</b>		<u>1,524,534</u>	<u>(15,446)</u>	<u>1,188,328</u>	<u>15,734</u>
Taxation	14	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<u>1,524,534</u>	<u>(15,446)</u>	<u>1,188,328</u>	<u>15,734</u>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		1,524,534	-		
Income already paid on units redeemed		(194,274)	-		
		<u>1,330,260</u>	<u>-</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		1,330,260	-		
- Excluding capital gains		-	-		
		<u>1,330,260</u>	<u>-</u>		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**AL MEEZAN MUTUAL FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023**

	<b>Six months period ended,</b>		<b>Quarter ended,</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>----- (Rupees in '000) -----</b>		<b>----- (Rupees in '000) -----</b>	
<b>Net income / (loss) for the period after taxation</b>	1,524,534	(15,446)	1,188,328	15,734
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>1,524,534</u>	<u>(15,446)</u>	<u>1,188,328</u>	<u>15,734</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**AL MEEZAN MUTUAL FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Six months period ended December 31, 2023			Six months period ended December 31, 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 period (audited)</b>	2,985,911	167,283	3,153,194	4,250,146	200,397	4,450,543
Issuance of 111,895,699 units (2022: 49,042,770 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,754,077	-	1,754,077	770,992	-	770,992
- Element of income	548,543	-	548,543	12,577	-	12,577
<b>Total proceeds on issuance of units</b>	2,302,620	-	2,302,620	783,569	-	783,569
Redemption of 129,478,101 units (2022: 72,743,778 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,029,699	-	2,029,699	1,143,590	-	1,143,590
- Element of loss	426,548	194,274	620,822	20,837	-	20,837
<b>Total payments on redemption of units</b>	2,456,247	194,274	2,650,521	1,164,427	-	1,164,427
Total comprehensive income / (loss) for the period	-	1,524,534	1,524,534	-	(15,446)	(15,446)
Distribution for the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	1,524,534	1,524,534	-	(15,446)	(15,446)
<b>Net assets at the end of the period (unaudited)</b>	<b>2,832,284</b>	<b>1,497,543</b>	<b>4,329,827</b>	<b>3,869,288</b>	<b>184,951</b>	<b>4,054,239</b>
<b>Undistributed income brought forward</b>						
- Realised income		269,423			771,954	
- Unrealised loss		(102,140)			(571,557)	
		167,283			200,397	
<b>Accounting income available for distribution</b>						
- Relating to capital gains	1,330,260			-		
- Excluding capital gains	-			-		
	1,330,260			-		
Net loss for the period after taxation		-			(15,446)	
Undistributed income carried forward		1,497,543			184,951	
<b>Undistributed income carried forward</b>						
- Realised income		362,386			281,996	
- Unrealised income / (loss)		1,135,157			(97,045)	
		1,497,543			184,951	
Net asset value per unit at the beginning of the period			(Rupees) 15.6760			(Rupees) 15.7208
Net asset value per unit at the end of the period			23.5874			15.6294

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**AL MEEZAN MUTUAL FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Six months period ended December 31,	
	2023	2022
Note	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	1,524,534	(15,446)
<b>Adjustments for:</b>		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2 (1,135,157)	97,045
	389,377	81,599
<b>Decrease / (increase) in assets</b>		
Investments - net	7,588	282,886
Receivable against sale of investments	2,208	22,353
Dividend receivable	(190)	(226)
Deposits and profit receivable	(1,232)	854
	8,374	305,867
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	2,633	8,721
Payable to Central Depository Company of Pakistan Limited - Trustee	141	(20)
Payable to Meezan Bank Limited	102	10
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(402)	(529)
Payable against purchase of investments	22,545	354
Accrued expenses and other liabilities	12,691	665
	37,710	9,201
<b>Net cash generated from operating activities</b>	435,461	396,667
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	2,245,690	793,379
Payment against redemption and conversion of units	(2,626,802)	(1,168,050)
<b>Net cash used in financing activities</b>	(381,112)	(374,671)
<b>Net increase in cash and cash equivalents during the period</b>	54,349	21,996
Cash and cash equivalents at the beginning of the period	121,100	124,935
<b>Cash and cash equivalents at the end of the period</b>	5 175,449	146,931

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**AL MEEZAN MUTUAL FUND  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

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

1.1 Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on June 17, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 14, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal Karachi 74400 Pakistan.

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). Accordingly, on September 3, 2021 the abovementioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The objective of the Fund is to provide maximum total return to the unit holders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by the regulations and any other prevailing rules and regulations. At least seventy percent of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining net assets shall be invested in cash and cash equivalents. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

1.3 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Equity Scheme.

1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 29, 2023 (2023: 'AM1' dated December 30, 2022) 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.

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

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the six months period ended December 31, 2023.

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

**4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

**4.2** The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty are the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, the new standards, interpretations and amendments to the approved accounting standards will not have any material impact on the Fund's financial statements in the period of adoption and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	------(Rupees in '000)-----	
<b>5. BALANCES WITH BANKS</b>			
Balances with banks in:			
Savings accounts	5.1	158,635	107,709
Current accounts	5.2	16,814	13,391
		175,449	121,100

**5.1** This includes a balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 11.01% (June 30, 2023: 10%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 19% to 21.40% (June 30, 2023: 6.74% to 20.25%) per annum.

**5.2** This includes balances maintained with Meezan Bank Limited (a related party).



6. INVESTMENTS

At fair value through profit or loss

Shares of listed companies - 'ordinary shares'

Note

December 31, 2023 (Unaudited) and June 30, 2023 (Audited) (Rupees in '000)

4,239,241 and 3,111,672

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised (diminution) / appreciation as at December 31, 2023	Percentage in relation to		
									Net assets of the Fund	Market value of total investments	Paid-up capital of investee company (with face value of investment)
								-----%-----			
<b>Automobile Assembler</b>											
Pak Suzuki Motors Company Limited	-	110,000	-	110,000	-	-	-	-	-	-	-
<b>Automobile Parts and Accessories</b>											
Thal Limited (note 6.1.1)	-	160,000	-	160,000	-	-	-	-	-	-	-
<b>Cement</b>											
Cherat Cement Company Limited	1,074,240	365,000	-	339,000	1,100,240	146,626	179,317	32,691	4.1	4.20	0.57
Fauji Cement Company Limited	-	4,450,500	-	1,780,000	2,670,500	43,024	50,526	7,502	1.20	1.20	0.11
Kohat Cement Company Limited	716,019	5,000	-	-	721,019	125,054	168,884	43,830	3.90	4.00	0.37
Lucky Cement Limited	319,674	280,000	-	150,500	449,174	269,591	353,491	83,900	8.20	8.30	0.15
Maple Leaf Cement Factory Limited	1,469,889	300,000	-	1,464,654	305,235	13,005	11,880	(1,125)	0.30	0.30	0.03
Pioneer Cement Limited	450,000	-	-	450,000	-	-	-	-	-	-	-
									<b>17.70</b>	<b>18.00</b>	<b>1.23</b>
<b>Chemicals</b>											
Lucky Core Industries Limited	134,531	28,800	-	29,013	134,318	83,653	104,580	20,927	2.40	2.50	0.15
Sitara Chemical Industries Limited	75,900	-	-	25,000	50,900	11,482	12,726	1,244	0.30	0.30	0.24
									<b>2.70</b>	<b>2.80</b>	<b>0.39</b>
<b>Commercial Banks</b>											
BankIslami Pakistan Limited *	9,628,614	7,678,804	-	17,266,247	41,171	722	914	192	-	-	-
Meezan Bank Limited (a related party of the Fund)	2,421,284	185,000	-	735,000	1,871,284	166,642	301,950	135,308	7.00	7.10	0.10
									<b>7.00</b>	<b>7.10</b>	<b>0.10</b>
<b>Fertilizer</b>											
Engro Corporation Limited (note 6.1.2)	991,629	50,000	-	254,000	787,629	204,354	232,280	27,926	5.40	5.50	0.15
Engro Fertilizers Limited *	-	367,000	-	365,000	2,000	164	224	60	-	-	-
									<b>5.40</b>	<b>5.50</b>	<b>0.15</b>
<b>Food and Personal Care Products</b>											
At-Tahur Limited	1,688,324	-	-	1,688,324	-	-	-	-	-	-	-
Al Shaheer Corporation Limited *	11,539	-	-	-	11,539	83	143	60	-	-	-
National Foods Limited (note 6.1.1)	202,000	-	-	202,000	-	-	-	-	-	-	-
The Organic Meat Company Limited	1,175,000	-	-	1,175,000	-	-	-	-	-	-	-
									-	-	-
<b>Glass and Ceramics</b>											
Ghani Glass Limited *	2,531	-	-	-	2,531	65	74	9	-	-	-
Tariq Glass Industries Limited	-	150,000	-	-	150,000	12,482	14,958	2,476	0.30	0.40	0.09
									<b>0.30</b>	<b>0.40</b>	<b>0.09</b>
<b>Miscellaneous</b>											
Pakistan Aluminium Beverage Cans Limited	-	550,000	-	39,790	510,210	27,374	38,557	11,183	0.90	0.90	0.14
									<b>0.90</b>	<b>0.90</b>	<b>0.14</b>
<b>Oil and Gas Exploration Companies</b>											
Mari Petroleum Company Limited	296,735	34,000	-	82,151	248,584	380,789	521,057	140,268	12.00	12.30	0.19
Oil & Gas Development Company Limited	3,657,568	1,470,000	-	1,371,000	3,756,568	326,339	422,426	96,087	9.80	10.00	0.09
Pakistan Oilfields Limited	68,409	-	-	68,409	-	-	-	-	-	-	-
Pakistan Petroleum Limited	3,955,771	2,118,000	-	1,695,000	4,378,771	296,676	503,690	207,014	11.60	11.90	0.16
									<b>33.40</b>	<b>34.20</b>	<b>0.44</b>



Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / Right issued during the period	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised (diminution) / appreciation as at December 31, 2023	Percentage in relation to					
									Net assets of the Fund	Market value of total investments	Paid-up capital of investee company (with face value of investment)			
						------(Number of shares)-----			------(Rupees in '000)-----			------%-----		
<b>Oil and Gas Marketing Companies</b>														
Attock Petroleum Limited *	81,089	-	-	77,419	3,670	1,102	1,389	287	-	-	-			
Hascol Petroleum Limited (note 6.1.3) *	7,946	-	-	-	7,946	44	59	15	-	-	-			
Pakistan State Oil Company Limited (note 6.1.3)	1,005,413	350,000	-	260,500	1,094,913	132,038	193,482	61,444	4.50	4.60	0.23			
Sui Northern Gas Pipelines Limited	2,617,000	786,000	-	353,000	3,050,000	132,781	224,236	91,455	5.20	5.30	0.48			
									<b>9.70</b>	<b>9.90</b>	<b>0.71</b>			
<b>Paper and Board</b>														
Century Paper and Board Mills Limited	2,528,677	25,000	-	144,500	2,409,177	67,967	78,443	10,476	1.80	1.90	0.60			
Packages Limited	180,378	48,000	-	66,200	162,178	68,106	85,969	17,863	2.00	2.00	0.18			
									<b>3.80</b>	<b>3.90</b>	<b>0.78</b>			
<b>Pharmaceuticals</b>														
Highnoon Laboratories Limited (note 6.1.3) *	984	-	-	-	984	331	496	165	-	-	-			
The Searle Company Limited (note 6.1.3) *	22,209	181	-	-	22,390	857	1,153	296	-	-	-			
									-	-	-			
<b>Power Generation and Distribution</b>														
K-Electric Limited (note 6.1.1)	11,837,765	3,000,000	-	11,500,000	3,337,765	11,237	17,557	6,320	0.40	0.40	0.01			
Lalpir Power Limited	-	250,000	-	250,000	-	-	-	-	-	-	-			
Nishat Chunian Power Limited	-	975,000	-	173,000	802,000	20,041	22,432	2,391	0.50	0.50	0.22			
The Hub Power Company Limited	2,251,409	815,000	-	605,000	2,461,409	184,517	288,206	103,689	6.70	6.80	0.19			
									<b>7.60</b>	<b>7.70</b>	<b>0.42</b>			
<b>Refinery</b>														
Attock Refinery Limited	-	50,000	-	25,000	25,000	7,236	8,187	951	0.20	0.20	0.02			
Pakistan Refinery Limited	-	400,000	-	100,000	300,000	6,757	8,757	2,000	0.20	0.20	0.05			
									<b>0.40</b>	<b>0.40</b>	<b>0.07</b>			
<b>Technology and Communication</b>														
Systems Limited	511,550	382,200	-	116,701	777,049	332,527	329,127	(3,400)	7.60	7.80	0.27			
									<b>7.60</b>	<b>7.80</b>	<b>0.27</b>			
<b>Textile Composite</b>														
Interloop Limited	881,180	-	-	25,000	856,180	30,189	61,645	31,456	1.40	1.50	0.06			
Kohinoor Textile Mills Limited *	194,500	-	-	190,000	4,500	229	426	197	-	-	-			
									<b>1.40</b>	<b>1.50</b>	<b>0.06</b>			
<b>Total as at December 31, 2023</b>						<b>3,104,084</b>	<b>4,239,241</b>	<b>1,135,157</b>	<b>97.90</b>	<b>100.00</b>				
<b>Total as at June 30, 2023</b>						<b>3,213,812</b>	<b>3,111,672</b>	<b>(102,140)</b>	<b>98.66</b>	<b>100.00</b>				

\* Nil figures due to rounding off difference

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of National Foods Limited and Thal Limited has a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.
- 6.1.2** Investments include 202,000 shares (June 30, 2023: 202,000 shares) of Engro Corporation Limited, having market value of Rs 59.572 million (June 30, 2023: Rs 52.50 million) as at December 31, 2023 that have been pledged as collateral in favour of National Clearing Company Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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

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

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. As at December 31, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 7.51 million (June 30, 2023: Rs. 5.202 million).

	Note	December 31, 2023 (Unaudited)	December 31, 2022 (Audited)
------(Rupees in '000)-----			
<b>6.2 Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'</b>			
Market value of investments	6.1	4,239,241	3,977,152
Carrying value of investments	6.1	(3,104,084)	(4,074,197)
		<u>1,135,157</u>	<u>(97,045)</u>

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
------(Rupees in '000)-----			
<b>7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Remuneration payable	7.1	1,167	1,372
Sindh Sales Tax payable on remuneration of the Management Company	7.2	152	178
Allocated expenses payable	7.3	424	284
Selling and marketing expenses payable	7.4	10,030	7,912
Sales load payable		588	51
Sindh Sales Tax payable on sales load		76	7
		<u>12,437</u>	<u>9,804</u>

**7.1** As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 30, 2023: 2%) per annum of the average annual net assets of the Fund during the six months period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

**7.2** Sindh Sales Tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (June 30, 2023: 13%)

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

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.11% (June 30, 2022: 0.11%) of the average annual net assets of the Fund during the period ended December 31, 2023, subject to total expense charged being lower than actual expense incurred.

**7.4** In accordance with Circular 11 dated July 5, 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 1% (June 30, 2023: 1%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023, subject to total expense charged being lower than actual expense incurred.



	Note	December 31,	June 30,
		2023 (Unaudited)	2023 (Audited)
		----- (Rupees in '000) -----	
<b>8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Remuneration payable	8.1	465	340
Sindh Sales Tax payable on remuneration of the Trustee	8.2	60	44
		<u>525</u>	<u>384</u>

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

Net assets (Rs.)	Fee
Up to Rs.1,000 million	Rs. 0.7 million or 0.2% per annum of net assets, whichever is higher.
Over Rs.1,000 million	Rs. 2 million plus 0.1% per annum of net assets exceeding Rs.1,000 million.

- 8.2 Sindh Sales Tax on remuneration of Trustee levied through Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (December 31, 2022: 13%).

	Note	December 31,	June 30,
		2023 (Unaudited)	2023 (Audited)
		----- (Rupees in '000) -----	
<b>9. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>			
Fee payable	9.1	<u>366</u>	<u>768</u>

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

	Note	December 31,	June 30,
		2023 (Unaudited)	2023 (Audited)
		----- (Rupees in '000) -----	
<b>10. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		501	327
Brokerage payable		2,721	190
Charity payable		17,023	12,521
Capital gain tax payable		5,644	107
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	10.1	37,524	37,524
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.1	3,732	3,732
Shariah advisory fee		125	155
Zakat payable		3	26
		<u>67,273</u>	<u>54,582</u>

- 10.1 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% 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 made 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 Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 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 and sales load of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution, the provision for FED and related sales tax made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 41.256 million is being retained in these condensed interim 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 December 31, 2023 would have been higher by Re 0.22 (June 30, 2023: Re 0.21) per unit.

## 11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

## 12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

<b>Balances as at period end</b>	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	------(Rupees in '000)-----	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable to the Management Company	1,167	1,372
Sindh Sales Tax payable on remuneration of the Management Company	152	178
Sales load payable	588	51
Sindh Sales Tax on sales load payable	76	7
Selling and marketing expense payable	10,030	7,912
Allocated expenses payable	424	284
Investment of 13,216,396 units (June 30, 2023: 17,962,346 units)	311,740	281,578
<b>Meezan Bank Limited</b>		
Balance with bank	58,173	61,328
Profit receivable on saving account	1,589	207
Sales load payable	105	15
Sindh Sales Tax on sales load payable	14	2
Investment of 1,871,284 shares (June 30, 2023: 2,421,284 shares)	301,950	209,126
Investment of 22,984,581 units ( June 30, 2023: 22,984,581 units)	542,147	360,306
Shariah advisor fee payable	125	155



**Balances as at period end**

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Security deposits	238	238
Remuneration payable	465	340
Sindh Sales Tax payable on remuneration of the Trustee	60	44
<b>MSAF- Meezan Strategic Allocation Plan- I</b>		
Investment of nil units (June 30, 2023: 661,800 units)	-	10,374
<b>MSAF - Meezan Strategic Allocation Plan II</b>		
Investment of 5,641 units (June 30, 2023: 1,599,999 units)	133	25,082
<b>MSAF - Meezan Strategic Allocation Plan - III</b>		
Investment of 583,996 units ( June 30,2023: 913,189 units)	13,775	14,315
<b>MSAF- Meezan Strategic Allocation Plan IV</b>		
Investment of 50,110 units (June 30, 2023: 492,296 units)	1,182	7,717
<b>MSAF - Meezan Strategic Allocation Plan - V</b>		
Investment of 484,909 (June 30,2023: 539,774 units)	11,438	8,461
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Investment of 177,229 units (June 30, 2023: 340,968 units)	4,180	5,345
<b>Pakistan Kuwait Investment Company (Private) Limited</b>		
Investment of 16,895,690 units (June 30, 2023: 16,895,690 units)	398,525	264,857
<b>Directors and executives of the Management Company</b>		
Investment of 109,576 units (June 30 2023: 393,230 units)	2,585	6,164
<b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investment of 438,459 units (June 30 2023: 438,459 units)	10,342	6,873
<b>Unit holders holding 10% or more units of the Fund</b>		
Investment of 79,631,145 units (June 30, 2023: 79,631,145 units)	1,878,292	1,248,298

**Transactions during the period**

	Six months period ended December 31,	
	2023	2022
	(Unaudited)	
	----- (Rupees in '000) -----	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	37,247	43,782
Sindh Sales Tax on remuneration of the Management Company	4,842	5,692
Allocated expenses	2,049	2,408
Selling and marketing expense	18,623	21,891
Units issued: 7,577,971 units (December 31, 2022: nil units)	153,000	-
Units redeemed: 12,323,921 units (December 31, 2022: nil units)	260,000	-
<b>Meezan Bank Limited</b>		
Profit on saving accounts with banks	1,589	927
Shariah advisor fee	239	258
Shares purchased : 185,000 shares ( December 31, 2022: 100,000 shares)	22,969	10,497
Shares sold: 735,000 shares ( December 31, 2022: 225,000 shares)	115,261	28,434
Dividend income	10,425	10,150



**Transactions during the period**

**Six months period ended  
December 31,**

	2023	2022
	(Unaudited)	
	----- (Rupees in '000) -----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	2,365	2,693
Sindh Sales Tax on remuneration of the Trustee	307	350
CDS charges	100	69
<b>MSAF - Meezan Strategic Allocation Plan - I</b>		
Redemption of 661,800 units (December 31, 2022: 3,434,742 units)	11,765	52,190
<b>MSAF - Meezan Strategic Allocation Plan - II</b>		
Units issued: Nil units (December 31, 2022: 1,256,795 units)	-	20,000
Redemption of 1,594,358 units (December 31, 2022: Nil units)	29,740	-
<b>MSAF - Meezan Strategic Allocation Plan - III</b>		
Redemption of 329,193 units (December 31, 2022: 476,034 units)	6,000	7,660
<b>MSAF - Meezan Strategic Allocation Plan IV</b>		
Redemption of 442,186 units (December 31, 2022: Nil units)	8,000	-
<b>MSAF - Meezan Strategic Allocation Plan - V</b>		
Redemption of 54,865 units (December 31, 2022: 314,741 units)	1,000	5,010
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Redemption of 163,739 units (December 31, 2022: 108,979 units)	3,000	1,730
<b>Directors and executives of the Management Company</b>		
Units issued: 207,075 units (December 31, 2022: 674,690 units)	4,004	10,711
Units redeemed: 490,729 units (December 31, 2022: 7,117,968 units)	8,641	116,698

**13. TOTAL EXPENSE RATIO**

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2023 based on current period results is 4.22% (December 31, 2022: 4.03%) which includes 0.40% (December 31, 2022: 0.31%) representing government levies on the Fund such as sales taxes, Federal Excise Duties, Fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

**14. TAXATION**

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

**15. 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 reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 15.1 Fair value hierarchy

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

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

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2023			Total
	Level 1	Level 2	Level 3	

(Rupees in '000)

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

Shares of listed companies - 'ordinary shares'	4,239,241	-	-	4,239,241
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ASSETS	As at June 30, 2023			Total
	Level 1	Level 2	Level 3	

(Rupees in '000)

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

Shares of listed companies - 'ordinary shares'	3,111,672	-	-	3,111,672
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### 16. GENERAL

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

### 17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 9, 2024 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

# Technology

## Enhanced Experiences



At Meezan's incorporation of evolving technology platforms guarantees clients an excellent and user-friendly experience while managing their investments wherever they are, whenever they want.

### KSE Meezan Index Fund

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



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Irfan Siddiqui	Chairman
Mr. Ahmed Iqbal Rajani	Non-Executive Nominee Director- PKIC
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan R Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Moin M. Fudda	Non-Executive Nominee Director- MBL
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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Syed Haseeb Ahmed Shah

## BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Ahmed Iqbal Rajani	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. Irfan Siddiqui	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C, I.I. Chundrigar Road,  
Karachi-74000

## 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

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

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office:**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**KSE MEEZAN INDEX FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of KSE Meezan Index Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 27, 2024



**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **KSE Meezan Index Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2023. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

***Scope of Review***

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

***Conclusion***

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

***Other matter***

The condensed interim financial statements of the Fund for the six months period ended December 31, 2022 and the financial statements for the year ended June 30, 2023 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 27, 2023 and September 26, 2023 respectively.

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.  
Chartered Accountants  
Engagement Partner: **Khatab Muhammad Akhi Baig**  
Dated: February 28, 2024  
Karachi  
UDIN: RR20231008134Dux58P9

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



**KSE MEEZAN INDEX FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2023**

	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>Assets</b>		
Balances with banks	5      16,885	12,575
Investments	6      3,353,428	2,582,852
Receivable against conversion of units	3,119	9,168
Dividend receivable	344	1,997
Deposits, prepayments and profit receivable	2,710	2,628
<b>Total assets</b>	<u>3,376,486</u>	<u>2,609,220</u>
<b>Liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	7      1,017	775
Payable to Central Depository Company of Pakistan Limited - Trustee	8      413	322
Payable to Meezan Bank Limited	35	-
Payable to the Securities and Exchange Commission of Pakistan	9      279	532
Payable against redemption and conversion of units	1,655	2
Payable against purchase of investments	4,747	22
Accrued expenses and other liabilities	10      23,957	21,521
Dividend payable	2	1,332
<b>Total liabilities</b>	<u>32,105</u>	<u>24,506</u>
<b>Net assets</b>	<u>3,344,381</u>	<u>2,584,714</u>
<b>Unit holders' fund (as per statement attached)</b>	<u>3,344,381</u>	<u>2,584,714</u>
<b>Contingencies and commitments</b>	11	
	<b>----- (Number of units) -----</b>	
<b>Number of units in issue</b>	<u>35,198,000</u>	<u>39,806,440</u>
	<b>----- (Rupees) -----</b>	
<b>Net asset value per unit</b>	<u>95.0162</u>	<u>64.9320</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**KSE MEEZAN INDEX FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023**

	Six months period December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	Note----- (Rupees in '000) -----			
<b>Income</b>				
Net realised gain / (loss) on sale of investments	127,613	(37,404)	73,903	(31,253)
Dividend income	115,451	163,862	84,258	109,239
Profit on saving accounts with banks	505	721	318	461
Other income	780	953	505	221
	244,349	128,132	158,984	78,668
Net unrealised appreciation / (diminution) on re-measurement investments classified as 'financial assets at fair value through profit or loss'	6.2 891,581	(148,396)	718,395	(48,395)
<b>Total income / (loss)</b>	1,135,930	(20,264)	877,379	30,273
<b>Expenses</b>				
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1 14,392	13,584	7,818	6,962
Sindh Sales Tax on remuneration of the Management Company	7.2 1,871	1,766	1,016	905
Allocated expenses	7.3 1,583	1,494	860	766
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1 1,942	1,862	1,033	948
Sindh Sales Tax on remuneration of the Trustee	8.2 252	242	134	123
Fee to the Securities and Exchange Commission of Pakistan	9.1 1,367	272	742	140
Auditors' remuneration	308	290	242	176
Brokerage fees	4,081	2,514	1,453	1,299
Charity expense	4,229	6,252	3,610	4,497
Bank and settlement charges	356	352	126	236
Printing charges	-	2	-	-
Fees and subscription	310	307	170	140
<b>Total expenses</b>	30,691	28,937	17,204	16,192
<b>Net income / (loss) for the period before taxation</b>	1,105,239	(49,201)	860,175	14,081
Taxation	14 -	-	-	-
<b>Net income / (loss) for the period after taxation</b>	1,105,239	(49,201)	860,175	14,081
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	1,105,239	-		
Income already paid on units redeemed	(121,920)	-		
	983,319	-		
<b>Accounting income available for distribution</b>				
- Relating to capital gains	983,319	-		
- Excluding capital gains	-	-		
	983,319	-		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**KSE MEEZAN INDEX FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023**

	Six months period ended, December 31,		Quarter ended, December 31,	
	2023	2022	2023	2022
	(Rupees in '000)		(Rupees in '000)	
<b>Net income / (loss) for the period after taxation</b>	1,105,239	(49,201)	860,175	14,081
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>1,105,239</u>	<u>(49,201)</u>	<u>860,175</u>	<u>14,081</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**KSE MEEZAN INDEX FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Six months period ended December 31, 2023			Six months period ended December 31, 2022		
	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period (audited)</b>	2,754,834	(170,120)	2,584,714	2,781,964	(171,868)	2,610,096
Issuance of 13,587,432 units (2022: 5,869,358 units)						
- Capital value (at net asset value per unit at the beginning of the period)	882,259	-	882,259	381,977	-	381,977
- Element of income / (loss)	124,067	-	124,067	(636)	-	(636)
Total proceeds on issuance of units	1,006,326	-	1,006,326	381,341	-	381,341
Redemption of 18,195,872 units (2022: 4,287,691 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,181,494	-	1,181,494	279,040	-	279,040
- Element of loss	48,484	121,920	170,404	3,169	-	3,169
Total payments on redemption of units	1,229,978	121,920	1,351,898	282,209	-	282,209
Total comprehensive income / (loss) for the period	-	1,105,239	1,105,239	-	(49,201)	(49,201)
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	1,105,239	1,105,239	-	(49,201)	(49,201)
<b>Net assets at the end of the period (unaudited)</b>	<b>2,531,182</b>	<b>813,199</b>	<b>3,344,381</b>	<b>2,881,096</b>	<b>(221,069)</b>	<b>2,660,027</b>
<b>Undistributed income brought forward</b>						
- Realised income		8,334			242,950	
- Unrealised loss		(178,454)			(414,818)	
		(170,120)			(171,868)	
Accounting income available for distribution						
- Relating to capital gains	983,319			-		
- Excluding capital gains	-			-		
	983,319			-		
Net loss for the period after taxation					(49,201)	
Distribution during the period					-	
Undistributed income carried forward		813,199			(221,069)	
<b>Undistributed income / (accumulated loss) carried forward</b>						
- Realised loss		(78,382)			(72,673)	
- Unrealised income / (loss)		891,581			(148,396)	
		813,199			(221,069)	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			64.9320			65.0795
Net asset value per unit at the end of the period			95.0162			63.8081

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**KSE MEEZAN INDEX FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Note	Six months period ended	
		December 31,	
		2023	2022
------(Rupees in '000)-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the period before taxation		1,105,239	(49,201)
<b>Adjustments for:</b>			
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	(891,581)	148,396
		213,658	99,195
<b>Decrease / (increase) in assets</b>			
Investments - net		121,005	(198,433)
Receivable against sale of investments		-	(62,715)
Dividend receivable		1,653	(25)
Deposits, prepayments and profit receivable		(82)	62
		122,576	(261,111)
<b>Increase / (decrease) in liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company		242	204
Payable to Central Depository Company of Pakistan Limited - Trustee		91	17
Payable to Meezan Bank Limited		35	10
Payable to the Securities and Exchange Commission of Pakistan		(253)	(287)
Payable against redemption and conversion of units		-	-
Payable against purchase of investments		4,726	57,627
Accrued expenses and other liabilities		2,436	(5,797)
		7,277	51,774
<b>Net cash generated from / (used in) operating activities</b>		343,510	(110,142)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		1,012,375	381,653
Payments against redemption and conversion of units		(1,350,245)	(283,347)
Dividend paid		(1,330)	-
<b>Net cash (used in) / generated from financing activities</b>		(339,200)	98,306
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>		4,310	(11,836)
Cash and cash equivalents at beginning of the period		12,575	16,481
<b>Cash and cash equivalents at the end of the period</b>	5	16,885	4,645

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director





**KSE MEEZAN INDEX FUND  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

1.1 KSE Meezan Index Fund (the Fund) was established under a Trust Deed executed under Trust Act, 1882 between Al Meezan Investment Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on March 13, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations, 2008). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 16, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Fund is a Shariah Compliant Index Fund that aims to provide investors an opportunity to track closely the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the index in proportion to their weightages in the Index. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.3 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as a Shariah Compliant Index Fund.

1.4 The Management Company has been assigned a quality rating of AM1 by VIS dated December 29, 2023 (2020: AM1 dated December 30, 2022) 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.

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

**2 BASIS OF PRESENTATION**

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

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

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

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the six months period ended December 31, 2023.

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

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty are the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, the new standards, interpretations and amendments to the approved accounting standards will not have any material impact on the Fund's financial statements in the period of adoption, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>5 BALANCES WITH BANKS</b>			
In savings accounts	5.1	6,263	4,362
In current accounts	5.2	10,622	8,213
		<u>16,885</u>	<u>12,575</u>

5.1 This includes balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 11.01% (2023: 10%) per annum. Other balances in savings accounts have an expected profit ranging from 8.89% to 20.75% (2023: 7% to 7.14%) per annum.

5.2 This includes a balance maintained with Meezan Bank Limited (a related party).

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>6 INVESTMENTS</b>			
<b>Investments at 'fair value through profit or loss'</b>			
Shares of listed companies - 'ordinary shares'	6.1	<u>3,353,428</u>	<u>2,582,852</u>

6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2023	Purchases during the period	Bonus / rights issue during the period	Sales during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised (diminution)/ appreciation as at December 31, 2023	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment) *	Total market value of investments
								----- Number of shares -----			
								----- (Rupees in '000) -----			
								----- % -----			
<b>Automobile Assembler</b>											
Millat Tractors Limited	319,885	117,868	-	154,122	283,631	114,196	164,866	50,670	4.93	0.06	4.90
								<b>4.93</b>	<b>0.06</b>	<b>4.90</b>	
<b>Bank</b>											
Meezan Bank Limited (a related party of the Fund)	1,657,463	131,704	-	317,508	1,471,659	133,858	237,467	103,609	7.10	0.01	7.10
								<b>7.10</b>	<b>0.01</b>	<b>7.10</b>	
<b>Cable And Electrical Goods</b>											
Pak Elektron Limited	1,592,093	122,083	-	1,714,176	-	-	-	-	-	-	-
								<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cement</b>											
Cherat Cement Company Limited	431,066	33,328	-	77,946	386,448	47,247	62,983	15,736	1.88	0.02	1.90
D.G. Khan Cement Company Limited	813,867	62,274	-	155,310	720,831	37,380	55,792	18,412	1.67	0.01	1.70
Fauji Cement Company Limited	3,184,500	244,000	-	614,000	2,814,500	33,782	53,250	19,468	1.59	-	1.60
Pioneer Cement Limited	420,580	32,054	-	78,161	374,473	32,831	43,042	10,211	1.29	0.01	1.30
Lucky Cement Limited	419,397	31,214	-	141,608	309,003	164,975	243,179	78,204	7.27	0.06	7.30
Maple Leaf Cement Factory Limited	1,791,571	142,093	-	345,539	1,588,125	45,885	61,810	15,925	1.85	-	1.80
								<b>15.55</b>	<b>0.10</b>	<b>15.60</b>	
<b>Chemical</b>											
Colgate-Palmolive (Pakistan) Limited	-	63,700	-	-	63,700	100,542	100,773	231	3.01	0.04	3.00
Engro Polymer & Chemicals Limited	1,176,777	85,756	-	515,556	746,977	31,603	34,802	3,199	1.04	-	1.00
Ghani Global Holding Limited	591,126	-	-	591,126	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	1,428,344	-	685,365	742,979	21,147	20,053	(1,094)	0.60	-	0.60
								<b>4.65</b>	<b>-</b>	<b>4.60</b>	
<b>Fertilizer</b>											
Engro Corporation Limited	1,174,311	82,086	-	374,860	881,537	230,230	259,974	29,744	7.77	0.04	7.80
Engro Fertilizers Limited	2,224,980	171,577	-	419,979	1,976,578	164,298	221,831	57,533	6.63	0.01	6.60
								<b>14.40</b>	<b>0.05</b>	<b>14.40</b>	
<b>Food And Personal Care</b>											
Unity Foods Limited	1,775,174	149,076	-	556,116	1,368,134	22,516	32,329	9,813	0.97	-	1.00
Treet Corporation Limited	339,066	-	-	339,066	-	-	-	-	-	-	-
								<b>0.97</b>	<b>-</b>	<b>1.00</b>	
<b>Investment / Holding Companies</b>											
Dawood Hercules Corporation Limited	1,247,500	96,200	-	1,139,000	204,700	20,726	22,034	1,308	0.66	-	0.70
								<b>0.66</b>	<b>-</b>	<b>0.70</b>	
<b>Oil And Gas Exploration Companies</b>											
Mari Petroleum Company Limited (note 6.1.3)	98,738	9,181	-	20,185	87,734	134,953	183,899	48,946	5.50	0.10	5.50
Oil & Gas Development Company Limited (note 6.1.2)	2,388,519	240,395	-	494,270	2,134,644	173,654	240,041	66,387	7.18	-	7.20
Pakistan Oilfields Limited	481,160	-	-	481,160	-	-	-	-	-	-	-
Pakistan Petroleum Limited (note 6.1.2)	2,472,822	252,833	-	516,503	2,209,152	139,028	254,119	115,091	7.60	0.01	7.60
								<b>20.28</b>	<b>0.11</b>	<b>20.30</b>	
<b>Oil And Gas Marketing Companies</b>											
Attock Petroleum Limited	-	118,887	-	16,762	102,125	31,838	38,655	6,817	1.16	0.03	1.20
Hascol Petroleum Limited (note 6.1.3) *	471	-	-	-	471	3	3	-	-	-	-
Pakistan State Oil Company Limited	781,192	61,190	-	147,023	695,359	79,228	122,877	43,649	3.67	0.02	3.70
Shell Pakistan Limited	-	201,681	-	201,681	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	1,084,429	-	137,491	946,938	41,901	69,619	27,718	2.08	0.01	2.10
								<b>6.91</b>	<b>0.06</b>	<b>7.00</b>	
<b>Pharmaceuticals</b>											
The Searle Company Limited (note 6.1.3)	649,049	720,000	-	695,177	673,872	36,826	34,691	(2,135)	1.04	0.01	1.00
								<b>1.04</b>	<b>0.01</b>	<b>1.00</b>	
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	-	3,766,612	-	568,703	3,197,909	258,856	374,443	115,587	11.20	0.02	11.20
								<b>11.20</b>	<b>0.02</b>	<b>11.20</b>	

Name of the investee company	As at July 1, 2023	Purchases during the period	Bonus / rights issue during the period	Sales during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised (diminution)/ appreciation as at December 31, 2023	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment) *	Total market value of investments
----- Number of shares -----						----- (Rupees in '000) -----			----- % -----		
<b>Refinery</b>											
Attock Refinery Limited	157,755	15,362	-	31,991	141,126	25,671	46,215	20,544	1.38	0.02	1.40
Cnergyico PK Limited	5,901,428	5,325,000	-	5,901,428	5,325,000	27,864	26,199	(1,665)	0.78	-	0.80
Pakistan Refinery Limited	-	859,381	-	119,614	739,767	11,702	21,594	9,892	0.65	-	0.60
National Refinery Limited	97,232	7,013	-	17,658	86,587	13,661	27,806	14,145	0.83	0.02	0.80
									<b>3.64</b>	<b>0.04</b>	<b>3.60</b>
<b>Property &amp; Real Estate</b>											
Dolmen City REIT	-	1,820,000	-	500	1,819,500	24,787	25,000	213	0.75	-	0.70
TPL Properties Limited	837,921	77,961	-	161,373	754,509	9,430	10,201	771	0.31	-	0.30
									<b>1.06</b>	<b>-</b>	<b>1.00</b>
<b>Technology &amp; Communication</b>											
Netsol Technologies Limited	-	102,740	-	102,740	-	-	-	-	-	-	-
Telecard Limited	1,195,084	-	-	1,195,084	-	-	-	-	-	-	-
Avanceon Limited	414,407	74,522	-	118,114	370,815	17,072	21,263	4,191	0.64	-	0.60
Systems Limited (note 6.1.2)	618,527	103,470	-	149,190	572,807	234,162	242,618	8,456	7.25	0.08	7.20
									<b>7.89</b>	<b>0.08</b>	<b>7.80</b>
<b>Textile Composite</b>											
Nishat Mills Limited	519,934	-	-	519,934	-	-	-	-	-	-	-
									<b>-</b>	<b>-</b>	<b>-</b>
<b>Total as at December 31, 2023</b>						<b>2,461,847</b>	<b>3,353,428</b>	<b>891,580</b>	<b>100</b>		<b>100</b>
<b>Total as at June 30, 2023</b>						<b>2,761,306</b>	<b>2,582,852</b>	<b>(178,454)</b>			

\* Nil figures due to rounding off difference

- 6.1.1** All shares have a nominal value of Rs 10 each.
- 6.1.2** Investments include 682,000 shares (June 30, 2023: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs 78.450 million as at December 31, 2023 (June 30, 2023: Rs 59.218 million), 80,000 shares (June 30, 2023: 80,000 shares) of Oil and Gas Development Company Limited having market value of Rs 8.996 million as at December 31, 2023 (June 30, 2023: Rs 7.602 million) and 100,000 shares (June 30, 2023: 100,000 shares) of Systems Limited having market value of Rs 42.356 million as at December 31, 2023 (June 30, 2023: Rs 40.333 million), which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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

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

Further, the Finance Act, 2018 effective from July 1, 2018 had omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. As at December 31, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.118 million (June 30, 2023: Rs. 0.814 million).

	Note	December 31, 2023 (Unaudited)	December 31, 2022 (Audited)
----- (Rupees in '000) -----			
<b>6.2 Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'</b>			
Market value of investments	6.1	3,353,428	2,659,439
Carrying value of investments	6.1	<u>(2,461,847)</u>	<u>(2,807,835)</u>
		<u>891,581</u>	<u>(148,396)</u>

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
<b>7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Remuneration payable	7.1	376	483
Sindh Sales Tax payable on remuneration of the Management Company	7.2	49	63
Allocated expenses payable	7.3	316	226
Sales load payable		244	2
Sindh Sales Tax payable on sales load		32	1
		<u>1,017</u>	<u>775</u>

**7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (June 30, 2023: 1%) per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

**7.2** Sindh Sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (December 31, 2022: 13%).

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

The management company based on its own discretion has charged allocated expense at the rate of 0.11% (June 30, 2023: 0.11%) per annum of the average annual net assets of the Fund subject to the total expense charged being lower than actual expense incurred.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
<b>8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Remuneration payable	8.1	366	285
Sindh Sales Tax payable on remuneration of the Trustee	8.2	47	37
		<u>413</u>	<u>322</u>

**8.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.055% (December 31, 2022: 0.055%) per annum of the average annual net assets of the Fund.

**8.2** Sindh Sales Tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (December 31, 2022: 13%).



	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	----- (Rupees in '000) -----	
<b>9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>		
Fee payable	<u>279</u>	<u>532</u>

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	----- (Rupees in '000) -----	
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	<b>Note</b>	
Auditors' remuneration payable	273	242
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	10.1 5,742	5,741
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.1 494	494
Withholding tax and capital gain tax payable	1,681	3,091
Charity payable	14,226	11,697
Brokerage payable	1,303	6
Shariah advisory fee payable	230	220
Zakat payable	5	30
IBFT charges payable	3	-
	<u>23,957</u>	<u>21,521</u>

- 10.1** 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 1, 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 and the related sales tax has been made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 6.235 million is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 0.18 (June 30, 2023: Re 0.16) per unit.

**11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

## 12 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2023 is 2.13% (December 31, 2022: 2.13%) which includes 0.28% (December 31, 2022: 0.19%) representing government levies on the Fund such as sales taxes, fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Index Scheme.

## 13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

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

<b>Balances as at period end</b>	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	----- (Rupees in '000) -----	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	376	483
Sindh Sales Tax on management fee payable	49	63
Sales load payable	244	2
Sindh Sales Tax on sales load payable	32	1
Allocated expenses payable	316	226
Investment of 18,523,057 units (June 30, 2023: 18,273,945 units)	1,759,991	1,186,564
<b>Meezan Bank Limited</b>		
Bank balance	15,764	10,070
Profit receivable on savings account	40	23
Sales load payable	31	-
Sindh Sales Tax on sales load payable	4	-
Shariah advisor fee payable	230	220
IBFT charges payable	3	-
Outstanding of 2,113,224 units (June 30, 2023: 2,113,224 units)	200,790	137,216
Investment in 14,716,59 shares (June 30, 2023: 1,657,463 shares)	237,467	143,155
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	366	285
Sindh Sales Tax on trustee fee payable	48	37
Security deposit	103	103
<b>Al Meezan Investment Management Limited (Gratuity Fund)</b>		
Investment of 134,782 units (June 30, 2023: 134,782 units)	12,807	8,752
<b>Directors and their close family members and key management</b>		
Outstanding 531,582 units (June 30, 2023: 530,947 units)	50,509	34,475
<b>Unit holders holding 10% or more units of the Fund</b>		
Investment of 9,801,595 units (June 30, 2023: 14,043,485 units)	931,310	911,872



**Balances as at period end**

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
<b>Meezan Strategic Allocation Fund MSAP-II</b>		
Investment of 337,157 units (June 30, 2023: 337,157 units)	32,035	21,892
<b>Meezan Strategic Allocation Fund MSAP-III</b>		
Investment of 41,934 units (June 30, 2023: Nil)	3,984	-

**Transactions during the period**

	Six months period ended December 31,	
	2023	2022
	(Unaudited)	
	----- (Rupees in '000) -----	
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the period	14,392	13,584
Sindh Sales Tax on remuneration of the Management Company	1,871	1,766
Allocated expenses	1,583	1,494
Units issued: 727,577 units (December 31, 2022: 3,105,928 units)	50,000	200,000
Units redeemed: 478,465 units (December 31, 2022: 704,160 units)	45,000	46,000
<b>Meezan Bank Limited</b>		
Profit on savings account	257	231
Dividend income	12,681	5,363
Shares purchased: 131,704 shares (December 31, 2022: 335,116 shares)	18,248	37,043
Shariah advisor fee	279	-
Shares sold: 317,508 shares (December 31, 2022: 105,371 shares)	37,605	12,252
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee	1,942	1,862
Sindh Sales Tax on trustee fee for the period	252	242
CDS charges	87	59
<b>Directors and their close family members and key management personnel</b>		
Units issued: 21,496 units (December 31, 2022: 78 units)	2,015	5
Units redeemed: 18,514 units (December 31, 2022: 5,281 units)	1,321	339
<b>Meezan Strategic Allocation Fund MSAP-II</b>		
Units issued: 12,638 units (December 31, 2022: 304,432 units)	1,000	19,500
Units redeemed: Nil units (December 31, 2022: 382,268 units)	-	24,972
<b>Meezan Strategic Allocation Fund MSAP-III</b>		
Units issued: 41,934 units (December 31, 2022: Nil units)	3,000	-
Units redeemed: Nil units (December 31, 2022: 106,250 units)	-	6,941
<b>Meezan Strategic Allocation Fund MSAP-IV</b>		
Units redeemed: Nil units (December 31, 2022 13,634 units)	-	891
<b>Meezan Strategic Allocation Fund MSAP-V</b>		
Units redeemed: Nil units (December 31, 2022: 28,295 units)	-	1,848

**14 TAXATION**

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.



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

## 15 FAIR VALUE MEASUREMENT

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

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

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

### 15.1 Fair value hierarchy

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

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

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

As at December 31, 2023				
ASSETS	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	3,353,428	-	-	3,353,428
----- (Rupees in '000) -----				
As at June 30, 2023				
ASSETS	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	2,582,852	-	-	2,582,852

## 16 GENERAL

Figures have been rounded off to the nearest thousand rupees.

## 17 DATE OF AUTHORISATION FOR ISSUE

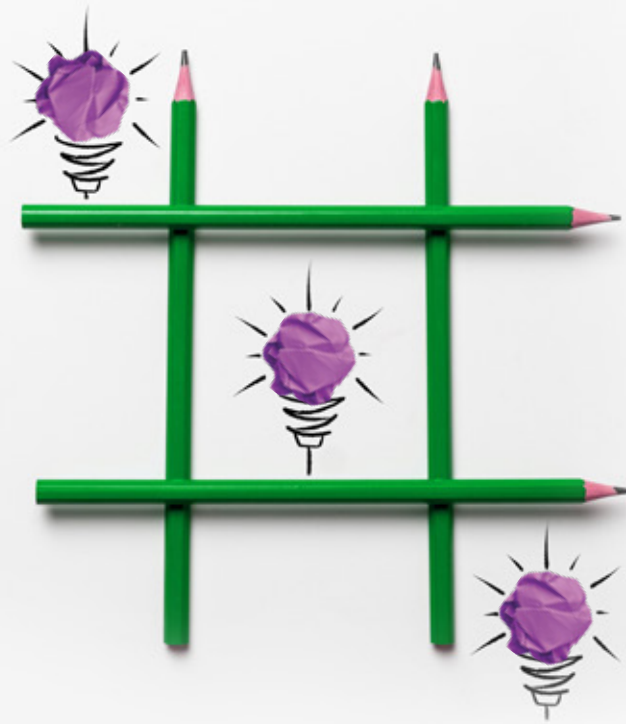
These condensed interim financial statements were authorised for issue on February 9, 2024 by the Board of Directors of the Management Company.

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

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

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

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



# Risk Management Evolution

Al Meezan's proactive adaptation of risk management strategies ensure that the customer interest is safeguarded under all market conditions. Al Meezan executes all the vital initiatives to identify, assess and tackle investment risks.

## Meezan Dedicated Equity Fund

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

# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Irfan Siddiqui	Chairman
Mr. Ahmed Iqbal Rajani	Non-Executive Nominee Director- PKIC
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan R Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Moin M. Fudda	Non-Executive Nominee Director- MBL
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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Syed Haseeb Ahmed Shah

## BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Ahmed Iqbal Rajani	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. Irfan Siddiqui	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C, I.I. Chundrigar Road,  
Karachi-74000

## 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

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

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office:**

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN DEDICATED EQUITY FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Dedicated Equity Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 27, 2024



**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Dedicated Equity Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2023. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

**Scope of Review**

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

**Conclusion**

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

**Other matter**

The condensed interim financial statements of the Fund for the six months period ended December 31, 2022 and the financial statements for the year ended June 30, 2023 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 27, 2023 and September 26, 2023 respectively.

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.  
Chartered Accountants  
Engagement Partner: **Khattab Muhammad Akhi Baig**  
Dated: February 28, 2024  
Karachi  
UDIN: RR202310081tWIXzp07c

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



**MEEZAN DEDICATED EQUITY FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2023**

	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
<b>Note</b>	----- <b>(Rupees in '000)</b> -----	
<b>Assets</b>		
Balances with banks	5      13,332	5,121
Investments	6      427,489	393,668
Receivable against sale of investments	-	7,259
Dividend receivable	156	291
Advances, deposits and profit receivable	3,050	2,991
<b>Total assets</b>	<u>444,027</u>	<u>409,330</u>
<b>Liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	7      354	731
Payable to Central Depository Company of Pakistan Limited - Trustee	8      88	76
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9      71	128
Payable against redemption of units	3,000	-
Accrued expenses and other liabilities	10      2,789	2,576
<b>Total liabilities</b>	<u>6,302</u>	<u>3,511</u>
<b>Net assets</b>	<u>437,725</u>	<u>405,819</u>
<b>Unit holders' fund (as per statement attached)</b>	<u>437,725</u>	<u>405,819</u>
<b>Contingencies and commitments</b>	11	
	----- <b>(Number of units)</b> -----	
<b>Number of units in issue</b>	<u>7,282,271</u>	<u>10,147,539</u>
	----- <b>(Rupees)</b> -----	
<b>Net asset value per unit</b>	<u>60.1083</u>	<u>39.9919</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN DEDICATED EQUITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023**

Note	Six months period ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	------(Rupees in '000)-----		------(Rupees in '000)-----	
<b>Income</b>				
Net realised gain / (loss) on sale of investments	40,197	(13,399)	30,255	(8,839)
Dividend income	16,309	34,804	10,871	22,278
Profit on savings accounts with banks	578	1,310	296	617
	<u>57,084</u>	<u>22,715</u>	<u>41,422</u>	<u>14,056</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2 122,866	(12,980)	90,944	(4,804)
<b>Total income</b>	<u>179,950</u>	<u>9,735</u>	<u>132,366</u>	<u>9,252</u>
<b>Expenses</b>				
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1 4,192	7,530	2,142	3,722
Sindh Sales Tax on remuneration of the Management Company	7.2 545	979	279	484
Allocated expenses	7.3 231	414	118	205
Selling and marketing expenses	7.4 540	1,506	131	744
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1 419	753	214	372
Sindh Sales Tax on remuneration of the Trustee	8.2 54	98	27	48
Fee to the Securities and Exchange Commission of Pakistan	9.1 199	75	102	37
Auditors' remuneration	217	200	161	117
Fees and subscription	282	281	128	125
Brokerage expense	629	761	389	483
Bank and settlement charges	211	218	110	98
Charity expense	619	1,213	499	905
Printing expense	-	1	-	-
<b>Total expenses</b>	<u>8,138</u>	<u>14,029</u>	<u>4,300</u>	<u>7,340</u>
<b>Net income / (loss) for the period before taxation</b>	<u>171,812</u>	<u>(4,294)</u>	<u>128,066</u>	<u>1,912</u>
Taxation	14 -	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<u>171,812</u>	<u>(4,294)</u>	<u>128,066</u>	<u>1,912</u>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	171,812	-		
Income already paid on units redeemed	(24,430)	-		
	<u>147,382</u>	<u>-</u>		
<b>Accounting income available for distribution</b>				
- Relating to capital gains	147,382	-		
- Excluding capital gains	-	-		
	<u>147,382</u>	<u>-</u>		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
 Director



**MEEZAN DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023**

	Six months period ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Net income / (loss) for the period after taxation</b>	171,812	(4,294)	128,066	1,912
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>171,812</u>	<u>(4,294)</u>	<u>128,066</u>	<u>1,912</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director





**MEEZAN DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Six months period ended December 31, 2023			Six months period ended December 31, 2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period (audited)</b>	1,149,999	(744,180)	405,819	1,492,954	(740,123)	752,831
Issuance of 177,735 units (2022: 803,449 units)						
- Capital value (at net asset value per unit at the beginning of the period)	7,108	-	7,108	32,312	-	32,312
- Element of income	892	-	892	688	-	688
<b>Total proceeds on issuance of units</b>	<b>8,000</b>	<b>-</b>	<b>8,000</b>	<b>33,000</b>	<b>-</b>	<b>33,000</b>
Redemption of 3,043,003 units (2022: 2,074,086 units)						
- Capital value (at net asset value per unit at the beginning of the period)	121,695	-	121,695	83,412	-	83,412
- Element of loss	1,781	24,430	26,211	128	-	128
<b>Total payments on redemption of units</b>	<b>123,476</b>	<b>24,430</b>	<b>147,906</b>	<b>83,540</b>	<b>-</b>	<b>83,540</b>
Total comprehensive income / (loss) for the period	-	171,812	171,812	-	(4,294)	(4,294)
Distribution during the period	-	-	-	-	-	-
<b>Net income for the period less distribution</b>	<b>-</b>	<b>171,812</b>	<b>171,812</b>	<b>-</b>	<b>(4,294)</b>	<b>(4,294)</b>
<b>Net assets at the end of the period (unaudited)</b>	<b>1,034,523</b>	<b>(596,798)</b>	<b>437,725</b>	<b>1,442,414</b>	<b>(744,417)</b>	<b>697,997</b>
<b>Accumulated loss brought forward</b>						
- Realised loss		(739,064)			(616,727)	
- Unrealised loss		-5,116			-123,396	
		<u>-744,180</u>			<u>-740,123</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		147,382			-	
- Excluding capital gains		-			-	
		<u>147,382</u>			<u>-</u>	
Net loss for the period after taxation		-			(4,294)	
Accumulated loss carried forward		<u>(596,798)</u>			<u>(744,417)</u>	
<b>Accumulated loss carried forward</b>						
- Realised loss		(719,664)			(731,437)	
- Unrealised income / (loss)		122,866			-12,980	
		<u>-596,798</u>			<u>-744,417</u>	
			<b>(Rupees)</b>			<b>(Rupees)</b>
Net asset value per unit at the beginning of the period			<u>39.9919</u>			<u>40.2161</u>
Net asset value per unit at the end of the period			<u>60.1083</u>			<u>40.0022</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN DEDICATED EQUITY FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Six months period ended December 31,	
	2023	2022
<b>Note</b>	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	171,812	(4,294)
<b>Adjustments for:</b>		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2 (122,866)	12,980
	48,946	8,686
<b>Decrease / (increase) in assets</b>		
Investments - net	89,045	36,290
Dividend receivable	135	(16)
Receivable against sale of investments	7,259	803
Advances, deposits and profit receivables	(59)	46
	96,380	37,123
<b>(Decrease) / Increase in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	(377)	631
Payable to Central Depository Company of Pakistan Limited - Trustee	12	(5)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(57)	(101)
Payable against purchase of investments	-	(1,377)
Accrued expenses and other liabilities	213	(161)
	(209)	(1,013)
<b>Net cash generated from operating activities</b>	<b>145,117</b>	<b>44,796</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	8,000	33,000
Payments against redemption and conversion of units	(144,906)	(83,540)
<b>Net cash used in from financing activities</b>	<b>(136,906)</b>	<b>(50,540)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>8,211</b>	<b>(5,744)</b>
Cash and cash equivalents at the beginning of the period	5,121	29,399
<b>Cash and cash equivalents at the end of the period</b>	<b>5 13,332</b>	<b>23,655</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director

**MEEZAN DEDICATED EQUITY FUND  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

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

**1.1** Meezan Dedicated Equity Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on October 9, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 18, 2017 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.

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). Accordingly, on August 16, 2021 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

**1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

**1.3** The Fund is an open-end Shariah Compliant Dedicated Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.

**1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 29, 2023 (2022: 'AM1' dated December 30, 2022) 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.

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

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the six months period ended December 31, 2023.

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

**4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

**4.2** The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty are the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, the new standards, interpretations and amendments to the approved accounting standards will not have any material impact on the Fund's financial statements in the period of adoption and, therefore, have not been detailed in these condensed interim financial statements.

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
<b>5. BALANCES WITH BANKS</b>	<b>Note</b>	
Balances with banks in :		
Savings accounts	5.1	10,712
Current accounts	5.2	2,620
		<u>13,332</u>
		<u>5,121</u>

**5.1** This includes a balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 11.01% (June 30, 2023: 10%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 7.5% to 21% (June 30, 2023: 7.14% to 20.25%) per annum.

**5.2** This includes a balance maintained with Meezan Bank Limited (a related party).

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
<b>6. INVESTMENTS</b>	<b>Note</b>	
<b>At fair value through profit or loss</b>		
Shares of listed companies - 'ordinary shares'	6.1	427,489
		<u>393,668</u>

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

Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / right shares issued during the period	Sold / exercised during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised (diminution) / appreciation as at December 31, 2023	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid up capital of investee company (with face value of investment) *
						Number of shares		(Rupees in '000)		%	
<b>Automobile Assembler</b>											
Pak Suzuki Motor Company Limited	-	35,000	-	30,000	5,000	2,550	2,792	242	0.64	0.65	0.01
									0.64	0.65	0.01
<b>Automobile Parts and Accessories</b>											
Thal Limited (note 6.1.1)	-	20,000	-	20,000	-	-	-	-	-	-	-
									-	-	-
<b>Commercial Banks</b>											
BankIslami Pakistan Limited	652,000	502,000	-	1,154,000	-	-	-	-	-	-	-
Meezan Bank Limited (a related party of the Fund)	286,873	-	-	115,000	171,873	14,845	27,733	12,888	6.34	6.49	0.01
									6.34	6.49	0.01
<b>Cement</b>											
Cherat Cement Company Limited	92,889	35,000	-	50,000	77,889	10,778	12,694	1,916	2.90	2.97	0.04
Pioneer Cement Limited	50,000	-	-	50,000	-	-	-	-	-	-	-
Fauji Cement Company Limited	108,750	281,500	-	108,750	281,500	4,442	5,326	884	1.22	1.25	0.01
Kohat Cement Company Limited	164,670	-	-	37,000	127,670	22,147	29,904	7,757	6.83	7.00	0.07
Lucky Cement Limited	53,900	6,000	-	18,000	41,900	22,448	32,974	10,526	7.53	7.71	0.01
Maple Leaf Cement Factory Limited	236,000	75,000	-	115,000	196,000	6,060	7,628	1,568	1.74	1.78	0.02
									20.22	20.71	0.15
<b>Chemical</b>											
Lucky Core Industries Limited	11,200	-	-	5,500	5,700	3,444	4,438	994	1.01	1.04	0.01
									1.01	1.04	0.01
<b>Engineering</b>											
International Steels Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	45,943	-	-	30,000	15,943	772	1,055	283	0.24	0.25	-
									0.24	0.25	-
<b>Fertilizer</b>											
Engro Corporation Limited (note 6.1.2)	137,034	-	-	77,500	59,534	15,472	17,557	2,085	0.02	0.02	0.01
Engro Fertilizers Limited	35,782	103,000	-	138,104	678	56	76	20	4.01	4.11	-
									4.03	4.13	0.01
<b>Food and Personal Care Products</b>											
At-Tahur Limited	47,120	-	-	47,120	-	-	-	-	-	-	-
National Foods Limited (note 6.1.1)	13,000	19,000	-	32,000	-	-	-	-	-	-	-
The Organic Meat Company Limited (note 6.1.4)	185,375	-	3,037	185,375	3,037	57	66	9	0.02	0.02	-
									0.02	0.02	-
<b>Leather and Tanneries</b>											
Service Global Footwear Limited	24,113	-	-	-	24,113	672	1,454	782	0.33	0.34	0.01
									0.33	0.34	0.01
<b>Miscellaneous</b>											
Pakistan Aluminum Beverage Cans Limited	30,000	45,000	-	46,448	28,552	1,450	2,158	708	0.49	0.50	0.01
									0.49	0.50	0.01
<b>Oil and Gas Exploration Companies</b>											
Mari Petroleum Company Limited	30,171	1,000	-	12,781	18,390	27,884	38,547	10,663	8.81	9.02	0.01
Oil & Gas Development Company Limited (note 6.1.2)	475,420	122,000	-	185,000	412,420	34,577	46,377	11,800	10.60	10.85	0.01
Pakistan Oilfields Limited	4,221	-	-	4,221	-	-	-	-	-	-	-
Pakistan Petroleum Limited	554,244	75,000	-	109,000	520,244	33,349	59,844	26,495	13.67	14.00	0.02
									33.08	33.87	0.04
<b>Oil and Gas Marketing Companies</b>											
Attock Petroleum Limited	12,000	-	-	5,000	7,000	2,102	2,650	548	0.61	0.62	0.01
Pakistan State Oil Company Limited (note 6.1.3)	72,072	50,000	-	32,000	90,072	11,143	15,917	4,774	3.64	3.72	0.02
Sui Northern Gas Pipelines Limited	182,150	130,000	-	60,000	252,150	12,053	18,538	6,485	4.24	4.34	0.04
									8.49	8.68	0.07

Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / right shares issued during the period	Sold / exercised during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised (diminution) / appreciation as at December 31, 2023	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid up capital of investee company (with face value of investment) *
						(Rupees in '000)		%			
<b>Paper and Board</b>											
Century Paper and Board Mills Limited	250,470	-	-	158,000	92,470	2,611	3,011	400	0.69	0.70	0.02
Packages Limited	16,134	500	-	5,500	11,134	4,388	5,902	1,514	1.35	1.38	0.01
									2.04	2.08	0.03
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (note 6.1.1)	-	350,000	-	-	350,000	1,890	1,841	(49)	0.42	0.43	-
Lalpir Power Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
The Hub Power Company Limited	286,655	160,000	-	135,000	311,655	23,192	36,492	13,300	8.34	8.54	0.02
Nishat Chunian Power Limited	-	175,000	-	115,000	60,000	1,566	1,678	112	0.38	0.39	0.02
									9.14	9.36	0.04
<b>Property</b>											
TPL Properties Limited	110,000	-	-	110,000	-	-	-	-	-	-	-
									-	-	-
<b>Refinery</b>											
Attock Refinery Limited	-	20,000	-	6,000	14,000	4,037	4,585	548	1.05	1.07	0.01
National Refinery Limited	-	12,000	-	1,000	11,000	2,799	3,532	733	0.81	0.83	0.01
Pakistan Refinery Limited	-	100,000	-	-	100,000	2,725	2,919	194	0.67	0.68	0.02
									2.53	2.58	0.04
<b>Technology and Communication</b>											
Systems Limited	99,721	10,000	-	31,500	78,221	31,680	33,131	1,451	7.57	7.75	0.03
Supernet Limited	21,400	-	2,140	-	23,540	321	310	(11)	0.07	0.07	0.02
									7.64	7.82	0.05
<b>Textile Composite</b>											
Interloop Limited	123,324	-	-	35,000	88,324	3,113	6,360	3,247	1.45	1.49	0.01
Kohinoor Textile Mills Limited	119,000	-	-	119,000	-	-	-	-	-	-	-
									1.45	1.49	0.01
<b>Total as at December 31, 2023</b>						<b>304,623</b>	<b>427,489</b>	<b>122,866</b>	<b>97.69</b>	<b>100</b>	
<b>Total as at June 30, 2023</b>						<b>398,784</b>	<b>393,668</b>	<b>(5,116)</b>	<b>97.03</b>	<b>100</b>	

\* Nil figures due to rounding off difference

- 6.1.1** All shares have a nominal value of Rs. 10 each except for the shares of K-Electric Limited which have a nominal value of Rs. 3.50 each and shares of Thal Limited and National Foods Limited which have a nominal value of Rs. 5 each.
- 6.1.2** Investments include 53,000 shares (June 30, 2023: 103,000 shares) of Engro Corporation Limited and 120,000 shares (June 30, 2023: 120,000 shares) of Oil and Gas Development Company Limited having market value of Rs. 15.630 million and Rs. 13.494 million (June 30, 2023: Rs. 26.7687 million and Rs. 9.3600 million) respectively as at December 31, 2023, which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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

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

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. As at December 31, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.288 million (June 30, 2023: Rs. 0.181 million).

- 6.1.4** The Finance Act, 2023 has introduced Section 236Z of the Income Tax Ordinance, 2001 effective from July 1, 2023. As per the aforementioned section, every company quoted on stock exchange issuing bonus shares to the shareholders of the company, is required to withhold tax ten percent of the bonus shares to be issued, determined on the basis of day-end price on the first day of closure of books of the issuing company. Since the CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001, the Fund has applied for the exemption of withholding tax on the bonus shares and the said application is pending before Federal Board of Revenue (FBR). The Management Company is confident that the exemption shall be given in due course. As at December 31, 2023, the bonus shares withheld under this section amounted to Rs. 6,603.

<b>6.2 Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net</b>	<b>Note</b>	<b>December 31, 2023 (Unaudited) ----- (Rupees in '000) -----</b>	<b>December 31, 2022 (Audited)</b>
Market value of investments	6.1	427,489	673,113
Less: carrying value of investments	6.1	304,623	686,093
		<u>122,866</u>	<u>(12,980)</u>

<b>7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	<b>Note</b>	<b>December 31, 2023 (Unaudited) ----- (Rupees in '000) -----</b>	<b>June 30, 2023 (Audited)</b>
Remuneration payable	7.1	117	173
Sindh Sales Tax payable on remuneration of the Management Company	7.2	15	22
Allocated expenses payable	7.3	93	86
Selling and marketing expenses payable	7.4	129	450
		<u>354</u>	<u>731</u>

- 7.1** As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 30, 2023: 2%) per annum of the average annual net assets of the Fund during the six months period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

- 7.2** Sindh Sales Tax on remuneration of the management Company levied through the Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (June 30, 2023: 13%).

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



The Management Company, based on its own discretion, has charged such expenses at the rate of 0.11% (June 30, 2023: 0.11%) of the average annual net assets of the Fund during the period ended December 31, 2023, subject to total expense charged being lower than actual expense incurred.

- 7.4 In accordance with Circular 11 dated July 5, 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 0.4% (June 30, 2023: 0.4%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023, subject to total expense charged being lower than actual expense incurred.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
<b>8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Remuneration payable	8.1	78	67
Sindh Sales Tax payable on remuneration of the Trustee	8.2	10	9
		<u>88</u>	<u>76</u>

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

Net assets (Rs.)	Fee
Up to Rs.1,000 million	Rs. 0.7 million or 0.2% per annum of net assets, whichever is higher.
Over Rs.1,000 million	Rs. 2 million plus 0.1% per annum of net assets exceeding Rs.1,000 million.

- 8.2 Sindh Sales Tax on remuneration of Trustee levied through Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (December 31, 2022: 13%).

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
<b>9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>			

Fee payable	9.1	<u>71</u>	<u>128</u>
-------------	-----	-----------	------------

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
<b>10. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		201	225
Brokerage payable		250	43
Charity payable		2,110	2,061
Shariah advisory fee payable		228	247
		<u>2,789</u>	<u>2,576</u>

**11. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.





## 12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

<b>Balances as at period end</b>	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	----- (Rupees in '000) -----	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	117	173
Sindh Sales Tax payable on remuneration of the Management Company	15	22
Selling and marketing expenses payable	129	450
Allocated expenses payable	93	86
<b>Meezan Bank Limited</b>		
Balances with bank	2,333	2,070
Profit receivable on savings account	8	26
Investment of shares 171,873 shares (June 30, 2023: 286,873 shares)	27,733	24,777
Shariah advisor fee payable	228	247
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	78	67
Sindh Sales Tax payable on remuneration of the Trustee	10	9
Security deposit	103	103
<b>Meezan Financial Planning Fund of Funds MAAP I</b>		
Investment of 771,633 units (June 30, 2023: 878,913 units)	46,382	35,149
<b>Meezan Strategic Allocation Fund MSAP - I</b>		
Investment of 1,431,968 units (June 30, 2023: 2,153,430 units)	86,073	86,120
<b>Meezan Strategic Allocation Fund MSAP - II</b>		
Investment of 22,836 units (June 30, 2023: 784,517 units)	1,373	31,374
<b>Meezan Strategic Allocation Fund MSAP - III</b>		
Investment of 910,311 units (June 30, 2023: 1,160,894 units)	54,717	46,426
<b>Meezan Strategic Allocation Fund MSAP - IV</b>		
Investment of 684,581 units (June 30, 2023: 828,360 units)	41,149	33,128



**Balances as at period end**

	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	----- <b>(Rupees in '000)</b> -----	
<b>Meezan Strategic Allocation Fund MSAP - V</b>		
Investment of 122,055 units (June 30, 2023: 163,741 units)	7,337	6,548
<b>Meezan Strategic Allocation Fund MCPP-III</b>		
Investment of 781,861 units (June 30, 2023: 788,936 units)	46,996	31,551
<b>Meezan Strategic Allocation Fund - II MCPP-IV</b>		
Investment of 1,306,210 units (June 30, 2023: 1,532,959 units)	78,514	61,306
<b>Meezan Strategic Allocation Fund - II MCPP-V</b>		
Investment of Nil units (June 30, 2023: 271,418 units)	-	10,855
<b>Meezan Strategic Allocation Fund - II MCPP-VII</b>		
Investment of 21,094 units (June 30, 2023: 21,094 units)	1,268	844
<b>Meezan Strategic Allocation Fund - III MCPP-IX</b>		
Investment of 1,229,720 units (June 30, 2023: 1,563,275 units)	73,916	62,518
<b>Transactions during the period</b>		
	<b>Six months period ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	(Unaudited)	
	----- <b>(Rupees in '000)</b> -----	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	4,192	7,530
Sindh Sales Tax on remuneration of the Management Company	545	979
Allocated expenses	231	414
Selling and marketing expenses	540	1,506
<b>Meezan Bank Limited</b>		
Profit on savings account	121	41
Shares purchased: Nil shares (December 31, 2022: 35,000 shares)	-	4,099
Shares sold: 115,000 shares (December 31, 2022: Nil shares)	16,931	-
Shariah advisory fee	251	253
Dividend income	2,267	1,789
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	419	753
Sindh Sales Tax on remuneration of the Trustee	54	98
CDS charges	19	14
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Units redeemed: 107,280 units (December 31, 2022: 119,491 units)	5,000	4,970
<b>Meezan Strategic Allocation Fund MSAP - I</b>		
Units redeemed: 721,462 units (December 31, 2022: 552,517 units)	32,900	21,690
<b>Meezan Strategic Allocation Fund MSAP - II</b>		
Units issued: 177,735 units (December 31, 2022: nil units)	8,000	-
Units redeemed: 939,416 units (December 31, 2022: 10,700 units)	43,970	420
<b>Meezan Strategic Allocation Fund MSAP - III</b>		
Units redeemed: 250,583 units (December 31, 2022: 25,814 units)	12,760	1,000
<b>Meezan Strategic Allocation Fund MSAP - IV</b>		
Units redeemed: 143,779 units (December 31, 2022: 249,190 units)	7,700	10,040



**Transactions during the period**

	Six months period ended December 31,	
	2023	2022
	(Unaudited)	
	----- (Rupees in '000) -----	
<b>Meezan Strategic Allocation Fund MSAP - V</b>		
Units redeemed: 41,686. units (December 31, 2022: 68,572 units)	2,080	2,810
<b>Meezan Strategic Allocation Fund MCPP-III</b>		
Units issued: nil units (December 31, 2022: 584,040 units)	-	24,000
Units redeemed: 7,075 units (December 31, 2022: 237,897 units)	350	9,680
<b>Meezan Strategic Allocation Fund -II MCPP-IV</b>		
Units redeemed: 226,749 units (December 31, 2022: 588,699 units)	10,940	23,940
<b>Meezan Strategic Allocation Fund -II MCPP-V</b>		
Units issued: nil units (December 31, 2022: 219,408 units)	-	9,000
Units redeemed 271,418. units (December 31, 2022: Nil units)	15,478	-
<b>Meezan Strategic Allocation Fund-II MCPP-VII</b>		
Units redeemed: nil units (December 31, 2022: 43,031 units)	-	1,810
<b>Meezan Strategic Allocation Fund-III MCPP-IX</b>		
Units redeemed: 333,555 units (December 31, 2022: 178,174 units)	16,730	7,180

**13. TOTAL EXPENSE RATIO**

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2023 based on current period results is 3.87% (December 31, 2022: 3.72%) which includes 0.64% (December 31, 2022: 0.33%) representing government levies on the Fund such as sales taxes, fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

**14. TAXATION**

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

**15. FAIR VALUE MEASUREMENT**

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

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

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

## 15.1 Fair value hierarchy

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

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

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	427,489	-	-	427,489
ASSETS	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	393,668	-	-	393,668

## 16. GENERAL

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

## 17. DATE OF AUTHORISATION FOR ISSUE

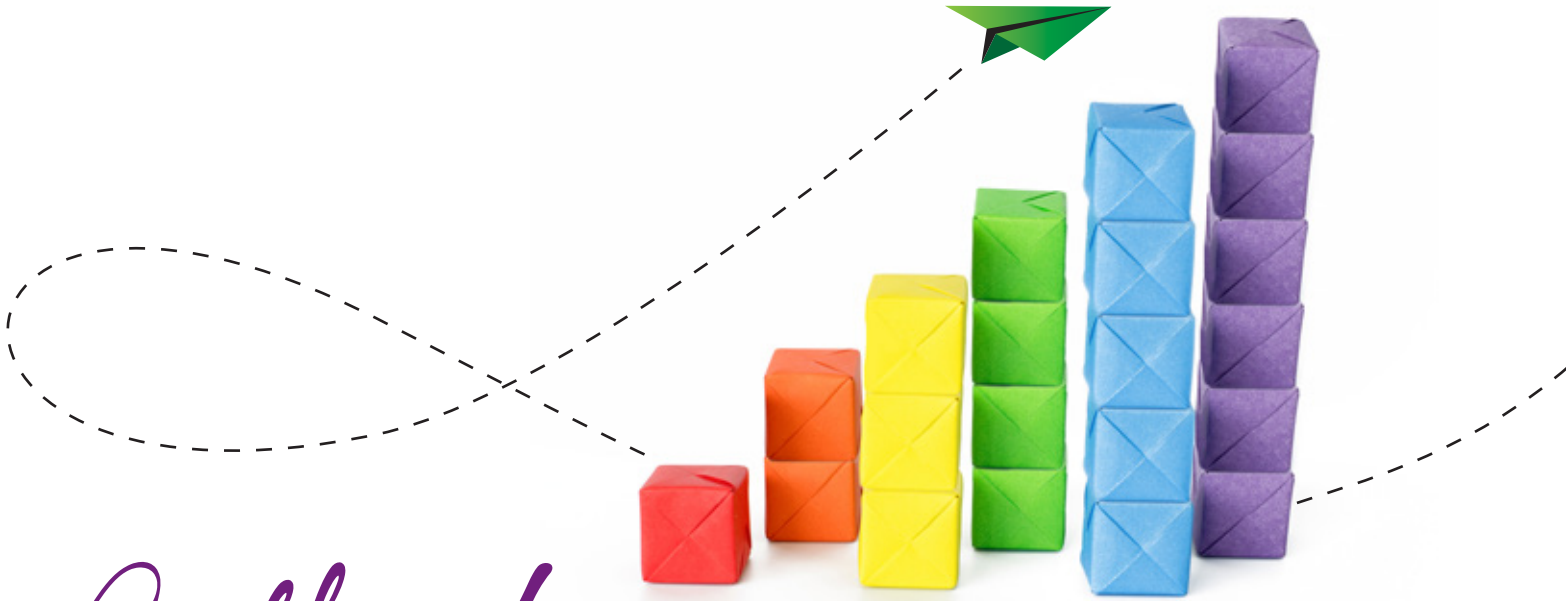
These condensed interim financial statements were authorised for issue on February 9, 2024 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director



# Cultivating a Culture of Learning & Empowerment

At Al Meezan, a culture of continuous learning is fostered, motivating employees to enhance their skills and stay updated with dynamic industry trends enabling them to provide innovative investment choices to the investors and increase their level of awareness and intrinsic motivation.

## Meezan Energy Fund

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

# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Irfan Siddiqui	Chairman
Mr. Ahmed Iqbal Rajani	Non-Executive Nominee Director- PKIC
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan R Kidwai	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer
Mr. Moin M. Fudda	Non-Executive Nominee Director- MBL
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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Syed Haseeb Ahmed Shah

## BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Ahmed Iqbal Rajani	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. Irfan Siddiqui	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C, I.I. Chundrigar Road,  
Karachi-74000

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

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**Head Office:**

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

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

Fax: (92-21) 34326021 - 23

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

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



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

### **MEEZAN ENERGY FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Energy Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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, February 27, 2024



**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Energy Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2023. The Management Company (Al Meezan Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

**Scope of Review**

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

**Conclusion**

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

**Other matter**

The condensed interim financial statements of the Fund for the six months period ended December 31, 2022 and the financial statements for the year ended June 30, 2023 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 27, 2023 and September 26, 2023 respectively.

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.  
Chartered Accountants  
Engagement Partner: **Khattab Muhammad Akhi Baig**  
Dated: February 28, 2024  
Karachi  
UDIN: RR202310081vgGzyjxQD

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>





**MEEZAN ENERGY FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2023**

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
Note	(Rupees in '000)	
<b>Assets</b>		
Balances with banks	5 101,060	7,847
Investments	6 1,010,367	443,644
Receivable against conversion of units	49,517	15,650
Dividend receivable	299	255
Advances, deposit and profit receivable	3,574	3,128
Receivable against sale of investment	-	3,949
<b>Total assets</b>	1,164,817	474,473
<b>Liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	7 1,594	781
Payable to Central Depository Company of Pakistan Limited - Trustee	8 195	82
Payable to the Securities and Exchange Commission of Pakistan	9 82	101
Payable to Meezan Bank	39	-
Payable against conversion and redemption of units	105,518	15,702
Accrued expenses and other liabilities	10 8,357	3,691
Payable against purchase of investment	36,999	2,161
<b>Total liabilities</b>	152,784	22,518
<b>Net assets</b>	1,012,033	451,955
<b>Contingencies and commitments</b>	11	
<b>Unit holders' funds (as per statement attached)</b>	1,012,033	451,955
	<b>(Number of units)</b>	
<b>Number of units in issue</b>	20,005,171	14,650,240
	<b>(Rupees)</b>	
<b>Net asset value per unit</b>	50.5886	30.8497

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023**

	Six months period ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
Note	(Rupees in '000)		(Rupees in '000)	
<b>Income</b>				
Net realised gain / (loss) on sale of investments	110,673	(3,455)	76,213	(1,740)
Dividend income	31,664	32,319	21,845	17,174
Profit on savings accounts with banks	1,888	347	1,250	217
	<u>144,225</u>	<u>29,211</u>	<u>99,308</u>	<u>15,651</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at 'fair value through profit or loss'	6.2	192,324	(11,559)	149,530
		<u>336,549</u>	<u>17,652</u>	<u>33,794</u>
<b>Total income</b>				
<b>Expenses</b>				
Remuneration of AI Meezan Investment Management Limited				
- Management Company	7.1	6,599	4,272	4,017
Sindh Sales Tax on remuneration of the Management Company	7.2	858	555	522
Allocated expenses	7.3	363	235	221
Selling and marketing expenses	7.4	1,320	854	804
Remuneration of Central Depository Company of Pakistan Limited				
- Trustee	8.1	660	427	402
Sindh Sales Tax on remuneration of the Trustee	8.2	86	56	52
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	313	43	190
Auditors' remuneration		170	186	116
Charity expense		1,857	1,313	1,244
Fees and subscription		302	287	140
Brokerage expense		3,392	633	2,055
Bank and settlement charges		343	186	199
<b>Total expenses</b>		<u>16,263</u>	<u>9,047</u>	<u>4,868</u>
<b>Net income for the period before taxation</b>		<u>320,286</u>	<u>8,605</u>	<u>238,876</u>
<b>Taxation</b>	14	-	-	-
<b>Net income for the period after taxation</b>		<u>320,286</u>	<u>8,605</u>	<u>238,876</u>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation		320,286	8,605	
Income already paid on units redeemed		(115,506)	-	
		<u>204,780</u>	<u>8,605</u>	
<b>Accounting income available for distribution</b>				
- Relating to capital gains		110,673	-	
- Excluding capital gains		94,107	8,605	
		<u>204,780</u>	<u>8,605</u>	

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023**

	<b>Six months period ended,</b>		<b>Quarter ended,</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Rupees in '000)</b>		<b>(Rupees in '000)</b>	
<b>Net income for the period after taxation</b>	320,286	8,605	238,876	28,926
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>320,286</u>	<u>8,605</u>	<u>238,876</u>	<u>28,926</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	2023			2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period (audited)</b>	898,176	(446,221)	451,955	871,748	(433,834)	437,914
Issuance of 58,739,055 units (2022: 9,835,867 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,812,082	-	1,812,082	310,045	-	310,045
- Element of income / (loss)	699,091	-	699,091	(3,592)	-	(3,592)
Total proceeds on issuance of units	2,511,173	-	2,511,173	306,453	-	306,453
Redemption of 53,384,124 units (2022: 6,877,540 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,646,884	-	1,646,884	216,790	-	216,790
- Element of loss / (income)	508,990	115,506	624,496	(1,546)	-	(1,546)
Total payments on redemption of units	2,155,874	115,506	2,271,380	215,244	-	215,244
Total comprehensive income for the period	-	320,286	320,286	-	8,605	8,605
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	320,286	320,286	-	8,605	8,605
<b>Net assets at the end of the period (unaudited)</b>	<b>1,253,475</b>	<b>(241,441)</b>	<b>1,012,033</b>	<b>962,957</b>	<b>(425,229)</b>	<b>537,728</b>
<b>Accumulated loss brought forward</b>						
- Realised loss		(421,000)			(386,180)	
- Unrealised loss		(25,221)			(47,654)	
		<u>(446,221)</u>			<u>(433,834)</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains	110,673			-		
- Excluding capital gains	94,107			8,605		
	<u>204,780</u>			<u>8,605</u>		
Accumulated loss carried forward		<u>(241,441)</u>			<u>(425,229)</u>	
<b>Accumulated loss carried forward</b>						
- Realised loss		(433,765)			(413,670)	
- Unrealised income / (loss)		192,324			(11,559)	
		<u>(241,441)</u>			<u>(425,229)</u>	
Net asset value per unit at the beginning of the period			<b>(Rupees)</b> <u>30.8497</u>			<b>(Rupees)</b> <u>31.5217</u>
Net asset value per unit at the end of the period			<u>50.5886</u>			<u>31.9112</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

Note	Six months period ended December 31,	
	2023	2022
(Rupees in '000)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	320,286	8,605
	<b>Adjustments for:</b>	
	Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	
6.2	(192,324)	11,559
	127,962	20,164
<b>(Increase) / decrease in assets</b>		
	(374,399)	(99,345)
	(44)	(58)
	3,949	6,571
	(446)	(49)
	(370,940)	(92,881)
<b>Increase / (decrease) in liabilities</b>		
	813	385
	113	1
	39	(1)
	(19)	(58)
	34,838	-
	4,666	649
	40,450	976
	(202,529)	(71,741)
<b>Net cash used in operating activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	2,477,306	302,670
	(2,181,564)	(219,635)
	295,742	83,035
	93,213	11,294
	7,847	5,571
	101,060	16,865
5		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ENERGY FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

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

1.1 Meezan Energy Fund (the Fund) was established under a Trust Deed executed under Trust Act, 1882 between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 09, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 26, 2016 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shariah-e-Faisal, Karachi 74400, Pakistan.

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). Accordingly, on August 16, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The objective of the Fund is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.

1.3 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The Fund is categorised as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by the SECP.

1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 29, 2023 (2022: 'AM1' dated December 30, 2022) 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.

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

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

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

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2023.

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

**4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

**4.2** The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty are the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2023.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, the new standards, interpretations and amendments to the approved accounting standards will not have any material impact on the Fund's financial statements in the period of adoption, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
(Rupees in '000)			
<b>5. BALANCES WITH BANKS</b>			
Balances with banks in:			
Savings accounts	5.1	100,668	4,990
Current accounts	5.2	392	2,857
		101,060	7,847

**5.1** This includes a balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 11.01% (June 30, 2023: 10%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 8.82% to 21% (June 30, 2023: 7.14% to 20.25%) per annum.

**5.2** This includes a balance maintained with Meezan Bank Limited (a related party).

		<b>Note</b>	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
<b>6. INVESTMENTS</b>				
			<b>(Rupees in '000)</b>	
<b>At fair value through profit or loss</b>				
Shares of listed companies - 'ordinary shares'	6.1	1,010,367	443,644	

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

Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / right shares	Sold during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation / (diminution) as at December 31, 2023	Percentage in relation to			
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment) *	
						-----Number of shares-----		------(Rupees in '000)-----		-----%-----		
<b>Oil and Gas Exploration Companies</b>												
Mari Petroleum Company Limited (note 6.1.2)	58,448	89,627	-	51,046	97,029	162,306	203,382	41,076	20.10	20.13	0.07	
Oil and Gas Development Company Limited	1,021,765	2,335,000	-	1,649,301	1,707,464	178,490	192,004	13,514	18.97	19.00	0.04	
Pakistan Oilfields Limited	158,232	-	-	158,232	-	-	-	-	-	-	-	
Pakistan Petroleum Limited (note 6.1.2)	1,183,436	2,489,000	-	1,959,300	1,713,136	141,106	197,062	55,956	19.47	19.50	0.06	
									<b>58.54</b>	<b>58.63</b>	<b>0.17</b>	
<b>Oil and Gas Marketing Companies</b>												
Attock Petroleum Limited	38,825	-	-	38,000	825	248	312	64	0.03	0.03	-	
Pakistan State Oil Company Limited (note 6.1.2 & 6.1.3)	288,149	1,063,000	-	790,507	560,642	85,554	99,071	13,517	9.79	9.81	0.12	
Sui Northern Gas Pipelines Limited	781,399	2,132,000	-	1,442,550	1,470,849	80,556	108,137	27,581	10.69	10.70	0.23	
									<b>20.51</b>	<b>20.54</b>	<b>0.35</b>	
<b>Power Generation and Distribution</b>												
The Hub Power Company Limited	905,221	1,503,000	-	1,073,065	1,335,156	126,689	156,333	29,644	15.45	15.47	0.10	
K- Electric Limited (note 6.1.1)	2,595,500	1,941,000	-	1,391,000	3,145,500	11,144	16,545	5,401	1.63	1.64	0.29	
Lalpir Power Limited	-	200,000	-	200,000	-	-	-	-	-	-	-	
Nishat Chunian Power Limited	-	1,017,000	-	550,000	467,000	10,364	13,062	2,698	1.29	1.29	0.13	
									<b>18.37</b>	<b>18.40</b>	<b>0.52</b>	
<b>Refinery</b>												
Attock Refinery Limited	-	114,100	-	86,400	27,700	8,313	9,071	758	0.90	0.90	0.03	
National Refinery Ltd	-	49,600	-	30,500	19,100	5,178	6,134	956	0.61	0.61	0.02	
Pakistan Refinery Limited	-	449,000	-	132,000	317,000	8,095	9,254	1,159	0.91	0.92	0.05	
									<b>2.42</b>	<b>2.43</b>	<b>0.10</b>	
<b>Total as at December 31, 2023</b>						818,043	1,010,367	192,324	99.84	100.00		
<b>Total as at June 30, 2023</b>						468,866	443,644	(25,222)	98.18	100.00		

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which has face value of Rs 3.5 each.
- 6.1.2** Investments include 65,000 shares of Pakistan Petroleum Limited (June 30, 2023: 65,000 shares) having market value of Rs 7.477 million as at December 31, 2023 (June 30, 2023: Rs. 3.8441 million), 10,000 shares of Mari Petroleum Limited (June 30, 2023: 10,000 shares) having market value of Rs. 20.961 million as at December 31, 2023 (June 30, 2023: Rs.15.1464 million) and 5,000 shares of Pakistan State Oil Company Limited (June 30, 2023: 5,000 shares) having market value of Rs. 0.884 million as at December 31, 2023 (June 30, 2023: Rs.0.555 million), which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.



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

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

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. As at December 31, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.031 million (June 30, 2023: Rs. 0.647 million).

6.2	<b>Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'</b>	<b>Note</b>	<b>December 31 2023</b>	<b>December 31 2022</b>
----- (Rupees in '000) -----				
	Market value of investments	6.1	1,010,367	518,143
	Less: carrying value of investments	6.1	<u>818,043</u>	<u>529,702</u>
			<u>192,324</u>	<u>(11,559)</u>
		<b>Note</b>	<b>December 31 2023</b>	<b>June 30, 2023</b>
		(Unaudited) (Audited) (Rupees in '000)		
7.	<b>PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
	Remuneration payable	7.1	272	198
	Sindh Sales Tax payable on remuneration of the Management Company	7.2	35	25
	Allocated expenses payable	7.3	96	40
	Selling and marketing expenses payable	7.4	804	516
	Sales load payable		344	2
	Sindh Sales Tax payable on sales load		44	-
			<u>1,594</u>	<u>781</u>

**7.1** As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (December 31, 2022: 2%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

**7.2** Sindh Sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (December 31, 2022: 13%).

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

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.11% (December 31, 2022: 0.11%) of the average annual net assets of the Fund during the period ended December 31, 2023, subject to total expense charged being lower than actual expense incurred.

- 7.4 In accordance with Circular 11 dated July 5, 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 rate of 0.4% (December 31, 2022: 0.4%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023, subject to total expense charged being lower than actual expense incurred.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
<b>8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Remuneration payable	8.1	172	73
Sindh Sales Tax payable on remuneration of the Trustee	8.2	23	9
		195	82

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as follows:

Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.2% per annum of net assets
- Up to Rs 1,000 million	Rs. 2 million plus 0.1% per annum of net assets exceeding Rs 1,000 million.

- 8.2 Sindh Sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (December 31, 2022: 13%).

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
(Rupees in '000)			
<b>9. PAYABLE TO SECURITY EXCHANGE AND COMMISSION OF PAKISTAN (SECP)</b>			
Annual fee payable	9.1	82	101

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
(Rupees in '000)			
<b>10. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		151	215
Brokerage payable		1,793	335
Shariah advisor fee payable		536	265
Charity payable		1,861	2,805
Capital gain tax payable		3,327	66
Zakat payable		13	5
IBFT payable		4	-
Other payable		672	-
		8,357	3,691

**11. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

**12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

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



Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

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

<b>Balances</b>	<b>December 31, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	272	198
Sindh Sales Tax payable on remuneration of the Management Company	35	25
Sales load payable	344	2
Sindh Sales Tax payable on sales load	44	-
Allocated expenses payable	96	40
Selling and marketing expenses payable	804	516
Investment of 4,240,681 units (June 30, 2023: 2,746,371 units)	214,530	84,725
<b>Meezan Bank Limited</b>		
Balances with bank	21,367	3,509
Profit receivable on savings account	314	58
Sales load payable	35	-
Sindh Sales Tax payable on sales load	5	-
Shariah advisor fee payable	536	265
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	172	73
Sindh Sales Tax payable on remuneration of the Trustee	22	9
Security deposit	100	100
<b>Directors and executives of the Management Company</b>		
Investment of 5,095,559 units (June 30, 2023: 3,394,531 units)	257,777	104,720
<b>Transactions during the period</b>		
	<b>Six months period ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	6,599	4,272
Sindh Sales Tax on remuneration of the Management Company	858	555
Allocated expenses	363	235
Selling and marketing expenses	1,320	854
Units issued: 3,482,627 units (December 31, 2022: 115,041)	132,198	3,500
Units redeemed: 1,988,317 units (December 31, 2022: 99,412 units)	82,000	3,000
<b>Meezan Bank Limited</b>		
Profit on savings account	971	74
Shariah advisor fee	271	273



**Transactions during the period**

	<b>Six months period ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	660	427
Sindh Sales Tax on remuneration of the Trustee	86	56
CDS charges	68	12
<b>Directors and executives of the Management Company</b>		
Units issued: 6,702,285 units (December 31, 2022: 1,303,443 units)	264,076	40,608
Units redeemed: 4,891,552 units (December 31, 2022: 231,971 units)	197,920	7,339

**13. TOTAL EXPENSE RATIO**

The annualised total expense ratio (TER) of the Fund as at December 31, 2023 based on current period results is 4.92% (December 31, 2022: 4.23%) which includes 0.50% (December 31, 2022: 0.34%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

**14. TAXATION**

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

**15. 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.

**15.1 Fair value hierarchy**

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

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



As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

ASSETS	As at December 31, 2023			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	1,010,367	-	-	1,010,367

ASSETS	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	443,644	-	-	443,644

**16. GENERAL**

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

**17. DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on February 9, 2024 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director