



Intellectual *Leadership* Advancement

Al Meezan stands as a beacon of intellectual leadership advancement. As pioneers in our field, our management has consistently navigated through changing times with strategic aptitude and smart strategies which has solidified our leadership position. Al Meezan boldly tackles challenges on its path to success, finding strategic solutions to fuel its continued growth.



Meezan Tahaffuz Pension Fund

Meezan Tahaffuz Pension Fund is Pakistan's first and the largest Shariah Compliant Voluntary Pension Scheme. MTPF is the best way to save and invest for your post-retirement needs and it has the potential to deliver superior returns with the added advantage of providing Tax Benefits which significantly enhances the yield on your investment.

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. 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

M/s Yousuf Adil
Chartered Accountants
Cavish Court, A-35 Shahrah-e-Faisal, K.C.H.S.U Block 7 & 8 Bangalore Town,
Karachi

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

BANKERS TO THE FUND

Allied Bank Limited	Faysal Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	Habib Bank Limited -Islamic Banking
Askari Bank Limited - Islamic Banking	Habib Metropolitan 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
The Bank of Punjab	Sindh Bank Limited
Dubai Islamic Bank Pakistan Limited	Soneri 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

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.

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TRUSTEE REPORT TO THE PARTICIPANTS

MEEZAN TAHAFFUZ PENSION FUND

Report of the Trustee pursuant to Regulation 67D in conjunction with 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 Tahaffuz Pension Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, 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.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 27, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Participants of Meezan Tahaffuz Pension Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Tahaffuz Pension Fund** (the Fund) as at **December 31, 2023**, and the related condensed interim income statement and statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of movement in participant' fund, condensed interim contribution table, condensed interim number of units in issue and notes to the condensed interim financial statement for the six months' period ended **December 31, 2023** (here-in-after referred to as the 'condensed interim financial statements'). **Al-Meezan Investment Management Limited** (the Fund Manager) is responsible for the preparation and presentation of this 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 this condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed 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 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim income statement and statement of comprehensive income, for the three months period ended December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2023.

The engagement partner on the review resulting in this independent auditor's review report is **Nadeem Yousuf Adil**.


Chartered Accountants

Place: Karachi

Date: February 28, 2024

UDIN: RR2023100910QU7szqHR

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



Meezan
Tahaffuz Pension
Fund

December 31, 2023 (Un-Audited)						June 30, 2023 (Audited)	
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total		
Note ----- (Rupees in '000) -----							
ASSETS							
Bank balances	4	272,226	1,620,741	2,183,721	74,260	4,150,948	5,939,291
Investments	5	4,078,640	3,772,876	7,285,366	-	15,136,882	10,599,530
Investment in gold	5.4	-	-	-	356,748	356,748	340,856
Dividend receivable		1,553	-	-	-	1,553	1,103
Deposits and other receivables	6	9,685	251,235	495,555	8,267	764,742	349,781
Receivable against change of plan / change of fund manager / issuance of units		-	24,803	164,201	-	189,004	15,649
Receivable against sale of investments		215,383	86,130	45,021	-	346,534	-
Total assets		4,577,487	5,755,785	10,173,864	439,275	20,946,411	17,246,210
LIABILITIES							
Payable to AI Meezan Investment Management Limited - Pension Fund Manager	7	11,485	5,791	10,598	729	28,603	18,361
Payable to Central Depository Company of Pakistan Limited - Trustee	8	584	372	1,831	27	2,814	1,149
Payable to auditors		208	129	130	119	586	344
Payable to Securities and Exchange Commission of Pakistan	9	784	1,062	1,813	89	3,748	5,967
Payable against withdrawal / change of plan / change of fund manager		433,510	10,742	48,244	-	492,496	18,452
Accrued expenses and other liabilities	10	39,787	12,337	2,848	2,085	57,057	45,172
Total liabilities		486,358	30,433	65,464	3,049	585,304	89,445
NET ASSETS		4,091,129	5,725,352	10,108,400	436,226	20,361,107	17,156,765
Contingencies and commitments	11						
PARTICIPANTS' SUB - FUNDS (as per statement attached)		4,091,129	5,725,352	10,108,400	436,226	20,361,107	17,156,765
----- (Number of units) -----							
Number of units in issue (as per statement attached)		5,554,204	14,919,972	26,772,043	1,534,165		
----- (Rupees) -----							
Net assets value per unit		736.5824	383.7374	377.5730	284.3410		

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

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



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

	December 31, 2023				Total	December 31,	
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		2022	
						Total	
Note	(Rupees in '000)						
INCOME							
Profit from sukuk certificates and commercial paper	-	345,874	564,239	-	910,113	382,818	
Profit on saving accounts with banks	12,398	172,292	209,591	8,696	402,977	311,521	
Profit on term deposit receipts / COMs	-	29,938	165,876	-	195,814	31,073	
Dividend income	148,815	-	-	-	148,815	207,976	
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1 & 5.2	1,144,511	25,762	67,071	-	1,237,344	(94,087)
Unrealised (diminution) / appreciation on investment in gold	5.4	-	-	(18,291)	(18,291)	18,207	
Net realised gain / (loss) on sale of investments		383,117	(14,237)	13,189	-	382,069	(74,859)
Other income		-	-	1,857	1,857	1,312	
Total income / (loss)		1,688,841	559,629	1,019,966	(7,738)	3,260,698	783,961
EXPENSES							
Remuneration to AI Meezan Investment Management Limited - Pension Fund Manager		29,426	13,270	22,667	3,369	68,732	58,932
Sindh Sales Tax on remuneration of the Pension Fund Manager		3,825	1,725	2,947	436	8,933	7,660
Allocated expense		11,966	30,521	29,467	247	72,201	57,939
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,419	1,921	3,280	163	6,783	5,486
Sindh Sales Tax on remuneration of the Trustee		184	250	426	21	881	714
Annual fee to Securities and Exchange Commission of Pakistan		785	1,062	1,813	90	3,750	2,885
Auditors' remuneration		123	123	122	124	492	467
Brokerage charges and custodian fee		5,202	221	114	1,810	7,347	4,990
Bank and settlement charges		240	24	34	12	310	1,027
Printing Charges		-	2	-	-	2	9
Charity expense		4,997	-	-	-	4,997	7,549
Provision against Sukuk		-	1,345	-	-	1,345	-
Total expenses		58,167	50,464	60,870	6,272	175,773	147,658
Net income / (loss) from operating activities		1,630,674	509,165	959,096	(14,010)	3,084,925	636,303
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(241,916)	16,567	58,281	1,293	(165,775)	30,574
Net income / (loss) for the period before taxation		1,388,758	525,732	1,017,377	(12,717)	2,919,150	666,877
Taxation	15	-	-	-	-	-	-
Net income / (loss) for the period after taxation		1,388,758	525,732	1,017,377	(12,717)	2,919,150	666,877
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income / (loss) for the period		1,388,758	525,732	1,017,377	(12,717)	2,919,150	666,877

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

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



MEEZAN TAHAFFUZ PENSION FUND
CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023				Total	December 31,
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		2022
						Total
Note	----- (Rupees in '000) -----					
INCOME						
Profit from sukuk certificates and commercial paper	-	176,369	326,676	-	503,045	217,685
Profit on saving accounts with banks	7,706	97,098	95,292	5,058	205,154	143,668
Profit on term deposit receipts / COMs	-	6,769	75,325	-	82,094	22,105
Dividend income	97,118	-	-	-	97,118	132,361
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1 & 5.2	873,953	27,368	55,321	-	956,642
Unrealised appreciation on investment in gold	5.4	-	-	-	12,085	12,085
Net realised gain / (loss) on sale of investments		296,118	(15,279)	11,657	-	292,496
Other income		-	-	-	544	544
Total income		1,274,895	292,325	564,271	17,687	2,149,178
EXPENSES						
Remuneration to AI Meezan Investment Management Limited - Pension Fund Manager	15,580	6,714	11,965	1,731	35,990	29,190
Sindh Sales Tax on remuneration of the Pension Fund Manager	2,025	873	1,556	225	4,679	3,794
Allocated expense	6,335	15,442	15,555	127	37,459	29,173
Remuneration of Central Depository Company of Pakistan Limited - Trustee	746	965	1,720	83	3,514	2,765
Sindh Sales Tax on remuneration of the Trustee	97	126	223	11	457	360
Annual fee to Securities and Exchange Commission of Pakistan	416	538	957	46	1,957	1,458
Auditors' remuneration	101	100	100	101	402	231
Brokerage charges and custodian fee	3,641	166	86	897	4,790	1,739
Legal and professional charges	-	-	-	-	-	-
Bank and settlement charges	33	18	10	12	73	246
Printing charges	-	2	-	-	2	-
Charity expense	4,006	-	-	-	4,006	5,582
Provision against Sukuk	-	119	-	-	119	-
Total expenses	32,980	25,063	32,172	3,233	93,448	74,538
Net income from operating activities	1,241,915	267,262	532,099	14,454	2,055,730	373,502
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)	(209,961)	21,433	46,489	166	(141,873)	30,592
Net income for the period before taxation	1,031,954	288,695	578,588	14,620	1,913,857	404,094
Taxation	15	-	-	-	-	-
Net income for the period after taxation	1,031,954	288,695	578,588	14,620	1,913,857	404,094
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	1,031,954	288,695	578,588	14,620	1,913,857	404,094

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

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



MEEZAN TAHAFFUZ PENSION FUND
CONDENSED INTERIM CASHFLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023				Total	December 31,
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		2022
						Total

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

CASH FLOW FROM OPERATING ACTIVITIES

Net income / (loss) for the period before taxation		1,388,758	525,732	1,017,377	(12,717)	2,919,150	666,877
Adjustments:							
Unrealised (appreciation) / diminution on 're-measurement of investments at 'fair value through profit or loss' (net)	5.1 & 5.2	(1,144,511)	(25,762)	(67,071)	-	(1,237,344)	94,087
Unrealised (appreciation) / diminution on investment in gold	5.4	-	-	-	18,291	18,291	(18,207)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)		241,916	(16,567)	(58,281)	(1,293)	165,775	(30,574)
		486,163	483,403	892,025	4,281	1,865,872	712,183
Decrease / (Increase) in assets							
Investments (net)		471,601	(372,779)	(3,398,830)	(34,183)	(3,334,191)	(1,855,775)
Receivable against sale of investments		(215,383)	(86,130)	(45,021)	-	(346,534)	13,528
Dividend receivable		(450)	-	-	-	(450)	(206)
Deposits and other receivables		(1,924)	(98,284)	(313,816)	(937)	(414,961)	(86,121)
		253,844	(557,193)	(3,757,667)	(35,120)	(4,096,136)	(1,928,574)

(Decrease) / Increase in liabilities

Payable to Al Meezan Investment Management Limited - Pension fund Manager		7,895	(865)	2,622	590	10,242	10,027
Payable to Central Depository Company of Pakistan Limited - Trustee		344	18	1,304	(1)	1,665	89
Payable to Securities and Exchange Commission of Pakistan		(805)	(911)	(500)	(3)	(2,219)	(2,390)
Payable to auditors		122	43	44	33	242	180
Payable against purchase of investments		-	-	-	-	-	(13,579)
Accrued expenses and other liabilities		8,614	1,461	113	1,697	11,885	406
		16,170	(254)	3,583	2,316	21,815	(5,267)
Net cash generated from / (used in) operating activities		756,177	(74,044)	(2,862,059)	(28,523)	(2,208,449)	(1,221,658)

CASH FLOW FROM FINANCING ACTIVITIES

Receipts of contribution / change of plan / change of fund manager / issuance of units		1,190,690	1,608,954	3,406,437	112,738	6,318,819	4,998,749
Payments on withdrawal / change of plan / change of fund manager		(1,768,741)	(1,660,901)	(2,391,014)	(78,057)	(5,898,713)	(4,865,800)
Net cash (used in) / generated from financing activities		(578,051)	(51,947)	1,015,423	34,681	420,106	132,949
Net increase / (decrease) in cash and cash equivalents during the period		178,126	(125,991)	(1,846,636)	6,158	(1,788,343)	(1,088,709)
Cash and cash equivalents at beginning of the period		94,100	1,746,732	4,030,357	68,102	5,939,291	4,898,529
Cash and cash equivalents at end of the period	4	272,226	1,620,741	2,183,721	74,260	4,150,948	3,809,820

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



MEEZAN TAHAFFUZ PENSION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS SUB FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023				Total	December 31, 2022
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund		Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	3,457,680	5,252,053	8,031,477	415,555	17,156,765	14,078,134
Amount received on issuance of units (2023: Equity sub fund: 1,853,451 units; Debt sub fund: 4,418,925 units; Money market sub fund: 9,916,692 units; and Gold sub fund: 384,404 units) (2022: Equity sub fund: 1,860,955 units; Debt sub fund: 4,431,016 units; Money market sub fund: 8,628,496 units; and Gold sub fund: 357,495 units)	1,190,690	1,633,757	3,554,989	112,738	6,492,174	4,999,241
Amount paid on withdrawal of units (2023: Equity sub fund: 3,405,843 units; Debt sub fund: 4,569,379 units; Money market sub fund: 6,796,448 units; and Gold sub fund: 270,309 units) (2022: Equity sub fund: 3,182,497 units; Debt sub fund: 5,366,346 units; Money market sub fund: 5,184,289 units; and Gold sub fund: 276,547 units)	(2,187,915)	(1,669,623)	(2,437,162)	(78,057)	(6,372,757)	(4,870,095)
	(997,225)	(35,866)	1,117,827	34,681	119,417	129,146
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	241,916	(16,567)	(58,281)	(1,293)	165,775	(30,574)
Net realised gain / (loss) on sale of investments	383,117	(14,237)	13,189	-	382,069	(74,859)
Unrealised appreciation / (diminution) on 're-measurement of investments at 'fair value through profit or loss' (net)	1,144,511	25,762	67,071	-	1,237,344	(94,087)
Unrealised (diminution) / appreciation on investment in gold	-	-	-	(18,291)	(18,291)	18,207
Other net (loss) / income for the period	(138,870)	514,207	937,117	5,574	1,318,028	817,616
	1,388,758	525,732	1,017,377	(12,717)	2,919,150	666,877
Net assets at end of the period	4,091,129	5,725,352	10,108,400	436,226	20,361,107	14,843,583

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



**MEEZAN TAHAFFUZ PENSION FUND
CONDENSED INTERIM CONTRIBUTION TABLE (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

December 31, 2023								Total	December 31, 2022 Total	
Equity sub fund		Debt sub fund		Money Market sub fund		Gold sub fund		(Rupees in '000)	(Rupees in '000)	
Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)			
Contribution net of front end fee for the period										
Individuals										
- issuance / conversion / reallocation of units										
	1,853,451	1,190,690	4,418,925	1,633,757	9,916,692	3,554,989	384,404	112,738	6,492,174	4,999,241

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

**For AI Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Chief Financial Officer

Director



MEEZAN TAHAFFUZ PENSION FUND
CONDENSED INTERIM NUMBER OF UNITS IN ISSUE (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023			
	Equity sub fund	Debt sub fund	Money market sub	Gold sub fund
	----- (Number of units) -----			
Total units in issue at beginning of the period	7,106,596	15,070,426	23,651,799	1,420,070
Add: Units issued / converted / reallocated during the period	1,853,451	4,418,925	9,916,692	384,404
Less: Units redeemed / converted / reallocated during the period	(3,405,843)	(4,569,379)	(6,796,448)	(270,309)
Total units in issue at the end of the period	<u>5,554,204</u>	<u>14,919,972</u>	<u>26,772,043</u>	<u>1,534,165</u>

	December 31, 2022			
	Equity sub fund	Debt sub fund	Money market sub	Gold sub fund
	----- (Number of units) -----			
Total units in issue at beginning of the period	9,458,521	16,451,282	14,695,470	846,664
Add: Units issued / converted / reallocated during the period	1,860,955	4,431,016	8,628,496	357,495
Less: Units redeemed / converted / reallocated during the period	(3,182,497)	(5,366,346)	(5,184,289)	(276,547)
Total units in issue at the end of the period	<u>8,136,979</u>	<u>15,515,952</u>	<u>18,139,677</u>	<u>927,612</u>

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

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



MEEZAN TAHAFFUZ PENSION FUND
NOTES TO 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 Tahaffuz Pension Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan on May 30, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the Pension Fund Manager of the Fund, is situated at Ground Floor, Block B Finance and Trade Centre Sharah-e-Faisal, Karachi 74400, Pakistan.

The Fund offers a saving mechanism where an individual saves from his / her income during work life in order to retain financial security and comfort in terms of regular income stream after retirement. The Fund comprises of four Shariah compliant sub funds namely Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Gold Sub-Fund (collectively the "Sub-Funds"). Participants are offered various investment allocation schemes depending on their investment horizon, return requirements, risk tolerance and any unique circumstances. The Fund offers six types of allocation schemes to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility, Variable Volatility and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. Allocation scheme can be selected initially at the time of opening of account and subsequently the allocation and percentages may change twice in a financial year. The contributions from participants are invested in various instruments belonging to different asset classes to get full benefits of risk minimization through diversification.

- 1.2** The Fund has been formed to enable the participants to contribute 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.
- 1.3** The Fund is an unlisted pension scheme. Units are offered for public subscription on a continuous basis. The units are non-transferable and can be redeemed by surrendering them to the Fund at the option of the participants.
- 1.4** Title to the assets of the Sub Funds is held in the name of CDC as a Trustee of the Fund.
- 1.5** Meezan Bank Limited acts as Shariah Advisor of the Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.6** The Pension Fund Manager 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.

2 BASIS OF PREPARATION

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 approved accounting standards as

2.2 STATEMENT OF COMPLIANCE

- 2.2.1** This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;



- Provisions of and directives issued under Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (the VPS Rules) , Voluntary Pension System Part V (NBFC Regulations, 2008) and 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 VPS Rules and requirements of the trust deed differ from the IFRS standards, provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed have been followed.

2.2.2 These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.2.3 These condensed interim financial statements are being submitted to the participants as required under Regulation 7(f) of the VPS Rules, 2005.

2.3 Basis of Measurement

These condensed interim financial statements has been prepared under the historical cost convention except for certain investments which are stated at fair value.

2.4 Functional and presentation currency

These condensed interim financial statements is presented in Pakistani Rupees which is the Fund's functional and presentation currency and rounded off to nearest thousand rupees.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND RISK MANAGEMENT FRAMEWORK

3.1 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.

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the financial statements as at and for the year ended June 30, 2023.

There are certain amendments to accounting and reporting standards that are mandatory for the Fund's accounting period beginning on or after July 1, 2023. However, these are considered either not to be relevant or to have any significant impact on the Fund's financial statements and operations and, therefore, have not been disclosed in this condensed interim financial information.

3.3 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.



December 31, 2023 (Un-Audited)					June 30, 2023 (Audited)	
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total	
----- (Rupees in '000) -----						
4. BANK BALANCES						
Current accounts	14,001	35	34	-	14,070	10,525
Savings accounts	258,225	1,620,706	2,183,687	74,260	4,136,878	5,928,766
	272,226	1,620,741	2,183,721	74,260	4,150,948	5,939,291

Note

4. BANK BALANCES

Current accounts
Savings accounts

4.1

4.1 The balance in savings accounts carry expected profit which ranges from 3.00% to 21.40% (June 30, 2023: 4.02% to 20.50%) per annum.

December 31, 2023 (Un-Audited)				June 30, 2023 (Audited)	
Equity sub fund	Debt sub fund	Money Market sub fund	Total	Total	
----- (Rupees in '000) -----					
5. INVESTMENTS					
Investments by category					
At fair value through profit or loss					
Listed equity securities	4,078,640	-	-	4,078,640	3,405,730
Sukuk certificates	-	3,777,404	6,536,137	10,313,541	6,096,854
	4,078,640	3,777,404	6,536,137	14,392,181	9,502,584
At amortised cost					
Term deposit receipts / COMs	-	-	750,000	750,000	1,100,000
Less: Provision for impairment losses	-	(4,528)	(771)	(5,299)	(3,054)
	4,078,640	3,772,876	7,285,366	15,136,882	10,599,530

Note

5. INVESTMENTS

Investments by category

At fair value through profit or loss

Listed equity securities
Sukuk certificates

5.1

5.2

At amortised cost

Term deposit receipts / COMs

5.3

Less: Provision for impairment losses



5.1 Listed equity securities - at fair value through profit or loss

Held by Equity Sub-Fund

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the investee company	As at 01 July 2023	Purchased 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 gain / (loss) as at December 31, 2023	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	-----Number of shares-----				----- (Rupees in '000) -----			----- % -----		
Automobile Assembler										
Pak Suzuki Motor Company Limited	-	100,000	-	100,000	-	-	-	-	-	-
Automobile Parts & Accessories										
Thal Limited	-	160,000	-	160,000	-	-	-	-	-	-
Commercial Bank										
BankIslami Pakistan Limited	10,007,500	400,000	-	10,373,421	34,079	665	757	92	0.02	-
Meezan Bank Limited (a related party of the Fund)	2,507,724	215,000	-	1,043,000	1,679,724	150,432	271,040	120,608	6.63	0.09
									6.65	0.09
Cement										
Lucky Cement Limited	390,659	195,000	-	161,000	424,659	247,852	334,198	86,346	8.17	0.13
Maple Leaf Cement Factory Limited	1,670,542	300,000	-	1,670,542	300,000	12,860	11,676	(1,184)	0.29	0.03
Kohat Cement Company Limited	835,820	-	-	-	835,820	144,990	195,774	50,784	4.79	0.42
Cherat Cement Company Limited	1,295,200	100,000	-	268,999	1,126,201	139,231	183,548	44,317	4.49	0.58
Fauji Cement Company Limited	-	3,781,000	-	1,798,000	1,983,000	32,408	37,518	5,110	0.92	0.08
Pioneer Cement Limited	520,000	-	-	520,000	-	-	-	-	-	-
									18.66	1.24
Chemical										
Dynea Pakistan Limited (Face value of Rs. 5 each)	22,600	-	-	22,000	600	76	111	35	-	-
Lucky Core Industries (formerly known as ICI Pakistan Limited)	126,420	-	-	38,000	88,420	53,418	68,844	15,426	1.68	0.10
									1.68	0.10
Fertilizer										
Engro Corporation Limited (note 5.1.2)	1,068,252	50,000	-	361,000	757,252	196,497	223,321	26,824	5.46	0.14
Engro Fertilizers Limited	156,547	367,000	-	500,500	23,047	1,897	2,586	689	0.06	-
									5.52	0.14
Food and Personal Care Products										
National Foods Limited	203,000	-	-	203,000	-	-	-	-	-	-
Al-Shaheer Corporation Limited	33,160	-	-	-	33,160	240	411	171	0.01	0.07
At- Tahur Limited	1,693,624	-	-	1,693,624	-	-	-	-	-	-
The Organic Meat Company Limited	822,375	-	-	822,375	-	-	-	-	-	-
Nestle Pakistan Limited	2,920	-	-	-	2,920	18,827	23,953	5,126	0.59	0.01
									0.60	0.08
Glass & Ceramics										
Tariq Glass Industries	50	150,000	-	-	150,050	12,487	14,963	2,476	0.37	0.03
									0.37	0.03
Oil and Gas Exploration Companies										
Oil & Gas Development Company Limited	4,029,000	1,250,000	-	1,755,529	3,523,471	301,033	396,214	95,181	9.68	0.08
Pakistan Oilfields Limited	42,433	-	-	42,433	-	-	-	-	-	-
Pakistan Petroleum Limited	4,368,038	1,575,000	-	1,841,500	4,101,538	275,863	471,800	195,937	11.53	0.15
Mari Petroleum Company Limited	298,701	26,450	-	85,227	239,924	365,582	502,905	137,323	12.29	0.18
									33.50	0.41
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	866,056	600,000	-	508,000	958,056	120,165	169,298	49,133	4.14	0.20
Attock Petroleum Limited	114,805	-	-	10,150	104,655	31,423	39,613	8,190	0.97	0.08
Sui Northern Gas Pipelines Limited	2,508,600	300,500	-	524,000	2,285,100	94,926	168,001	73,075	4.11	0.36
Hascol Petroleum Limited	2,588	-	-	-	2,588	14	19	5	-	-
									9.22	0.64
Paper and Board										
Packages Limited	137,351	-	-	43,000	94,351	36,697	50,015	13,318	1.22	0.11
Century Paper and Board Mills Limited	2,361,807	-	-	287,000	2,074,807	58,593	67,556	8,963	1.65	0.93
									2.87	1.04
Pharmaceuticals										
The Searle Company Limited	25,867	-	2,375	-	28,242	1,074	1,454	380	0.04	0.01
Highnoon Laboratories Limited	61,203	-	-	-	61,203	20,575	30,881	10,306	0.75	0.12
									0.79	0.13
Power Generation & Distribution										



Name of the investee company	As at 01 July 2023	Purchased 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 gain / (loss) as at December 31, 2023	Market value as a percentage of net assets of sub-fund	Percentage of paid-up capital of investee company
	-----Number of shares-----				----- (Rupees in '000) -----				----- % -----	
The Hub Power Company Limited	2,619,543	813,900	-	476,000	2,957,443	220,567	346,287	125,720	8.46	0.23
K-Electric Limited (Face value Rs. 3.5)	12,737,232	2,000,000	-	12,554,317	2,182,915	7,578	11,482	3,904	0.28	0.01
Lalpir Power Limited	-	250,000	-	250,000	-	-	-	-	-	-
Nishat Chunian Limited	-	100,000	-	100,000	-	-	-	-	-	-
									8.74	0.24
Refinery										
Attock Refinery Limited	-	50,000	-	25,000	25,000	7,237	8,187	950	0.20	0.01
									0.20	0.01
Textile Composite										
Interloop Limited	1,161,697	-	-	50,000	1,111,697	39,198	80,042	40,844	1.96	0.12
Kohinoor Textile Mills Limited	494,500	-	-	274,000	220,500	11,225	20,892	9,667	0.51	0.07
									2.47	0.19
Technology & Communication										
Systems Limited	659,030	242,200	-	151,670	749,560	312,542	317,484	4,942	7.76	0.26
									7.76	0.26
Miscellaneous										
Pakistan Aluminum Beverage Cans Limited	249,000	200,000	-	81,000	368,000	17,957	27,810	9,853	0.68	0.10
Total						2,934,129	4,078,640	1,144,511		

5.1.1 Net assets are as defined in Rule 2(1)(m) of VPS Rules.

5.1.2 160,000 shares (June 30, 2023: 160,000 shares) of Engro Corporation Limited having market value of Rs 47.186 million as at December 31, 2023 (June 30, 2023: Rs. 41.58 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

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

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

Further, through Finance Act, 2023, effective from July 1, 2023, amendments to the Income Tax Ordinance 2001 were introduced whereby companies are liable to withhold ten percent of the bonus shares to be issued. The shares so withheld are only to be released if the Fund deposits tax equivalent to ten 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 listed company.

The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2023. As at December 31, 2023 the fair value of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.7.057 million.



5.2 Sukuk certificates - At fair value through profit or loss

5.2.1 Held by Debt Sub-Fund

Name of the Security	Note	Number of certificates			(Rupees in '000)			-%	
		As at July 01, 2023	Purchases during the period	Sales / Matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised gain / (loss) as at December 31, 2023	Market value as a percentage of Net Assets
Property & Real Estate									
Eden Housing Limited	5.2.1.1	500	-	-	500	-	-	-	-
Leasing Companies									
Security Leasing Corporation Limited II	5.2.1.1	500	-	-	500	-	-	-	-
Banks									
Dubai Islamic Bank Pakistan Limited Tier Sukuk	5.2.1.1	78	-	-	78	78,107	78,468	361	1.37
Pharmaceuticals									
OBS AGP (Private) Limited	5.2.1.1	820	-	-	820	56,488	56,713	225	0.99
Power Generation & Distribution									
The Hub Power Holding Limited	5.2.1.1	2,000	-	-	2,000	205,260	203,980	(1,280)	3.56
Cement & Construction									
Javedan Corporation Limited	5.2.1.1	1,000	-	-	1,000	49,000	49,000	-	0.86
Steel & Allied Products									
Agha Steels Industries Limited		50	-	50	-	-	-	-	-
Agha Steels Industries Limited - Sukuk II	5.2.1.1	-	3,400	-	3,400	34,000	34,000	-	0.59
Miscellaneous									
Shakarganj Foods Product Limited	5.2.1.1 & 5.2.4	18	-	-	18	7,149	7,149	-	0.12
Government Securities									
Pakistan Energy Sukuk I	5.2.1.1 & 5.2.3	110,000	-	-	110,000	587,400	587,400	-	10.26
Pakistan Energy Sukuk II	5.2.1.1 & 5.2.3	72,000	-	-	72,000	360,072	360,108	36	6.29
GOP-Ijarah sukuk XXIII VRR	5.2.1.1	500	-	-	500	49,700	50,500	800	0.88
GOP-Ijarah sukuk XXIV VRR	5.2.1.1	2,210	-	-	2,210	220,355	223,011	2,656	3.90
GOP-Ijarah sukuk XXVI VRR	5.2.1.1	4,500	-	-	4,500	446,662	456,750	10,088	7.98
GOP-Ijarah sukuk XXVII Fixed	5.2.1.1	2,500	-	2,500	-	-	-	-	-
GOP-Ijarah sukuk XXVIII VRR	5.2.1.1	4,700	-	-	4,700	468,747	478,366	9,619	8.36
GOP-Ijarah sukuk XXX II Fixed	5.2.1.1	165	415	-	580	57,552	58,058	506	1.01
GOP-Ijarah sukuk XXXI VRR	5.2.1.1	1,500	-	1,500	-	-	-	-	-
GOP-Ijarah sukuk XXXII Fixed	5.2.1.1	-	341	-	341	33,614	34,100	486	0.60
GOP-Ijarah sukuk XXXIII Fixed	5.2.1.1	-	697	-	697	69,621	69,770	149	1.22
GOP-Ijarah sukuk XXXIII VRR	5.2.1.1	-	2,000	-	-	-	-	-	-
GOP-Ijarah sukuk XXXII I VRR	5.2.1.1	-	3,000	3,000	-	-	-	-	-
GOP-Ijarah sukuk XXXVIII FRR	5.2.1.1	-	8,500	-	8,500	863,387	863,855	468	15.09
GOP-Ijarah sukuk XXXV VRR	5.2.1.1	-	2,100	500	1,600	160,000	161,648	1,648	2.82
Non-Performing Investments	5.2.4					4,528	4,528	-	0.08
Total						3,751,642	3,777,404	25,762	



5.2.2.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2023 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
Security Leasing Corporation Limited II	5,000	-	19-Sep-07	19-Sep-12
GOP-Ijarah sukuk XXIV VRR	100,000	Weighted average yield of 6 months T-Bills	09-Dec-20	09-Dec-25
GOP-Ijarah sukuk XXVI VRR	100,000	Weighted average yield of 6 months T-Bills	29-Oct-21	29-Oct-26
GOP-Ijarah sukuk XXVIII VRR	100,000	Weighted average yield of 6 months T-Bills	26-Oct-22	26-Oct-27
GOP-Ijarah sukuk XXX VRR	100,000	Weighted average yield of 6 months T-Bills	17-Apr-23	17-Apr-24
GOP-Ijarah sukuk XXXI VRR	100,000	Weighted average yield of 6 months T-Bills	22-May-23	22-May-24
GOP-Ijarah sukuk XXXIII VRR	100,000	Weighted average yield of 6 months T-Bills	07-Aug-23	07-Aug-24
GOP-Ijarah sukuk XXXVII VRR	100,000	Weighted average yield of 6 months T-Bills	12-Jul-23	12-Jul-24
GOP-Ijarah sukuk XXXVIII VRR	100,000	Weighted average yield of 6 months T-Bills	04-Dec-23	04-Dec-26
GOP-Ijarah sukuk XXXVIII FRR	100,000	Weighted average yield of 6 months T-Bills	09-Oct-23	09-Oct-24
GOP-Ijarah sukuk XXXV VRR	100,000	Weighted average yield of 6 months T-Bills	09-Oct-23	09-Oct-24
China Power Hub Generation Company Limited	1,000,000	6 months KIBOR + 0.70%	29-Mar-23	29-Sep-23
K-Electric Limited- Short Term Sukuk (XVIII)	1,000,000	6 months KIBOR + 0.30%	09-Aug-23	09-Feb-24
K-ELECTRIC Short Term Sukuk XXI	1,000,000	6 months KIBOR + 0.50%	24-Oct-23	24-Apr-24
Lucky Electric Power Company Limited	1,000,000	6 months KIBOR + 0.50%	27-Sep-23	27-Mar-24

5.2.3 Market value of Pakistan Energy Sukuk I and Pakistan Energy Sukuk II are not available at MUFAP, therefore the Fund has applied the Market value determined by the PSX.

5.2.4 The agreement with the Securities Leasing Corporation Limited (SLCL) had been amended on 19 February 2012. In accordance with the revised terms no mark-up is payable on the said sukuk with the approval of the contributors to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 03, 2012. Therefore, in accordance with the requirement of SECP's circular No. 33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy, amount of Rs. 1.542 million in both debt and money market sub fund has also been held as a provision against principal as at December 31, 2023.

On May 6, 2011, Eden Housing sukuk certificates have been classified as non-performing by MUFAP therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 0.492 million has also been held as provision against the outstanding principal as at December 31, 2023.

On April 26, 2023, sukuk certificates of Shakarganj Food Products Limited have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 2.245 million (June 30, 2023: 1.920 million) have also been held as provision against the outstanding principal as at December 31, 2023.

Following investments of the Fund are in the sukuk which are below 'investment grade' securities:

Non-performing investment	Type of Investment	Cost	Provision held	Net carrying value
Debt Sub Fund				
Eden Housing Limited	Non-traded sukuk	492	492	-
Security Leasing Corporation Limited II	Non-traded sukuk	771	771	-
Shakarganj Food Products Limited	Non-traded sukuk	8,042	3,265	4,777
		<u>9,305</u>	<u>4,528</u>	<u>4,777</u>
Money Market Sub Fund				
Security Leasing Corporation Limited II	Non-traded sukuk	771	771	-

5.3 Term deposit receipts / COMs - at amortised cost

5.3.1 Held by Debt Sub-Fund

Name of the Bank	Rating	Maturity date	Profit rate per annum	As at July 01, 2023	TDR's placed during the period	Matured during the period	As at December 31, 2023	Market Value as a Percentage of Net Assets
(Rupees in '000)								%
OLP Modaraba (formerly Orix Modaraba)	AA	July 27, 2023	22.71%	300,000	-	300,000	-	-
OLP Modaraba (formerly Orix Modaraba)	AA	August 03, 2023	22.74%	100,000	-	100,000	-	-
OLP Modaraba (formerly Orix Modaraba)	AA	October 27, 2023	23.06%	-	300,000	300,000	-	-
OLP Modaraba (formerly Orix Modaraba)	AA	November 03, 2023	22.97%	-	100,000	100,000	-	-
				<u>400,000</u>	<u>400,000</u>	<u>800,000</u>	-	-

5.3.2 Held by Money Market Sub-Fund

Name of the Bank	Rating	Maturity date	Profit rate per annum	As at July 01, 2023	TDR's placed during the period	Matured during the period	As at December 31, 2023	Market Value as a Percentage of Net Assets
(Rupees in '000)								%
Meezan Bank Limited	AAA	July 14, 2023	20.60%	-	375,000	375,000	-	-
Meezan Bank Limited	AAA	July 19, 2023	20.60%	-	375,000	375,000	-	-
United Bank Limited	AAA	July 31, 2023	21.10%	-	700,000	700,000	-	-
Faysal Bank Limited	AA	August 01, 2023	21.00%	-	500,000	500,000	-	-
United Bank Limited	AAA	August 16, 2023	21.00%	-	700,000	700,000	-	-
Faysal Bank Limited	AA	August 11, 2023	21.10%	-	500,000	500,000	-	-
Faysal Bank Limited	AA	August 31, 2023	21.25%	-	500,000	500,000	-	-
United Bank Limited	AAA	August 31, 2023	21.20%	-	700,000	700,000	-	-
Faysal Bank Limited	AA	September 07, 2023	21.25%	-	800,000	800,000	-	-
United Bank Limited	AAA	September 11, 2023	21.05%	-	800,000	800,000	-	-
United Bank Limited	AAA	September 18, 2023	21.05%	-	850,000	850,000	-	-
United Bank Limited	AAA	September 28, 2023	21.05%	-	800,000	800,000	-	-
Bank Al Falah	AA+	October 05, 2023	21.00%	700,000	750,000	700,000	750,000	7.42
				<u>700,000</u>	<u>8,350,000</u>	<u>8,300,000</u>	<u>750,000</u>	

5.4 Investment in gold

As at July 01, 2023	Purchases 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 loss as at December 31, 2023	Market Value as a Percentage of Net Assets
(Quantity in Tola)				(Rupees'000)			
Tola Gold	1,457	150	1,607	375,039	356,748	(18,291)	81.78
Total	1,457	150	1,607	375,039	356,748	(18,291)	

5.4.1 The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX.

5.4.2 The investment in gold of Rs. 356.748 million has been measured at fair value based on the quoted market price in active markets.



December 31, 2023 (Un-Audited)					June 30, 2023 (Audited)
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total

(Rupees in '000)

6. DEPOSITS AND OTHER RECEIVABLES

Security deposits	2,600	100	100	-	2,800	2,800
Profit receivable on saving accounts with banks and Term Deposits / COMs	2,338	100,031	187,386	1,153	290,908	109,796
Profit receivable on sukuku certificates	-	151,104	308,069	-	459,173	226,188
Advance against investment	-	-	-	7,114	7,114	6,250
Advance tax	4,747	-	-	-	4,747	4,747
	9,685	251,235	495,555	8,267	764,742	349,781

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED

(Al Meezan) - PENSION FUND MANAGER

December 31, 2023 (Un-Audited)					June 30, 2023
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total

Note (Rupees in '000)

Management remuneration	7.1	6,272	95	4,582	611	11,560	2,696
Sindh Sales Tax on management fee	7.2	815	363	595	77	1,850	352
Allocated Expense	7.3	4,398	5,333	5,421	41	15,193	10,687
Sales Load Payable		-	-	-	-	-	4,093
Sindh Sales Tax on sales load payable		-	-	-	-	-	533
		11,485	5,791	10,598	729	28,603	18,361

7.1 As per regulation 67F of NBFC Regulation, 2008, Al Meezan Investment Management Limited, the Pension Fund Manager of the Fund is allowed to charge an annual management fee of the average of the values of the net assets of each of the Sub-Fund calculated for determining the prices of the units of the Sub-Funds with allowed expense ratio limit. Accordingly, the Pension Fund Manager has charged management fee at the following rates of the average daily net assets of the Equity Sub Fund 1.50%, Debt Sub Fund 0.50%, Money Market Sub Fund 0.50% and Gold Sub Fund 1.50% (June 30, 2023: Equity Sub Fund 1.50%, Debt Sub Fund 0.50%, Money Market Sub Fund 0.50% and Gold Sub Fund 1.15%).

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

7.3 As per S.R.O.1068(I)/2021 dated August 23, 2021 the SECP made an amendment in Non-Banking Finance Companies and Notified Entities Regulations, 2008, adjoined "Voluntary Pension System" as Part V of NBFC Regulations, 2008. In accordance with Regulation 67G(3), Pension Fund Manager may charge the eligible expense as given in sub-regulation (2) and (3) of the regulation 60 to pension fund.

In accordance with Regulation 60 of the NBFC Regulations, the Pension Fund Manager is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to its Voluntary Pension Scheme.

The Pension Fund Manager based on its own discretion has charged Equity Sub Fund (0.61%), Debt Sub Fund (1.15%), Money Market Sub Fund (0.65%) and Gold Sub Fund (0.11%) respectively on average annual net assets of the sub-funds for allocation of such expenses. (June 30, 2023: Equity Sub Fund (0.61%), Debt Sub Fund (1.15%), Money Market Sub Fund (0.65%) and Gold Sub Fund (0.11%).

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

December 31, 2023 (Un-Audited)					June 30, 2023
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total

(Rupees in '000)

Trustee fee	8.1	517	329	1,620	26	2,492	1,016
Sindh Sales Tax on Remuneration of the Trustee	8.2	67	43	211	1	322	133
		584	372	1,831	27	2,814	1,149

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed in accordance with the tariff specified therein, based on the daily net assets of the sub-funds.

Based on the Trust Deed, the tariff structure applicable to the Fund as at December 31, 2023 is as follows:

Average net asset value	Tariff per annum
Amount up to Rs. 1 billion	Rs. 0.3 million or 0.15% p.a of net asset value, whichever is higher
Amount exceeding Rs. 1 billion up to Rs. 3 billion	Rs. 1.5 million plus 0.10% p.a of net asset value exceeding Rs. 1 billion
Amount exceeding Rs. 3 billion up to Rs. 6 billion	Rs. 3.5 million plus 0.08% p.a of net asset value exceeding Rs. 3 billion
Amount exceeding Rs. 6 billion	Rs. 5.9 million plus 0.06% p.a of net asset value exceeding Rs. 6 billion

- 8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Trustee through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one twenty-fifth of 1% (June 30, 2023: one twenty-fifth of 1%) of average annual net asset value of the Fund.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	December 31, 2023 (Un-Audited)					June 30, 2023 (Audited)	
	Equity-sub fund	Debt-sub fund	Money Market sub-fund	Gold sub-fund	Total	Total	
----- (Rupees in '000) -----							
Federal Excise Duty on remuneration of the Pension Fund Manager	10.1	15,436	8,816	2,449	-	26,701	26,701
Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager	10.2	1,800	962	242	-	3,004	3,004
Charity payable		17,991	-	-	-	17,991	13,274
Brokerage payable		4,560	187	157	20	4,924	785
Provision Against Sukuks		-	2,372	-	-	2,372	1,020
Custodian Charges Payable		-	-	-	2,065	2,065	388
		39,787	12,337	2,848	2,085	57,057	45,172

- 10.1 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2023. Had the provision not been made, the Net Asset Value per unit as at December 31, 2023 would have been higher by Rs. 2.78 (June 30, 2023: Rs. 2.17) per unit, Re. 0.59 (June 30, 2023: Re. 0.59) per unit and Re. 0.09 (June 30, 2023: Re. 0.10) per unit for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

- 10.2 It represents amount payable in respect of Sindh Sales Tax at the rate of 13 percent (June 30, 2023: 13 percent) on remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011, being Sindh Sales Tax accrued on Federal Excise Duty (FED) on remuneration of the Pension Fund Manager.

11. CONTINGENCIES AND COMMITMENTS

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

12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2023 are;

	December 31, 2023 (Unaudited)			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Gold Sub Fund
Total Expense ratio (including government levies)	2.98%	1.95%	1.35%	2.81%
Government levies	0.28%	0.12%	0.12%	0.25%

The total expense ratio of pension fund prescribed in NBFC Regulations Part V Regulation 67G of Voluntary Pension System is capped as follows: (a) Equity Sub Fund upto 4.5% (b) Money Market upto 2% (c) Income upto 2.5% (d) Commodity upto 3%.



13. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

13.1 Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Pension Fund Manager, Directors and executives of the Pension Fund Manager, other collective investment schemes managed by Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.

13.2 The transactions with connected persons are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

13.3 Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed.

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

13.5 Amount outstanding as at period end are as follows:

	December 31, 2023 (Unaudited)					June 30, 2023 (Audited) Total
	Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	
----- (Rupees in '000) -----						
Al Meezan Investment Management Limited						
(Al Meezan) - Pension Fund Manager						
Remuneration payable	6,272	95	4,582	611	11,560	2,696
Sindh Sales Tax on management fee	815	363	595	77	1,850	352
Allocated expense payable	4,398	5,333	5,421	41	15,193	10,687
Investments as at December 31, 2023: (Equity sub fund: 260,077 units; Gold Sub Fund: 174,735) as at June 30, 2023 (Equity sub fund: 260,077 units; Gold Sub Fund: 174,735 units)	191,568	-	-	49,684	241,252	177,672
Meezan Bank Limited (MBL)						
Bank balance	230,961	2,699	4,839	7,902	246,401	42,937
Profit receivable on saving account	1,384	87	44	28	1,543	534
Investment in shares 1,679,724 (June 30, 2023: 2,507,724 shares)	271,040	-	-	-	271,040	216,592
Central Depository Company of Pakistan Limited (CDC) - Trustee						
Trustee fee payable	517	329	1,620	26	2,492	1,016
Sindh Sales Tax on trustee fee payable	67	43	211	1	322	133
Deposits	100	100	100	-	300	300
Directors and Executives of the Pension Fund Manager						
Investments as at December 31, 2023: (Equity sub fund: 699,396 units; Debt Sub Fund: 203,634 units; Money Market Sub Fund: 1,463,658 units; Gold Sub Fund: 304,770 Units) as at June 30, 2023: (Equity sub fund: 1,024,787 units; Debt sub fund: 292,433 units; Money Market sub fund: 1,035,283 units; Gold Sub Fund : 511,395 units)	515,163	78,142	552,638	86,659	1,232,602	1,101,721



13.6 Transactions during the period (Unaudited)

For the period ended December 31, 2023					For the period ended December 31, 2022
Equity sub fund	Debt sub fund	Money Market sub fund	Gold sub fund	Total	Total

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

**Al Meezan Investment Management Limited
(Al Meezan) - Pension Fund Manager**

Remuneration for the period	29,426	13,270	22,667	3,369	68,732	58,932
Sindh Sales Tax on management fee	3,825	1,725	2,947	436	8,933	7,660
Allocated expense for the period	11,966	30,521	29,467	247	72,201	57,939

Meezan Bank Limited (MBL)

Profit on savings account	2,731	459	243	315	3,748	2,641
Purchase of 215,000 shares	27,248	-	-	-	27,248	36,886
Sale of shares : 1,043,000 shares	161,033	-	-	-	161,033	51,887
Bonus shares : nil	-	-	-	-	-	-
Dividend income	24,505	-	-	-	24,505	10,069
Term Deposit Receipt	-	-	750,000	-	750,000	-
Term Deposit Matured	-	-	750,000	-	750,000	-
Term Deposit Profit Income	-	-	4,868	-	4,868	7,722

**Central Depository Company of Pakistan
Limited (CDC) - Trustee**

Remuneration for the period	1,419	1,921	3,280	163	6,783	5,486
Sindh Sales Tax on trustee fee	184	250	426	21	881	714
CDS Charges for the period	60	3	2	-	65	13,580

**Directors and Executives of the
Pension Fund Manager**

Units issued (Equity Sub Fund: 535,539 units; Debt Sub Fund: 121,526 units; Money Market Sub Fund: 620,923 units; Gold sub fund: 106,240 units)	383,274	44,857	230,606	31,764	690,501	352,726
Units redeemed / reallocated (Equity Sub Fund: 860,929 units; Debt Sub Fund: 210,325 units; Money Market Sub Fund: 192,549 units; Gold sub fund: 312,865 units)	636,569	76,941	68,020	88,859	870,389	533,108

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date.

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.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A Financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Investments on the Statement of Assets and Liabilities are carried at fair value. The Management is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 5.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

	Carrying Amounts				Fair Values			
	Amortised cost	At fair value through profit or loss	Financial liabilities measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
December 31, 2023	Note ----- (Rupees in '000) -----							
Financial assets - measured at fair value								
- Listed equity securities	-	4,078,640	-	4,078,640	4,078,640	-	-	4,078,640
- Sukuk certificates	-	3,777,404	-	3,777,404	947,508	2,829,896	-	3,777,404
	-	7,856,044	-	7,856,044				
Financial assets - not measured at fair value	14.1							
Bank balances		4,150,948	-	4,150,948				
Investments								
- Term deposit		750,000	-	750,000				
Dividend receivable		1,553	-	1,553				
Deposits and other receivables		764,742	-	764,742				
Receivable against sale of investments		346,534	-	346,534				
Receivable against change of plan / change of fund manager / issuance of units		189,004	-	189,004				
		6,202,781	-	6,202,781				
		6,202,781	7,856,044	-	14,058,825			
Financial liabilities not measured at fair value	14.1							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager		-	-	26,753	26,753			
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	2,492	2,492			
Payable to auditors		-	-	586	586			
Payable against withdrawal / change of plan/ change of fund manager		-	-	492,496	492,496			
Accrued expenses and other liabilities		-	-	24,980	24,980			
		-	-	547,307	547,307			
June 30, 2023								
Financial assets - measured at fair value								
- Listed equity securities	-	3,405,730	-	3,405,730	3,405,730	-	-	3,405,730
- Sukuk certificates	-	6,093,800	-	6,093,800	947,472	5,146,328	-	6,093,800
	-	9,499,530	-	9,499,530				
Financial assets - not measured at fair value	14.1							
Bank balances		5,939,291	-	5,939,291				
Investments								
- Term deposit receipt / COMs		1,100,000	-	1,100,000				
Dividend receivable		1,103	-	1,103				
Deposits and other receivables		338,784	-	338,784				
Receivable against sale of investments		-	-	-				
Receivable against change of plan / change of fund manager / issuance of units		15,649	-	15,649				
		7,394,827	-	7,394,827				
		7,394,827	9,499,530	-	16,894,357			
Financial liabilities not measured at fair value	14.1							
Payable to Al Meezan Investment Management Limited - Pension Fund Manager		-	-	18,361	18,361			
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	1,149	1,149			
Payable to auditors		-	-	344	344			
Payable against purchase of investments		-	-	-	-			
Payable against withdrawal / change of plan/ change of fund manager		-	-	18,452	18,452			
Accrued expenses and other liabilities		-	-	14,447	14,447			
		-	-	52,753	52,753			

14.1 The Fund has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.



15 TAXATION

The income of the Fund is exempt from income tax under clause 57(3) (viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, Supertax and any other taxes introduced in Finance Act, 2015 is also not applicable on the Fund.

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial informations were authorised for issue on February 9, 2024 the Board of Directors of the Pension Fund Manager.

17. GENERAL

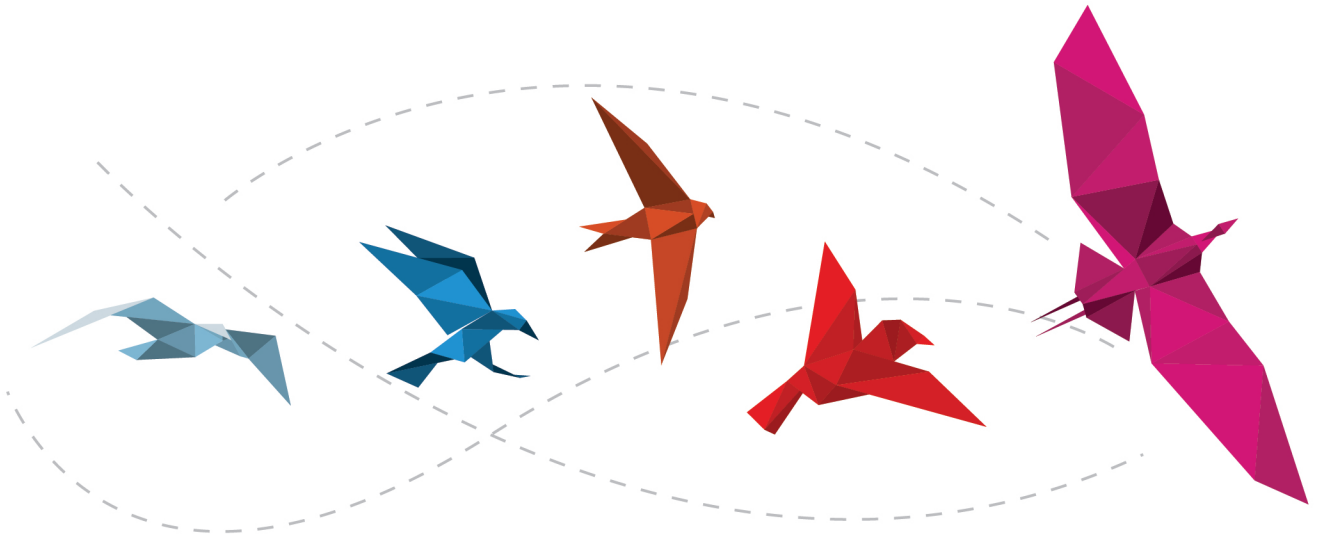
Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

**For AI Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Chief Financial Officer

Director



Continuous Value Creation

At Al Meezan Investments, we're dedicated to continuous value creation for our clients and stakeholders. With a focus on innovation and efficiency, we exceed expectations by enhancing our investment products and services. We adapt to market dynamics to ensure relevance and advantage in today's financial landscape.

Meezan GOKP Pension Fund

The objective of the Fund is to provide Employees with an individualised, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the allocation scheme empowers the Employees to invest their pension savings as per their desired asset allocations.

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. 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

M/s Yousuf Adil
Chartered Accountants
Cavish Court, A-35 Shahrah-e-Faisal, K.C.H.S.U Block 7 & 8 Bangalore Town,
Karachi

SHARIAH ADVISER

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BANKERS TO THE FUND

Faysal Bank Limited - Islamic Banking
Meezan Bank Limited
UBL Ameen - Islamic Banking

LEGAL ADVISER

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Phone (+9221) 35156191-94 Fax: (+9221) 35156195
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TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

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Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

MEEZAN GOKP PENSION FUND

**Report of the Trustee pursuant to Regulation 67D in conjunction with 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 GoKP Pension Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the period from December 14, 2023 to December 31, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, 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.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 27, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE PARTICIPANTS OF MEEZAN GOKP PENSION FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan GOKP Pension Fund** (the Fund) as at **December 31, 2023**, and the related condensed interim income statement and statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of movement in participants sub funds, condensed interim contribution table, condensed interim statement of number of units in issue and notes to the condensed interim financial statement for the period from **December 14, 2023 to December 31, 2023** (here-in-after referred to as the 'condensed interim financial statements'). **AI-Meezan Investment Management Limited** (the Pension Fund Manager) is responsible for the preparation and presentation of this 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 this condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed 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 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Nadeem Yousuf Adil**.



Chartered Accountants

Place: Karachi

Date: February 28, 2024

UDIN: RR2023100913t8Zg62mP



MEEZAN GOKP PENSION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2023

As at December 31, 2023 (Un-Audited)					
	Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
ASSETS					
Bank balances	32,255	500	500	500	33,755
Investments	14,017	-	-	-	14,017
Formation Cost	223	-	-	-	223
Deposits and other receivables	710	-	-	-	710
Total assets	47,205	500	500	500	48,705
LIABILITIES					
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	38	-	-	-	38
Payable to Central Depository Company of Pakistan Limited - Trustee	18	-	-	-	18
Payable to Securities and Exchange Commission of Pakistan	3	-	-	-	3
Accrued expenses and other liabilities	674	-	-	-	674
Payable to auditors	23	-	-	-	23
Total liabilities	756	-	-	-	756
NET ASSETS	46,449	500	500	500	47,949
Contingencies and commitments					
PARTICIPANTS' SUB - FUNDS (as per statement attached)	46,449	500	500	500	47,949
----- (Number of units) -----					
Number of units in issue (as per statement attached)	458,749	5,000	5,000	5,000	
----- (Rupees) -----					
Net assets value per unit	101.2494	100.0000	100.0000	100.0000	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



MEEZAN GOKP PENSION FUND
CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME (UNAU)
FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023

For the period from December 14, 2023 to December 31, 2023					
	Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
Note ----- (Rupees in '000) -----					
INCOME					
Profit from sukuk certificates	49	-	-	-	49
Profit on saving accounts with banks	402	-	-	-	402
Unrealised appreciation on 're-measurement of investments at 'fair value through profit or loss'	146	-	-	-	146
5.1.1					-
Total Income	597	-	-	-	597
EXPENSES					
Remuneration to AI Meezan Investment Management Limited - Pension Fund Manager	6	-	-	-	6
7.1					
Sindh Sales Tax on remuneration of the Pension Fund Manager	1	-	-	-	1
7.2					
Remuneration of Central Depository Company of Pakistan Limited - Trustee	3	-	-	-	3
8.1					
Sindh Sales Tax on remuneration of the Trustee	-	-	-	-	-
8.2					
Annual fee to Securities and Exchange Commission of Pakistan	1	-	-	-	1
9					
Auditors' remuneration	4	-	-	-	4
11					
Takaful Charges	5	-	-	-	5
Amortization of Formation & Preliminary Cost	2	-	-	-	2
Total Expenses	23	-	-	-	23
Net income for the period before taxation	574	-	-	-	574
Taxation	-	-	-	-	-
18					
Net income for the period after taxation	574	-	-	-	574
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	574	-	-	-	574

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



MEEZAN GOKP PENSION FUND
CONDENSED INTERIM CASHFLOW STATEMENT (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023

For the period from December 14, 2023 to December 31, 2023					
	Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
Note ----- (Rupees in '000) -----					
CASH FLOW FROM OPERATING ACTIVITIES					
Net income for the period before taxation	574	-	-	-	574
Adjustments:					
Unrealised (appreciation) on 're-measurement of investments at 'fair value through profit or loss'	5.1.1 (146)	-	-	-	(146)
	428	-	-	-	428
(Increase) in assets					
Investments - (net)	(13,871)	-	-	-	(13,871)
Formation Cost	(223)	-	-	-	(223)
Deposits and other receivables	(710)	-	-	-	(710)
	(14,804)	-	-	-	(14,804)
Increase in liabilities					
Payable to AI Meezan Investment Management Limited - Pension Fund Manager	38	-	-	-	38
Payable to Central Depository Company of Pakistan Limited - Trustee	18	-	-	-	18
Payable to Securities and Exchange Commission of Pakistan	3	-	-	-	3
Payable to auditors	23	-	-	-	23
Accrued expenses and other liabilities	674	-	-	-	674
	756	-	-	-	756
Net cash (used in) operating activities	(13,620)	-	-	-	(13,620)
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts from issuance of units	45,875	500	500	500	47,375
Net cash generated from financing activities	45,875	500	500	500	47,375
Net increase in cash and cash equivalents during the period	32,255	500	500	500	33,755
Cash and cash equivalents at beginning of the period	-	-	-	-	-
Cash and cash equivalents at end of the period	4 32,255	500	500	500	33,755

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



MEEZAN GOKP PENSION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS SUB FUNDS (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023

For the period from December 14, 2023 to December 31, 2023				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
Note ----- (Rupees in '000) -----				
Net assets at the beginning of the period				
-	-	-	-	-
Amount received on issuance of units:				
45,875	500	500	500	47,375
Money market sub fund: 458,749 units				
Debt Sub fund: 5,000 units;				
Equity sub fund: 5,000 units;				
Equity Index sub fund: 5,000 units.				
45,875	500	500	500	47,375
Unrealised appreciation on 're-measurement of investments at 'fair value through profit or loss' 5.1.1				
146	-	-	-	146
428	-	-	-	428
574	-	-	-	574
Net assets at the end of the period				
46,449	500	500	500	47,949

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



MEEZAN GOKP PENSION FUND
CONDENSED INTERIM CONTRIBUTION TABLE (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023

For the period from December 14, 2023 to December 31, 2023									
Money Market Sub Fund		Debt Sub Fund		Equity Sub Fund		Equity Index Sub Fund		Total	
Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	(Rupees in '000)	
Issuance of units	458,749	45,875	5,000	500	5,000	500	5,000	500	47,375

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



MEEZAN GOKP PENSION FUND
CONDENSED STATEMENT OF NUMBER OF UNITS IN ISSUE (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023

For the period from December 14, 2023 to December 31, 2023				
Money market Sub	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
----- (Number of units) -----				
Total units in issue at beginning of the period	-	-	-	-
Add: Units issued / converted / reallocated during the period	458,749	5,000	5,000	473,749
Less: Units redeemed / converted / reallocated during the period	-	-	-	-
Total units in issue at the end of the period	458,749	5,000	5,000	473,749

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For AI Meezan Investment Management Limited
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



MEEZAN GOKP PENSION FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan GOKP Pension Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan on June 21, 2023 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the Pension Fund Manager of the Fund, is situated at Ground Floor, Block B Finance and Trade Centre Sharah-e-Faisal, Karachi 74400, Pakistan.

The objective of the Fund is to provide a secure source of retirement savings and regular income after retirement of the employees of KPK Government. The Fund comprises of four Shariah compliant sub funds namely Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Equity Index Sub-Fund (collectively the "Sub-Funds"). The Pension Fund Manager shall offer Allocation Scheme to the employees according to their risk/return and age requirements, through Sub-Funds of the Meezan GoKP Pension Fund. The risk profile of each Allocation Scheme shall be dependent on the percentage allocation of that Scheme in the various Sub-Funds.

1.2 All Employees of KPK Government appointed/recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 or an employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.

1.3 Title to the assets of the Sub Funds is held in the name of CDC as a Trustee of the Fund.

1.4 Meezan Bank Limited acts as Shariah Advisor of the Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.5 The Pension Fund Manager has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 29, 2023 and by PACRA dated June 23, 2023 . The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

The Fund consists of four Sub-Funds namely, Meezan GoKP Pension Fund - Equity Sub-Fund (the Equity Sub-Fund), Meezan GoKP Pension Fund - Equity Index Sub-Fund (the Equity Index Sub-Fund), Meezan GoKP Pension Fund - Debt Sub-Fund (the Debt Sub-Fund) and Meezan GoKP Pension Fund - Money Market Sub-Fund (the Money Market Sub-Fund) (collectively the "Sub-Funds"). Investment policy for each of the Sub-Fund is as follows:

Meezan GoKP Pension Fund - Equity Sub-Fund

Assets of the Equity Sub-Fund shall be invested in Shariah Compliant equity securities which are listed on the Stock Exchange or in securities of which the application for listing has been approved by the Stock Exchange. The Equity Sub-Fund shall be eligible to invest in units of Shariah Compliant Real Estate Investment Trusts and Exchange Traded Funds, provided that entity /sector /group exposure limits as prescribed are complied with. Atleast ninety percent (90%) of net assets of the Equity Sub-Fund shall remain invested in listed Shariah Compliant equity securities based on rolling average investment of last ninety (90) days calculated on daily basis. The Pension Fund Manager may make investment maximum up to five percent (5%) of net assets of the Equity Sub-Fund in units of Shariah Compliant private equity and venture capital funds registered under Private Funds Regulations, 2015. The Pension Fund Manager may make investment maximum up to ten percent (10%) of net assets of the Equity Sub-Fund in public offering and pre-initial public offering of equity securities. Investment in Shariah Compliant equity securities of any single company shall not exceed fifteen percent (15%) of net assets of the Equity Sub-Fund or paid-up capital of that single company, whichever is lower. The Pension Fund Manager may invest up to thirty-five percent (35%) or the index weight, whichever is higher, subject to maximum of forty percent (40%) of net assets of the Equity Sub-Fund in Shariah Compliant equity securities of companies belonging to a single sector as classified by the Pakistan Stock Exchange. The Pension Fund Manager may invest any surplus (un-invested) funds in Shariah Compliant government securities having less than one-year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A". The Pension Fund Manager shall ensure that the investment in equity securities of the certain companies, as specified in the Offering Document, shall not exceed ten percent (10%) of the net assets of the Equity

Meezan GoKP Pension Fund - Equity Index Sub-Fund

The Investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KMI-30 by investing in companies of the Index in proportion to their weightages. The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un-invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs). Performance Benchmark of Equity Index Sub-Fund shall be KMI-30 Index. Index Sub-fund may select an index (or a subset thereof) established by a recognized independent third party. Exposure to securities issued by entities of a single sector shall not exceed weight of sector in the index or its subset and exposure to any security shall not exceed weight of security in the index or its subset.

Meezan GoKP Pension Fund - Money Market Sub-Fund

The Money Market Sub-Fund shall consist of shariah complaint government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM) or any other Islamic mode of placement such as; Bai'- Mu'ajjal, Bai'-Mussawwama, Bai'-Salam, Istisna'a, Mudaraba, Murabaha and Musharika or any other structure as approved by the Shariah Advisor, TDRs and Islamic commercial papers. Rating of any Shariah Compliant security in the portfolio shall not be lower than AA. Rating of any shariah compliant bank and shariah compliant DFI with which funds are placed should not be lower than AA. Rating of any Shariah Compliant NBFC and Modaraba with which funds are placed shall not be lower than AAA. At least 10% of the net assets shall be invested in deposit with scheduled commercial bank (excluding TDRs) or Shariah Compliant government securities not exceeding 90 days' maturity. Exposure to any single entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets for Shariah Compliant money market sub fund. Exposure in security of entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets for Shariah Compliant money market sub fund or 10% of size of the issue of that security. Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of a money market Sub-fund. A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI and money market placements) of more than 25% of net assets of money market sub-fund with all microfinance banks, non-bank finance companies and Modarabas. The weighted average time to maturity of assets of a Shariah Compliant Money Market Sub-fund shall be up to one (1) year, and time to maturity of any asset in the portfolio of Shariah Compliant Money Market Subfund shall not exceed six (6) months except in case of Shariah Compliant Government Securities such as Government Ijarah Sukuks which may be up to five (5) years.

Meezan GoKP Pension Fund - Debt Sub-Fund

The Debt Sub-fund shall consist of Shariah Compliant government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, Islamic commercial paper, TFC/Sukuk or any other Islamic mode of placement such as; Bai'-Mu'ajjal, Bai'-Mussawwama, Bai'-Salam, Istisna'a, Mudaraba, Murabaha and Musharika or any other structure as approved by the Shariah Advisor, reverse repo, deposits/placements with Microfinance Banks and any other approved debt/money market security issued from time to time. Rating of any security in the portfolio shall not be lower than A+. Rating of any bank and DFI with which funds are placed should not be lower than A+. Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AA. At least 25% of the net assets shall be invested in deposit with scheduled Commercial banks (excluding TDRs) or Shariah Compliant government securities not exceeding 90 days' maturity. Exposure to any single entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets of Shariah Compliant debt sub fund. Exposure in debt security of an entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets for Shariah Compliant debt sub fund or 10% of size of the issue of that debt security, whichever is lower. Exposure to securities issued by entities of a single sector shall not exceed twenty-five percent (25%) of Net Assets of Debt Sub-fund. The pension fund manager shall not place funds (including TDR, PLS Saving deposit, COD, COM, COI, money market placements and other clean placements of funds) of more than 25% of net assets of with all Islamic microfinance banks, Islamic non-bank finance companies and Modarabas. The weighted average time to maturity of Debt Sub-fund shall not exceed five (5) years and this condition shall not apply to securities issued by the Federal Government. Rating of microfinance banks with which funds are placed shall not be lower than A+.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (the VPS Rules), Voluntary Pension System Part V (NBFC Regulations, 2008) and 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 VPS Rules and requirements of the trust deed differ from the IFRS standards, provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed have been followed.

2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34 'Interim Financial Reporting'. These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements.

2.2 Basis of measurement

These condensed interim financial statements have been prepared on historical cost convention basis except for investments classified as 'at fair value through profit or loss' which are measured at fair value.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees which is the Fund's functional and presentation currency. Figures have been rounded off to nearest thousand rupee, unless otherwise stated.

2.4 Use of judgements and estimates

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In the process of applying the Fund's accounting polices, management has made the following accounting estimates and judgments which are significant to the these condensed interim financial statements and estimates with a significant risk of material adjustment in future periods:

- a) Classification and valuation of financial instruments (notes 3.1 and 5);
- b) Impairment of financial instruments (note 3.1.4); and
- c) Provision (note 3.5)

2.5 Application of new standards, amendments and interpretations to the published approved accounting standards

a) New accounting standards, amendments and IFRS interpretations that are effective for the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on December 14, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

b) New accounting standards, amendments and IFRS interpretations that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 01, 2023. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

3.1.1 Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.1.2 Classification and subsequent measurement

3.1.2.1 Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at otherwise arise.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

3.1.2.2 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / mark-up income and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

Subsequent to initial recognition, financial assets designated by the management as 'fair value through profit or loss' and 'fair value through OCI' are valued as follows:

a) Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Basis of valuation of Government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenure of the securities.

c) Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

3.1.3 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.1.4 Impairment

The Fund at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

3.1.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

3.1.6 Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

3.1.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3.1.8 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the Balance Sheet if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.2 Participants' fund

Participants' fund representing the units issued by the Fund, are carried at the net assets value representing the investors' right to a residual interest in the Fund's net assets.

3.3 Issuance, allocation, reallocation and redemption of units

Contribution received in the individual pension account after deduction of takaful premium, if any, followed by front end fee, is used to purchase the units of sub-funds of the fund according to the allocation scheme selected by the participant. The units are allotted at the net asset value notified by the Pension Fund Manager at the close of that dealing day (forward pricing) for each sub-fund, when the contribution is realized. The front end fee is payable to the distributors and the Pension Fund

The Pension Fund Manager makes reallocation of the sub-fund units between the sub-funds at least once a year to ensure that the allocations of the sub-fund units of all the participants are according to the allocation schemes selected by the

Withdrawals made are used to redeem units of the sub-funds of the fund, according to the allocation scheme of the participant, at the net asset value prevalent on the date on which the distributors receive redemption application during business hours on that date.

3.4 Provisions

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

3.5 Net assets value per unit of each sub-fund

The net assets value (NAV) per unit, as disclosed in the Statement of Asset and Liabilities, is calculated by dividing the net assets of each sub-fund by the number of units in issue at period end.

3.6 Taxation

The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision in respect of taxation has been made in these financial statements.

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

3.7 Income

- (i) Gains / (losses) arising on sale of investments are included in the Income statement on the date when the transaction takes place.
- (ii) Dividend income is recognised when the Fund's right to receive the same is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- (iii) Profit on bank balances and term deposits / COMs are recognised on time proportion basis using effective yield method.
- (iv) Income on sukuk certificates, placements and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the profits are recorded on cash basis.
- (v) Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.

3.8 Expenses

All expenses, including remuneration of the Pension Fund Manager, Trustee and annual fee to the Securities and Exchange Commission of Pakistan fee are recognised in the Income Statement as and when incurred.

3.9 Earnings per unit

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

3.10 Cash and cash

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net

An equalisation account called 'element of income / (loss) and capital gains / (losses)' included in prices of units issued less those in units redeemed is set up in order to prevent the dilution of income per unit.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) held in the participants' funds in a separate account. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

3.12 Distribution

Distribution of dividend or bonus units is not allowed under the Schedule II of VPS Rules 2005.

4. BANK BALANCES

As at December 31, 2023 (Un-Audited)					
	Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
Note	(Rupees in '000)				
Savings accounts	32,255	500	500	500	33,755
	32,255	500	500	500	33,755

4.1 The balance in savings accounts carry expected profit which ranges from 8.75% to 21% per annum.

5. INVESTMENTS

As at December 31, 2023 (Un-Audited)					
	Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
Note	(Rupees in '000)				
Investments by category					
At fair value through profit or loss					
Sukuk certificates	14,017	-	-	-	14,017
	14,017	-	-	-	14,017

5.1 Sukuk certificates - At fair value through profit or loss

5.1.1 Held by Money Market Sub-Fund

Name of the Security

	As at July 01, 2023	Purchases during the period	Sales / Matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised appreciation as at December 31, 2023	Market value as a percentage of Net Assets
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Note -----Number of certificates----- (Rupees in '000) -----%

Government Securities

GOP-Ijarah Sukuk XXXXI VRR	5.1.1.1	-	140	-	140	13,871	14,017	146	30.18
Total as at December 31, 2023					13,871	14,017	146		

5.1.1.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2023 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
GOP-Ijarah Sukuk XXXXI VRR	100,000	Weighted average yield of 6 months T-Bills	04-Dec-23	04-Dec-26

6. DEPOSITS AND OTHER RECEIVABLES

As at December 31, 2023 (Un-Audited)				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
----- (Rupees in '000) -----				
Profit receivable on saving accounts with banks	483	-	-	483
Profit receivable on sukuks certificates	227	-	-	227
	710	-	-	710

**7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED
- PENSION FUND MANAGER**

As at December 31, 2023 (Un-Audited)					
	Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
----- (Rupees in '000) -----					
Management remuneration	34	-	-	-	34
Sindh Sales Tax on management fee	4	-	-	-	4
	38	-	-	-	38

- 7.1 As per regulation 67F of NBFC Regulation, 2008, Al Meezan Investment Management Limited, the Pension Fund Manager of the Fund is allowed to charge an annual management fee of the average of the values of the net assets of each of the Sub-Fund calculated for determining the prices of the units of the Sub-Funds with allowed expense ratio limit. Accordingly, the Pension Fund Manager has charged management fee at the following rates of the average daily net assets of the Sub-Funds.

	Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund
From December 14, 2023 till December 31, 2023	0.30%	-	-	-

- 7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

As at December 31, 2023 (Un-Audited)					
	Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
----- (Rupees in '000) -----					
Trustee fee	16	-	-	-	16
Sindh Sales Tax on Remuneration of the Trustee	2	-	-	-	2
	18	-	-	-	18

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed in accordance with the tariff specified therein, based on the daily net assets of the sub-funds.

Based on the Trust Deed, the tariff structure applicable to the Fund as at December 31, 2023 is as follows:

Average net asset value	Tariff per annum
From December 14, 2023 till December 31, 2023	0.15% p.a of net asset value.

- 8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Trustee through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP at the rate of 0.04% per annum of average annual net assets during the current period.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

As at December 31, 2023 (Un-Audited)				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total

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

Other Accrued Expenses Payable	669	-	-	-	669
Takaful Charges Payable	5	-	-	-	5
	674	-	-	-	674

11. PAYABLE TO AUDITORS

As at December 31, 2023 (Un-Audited)				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total

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

Audit fee	17	-	-	-	17
Half yearly review	6	-	-	-	6
	23	-	-	-	23

12. CONTINGENCIES AND COMMITMENTS

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

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2023 are;

As at December 31, 2023 (Un-Audited)			
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund

Total Expense ratio	1.09%	-	-
Government levies	0.10%	-	-

The total expense ratio of the pension fund as prescribed in the offering document is capped as follows:

(a) Money Market Sub Fund upto 1% (b) Debt Sub Fund upto 1% (c) Equity Sub Fund upto 2%. (d) Equity Index Sub Fund upto 1.25%.

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

14.1 Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Pension Fund Manager, Directors and executives of the Pension Fund Manager, other collective investment schemes managed by the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.

14.2 The transactions with connected persons are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

14.3 Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed.

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

14.5 Amount outstanding as at period end are as follows:

As at December 31, 2023 (Un-Audited)				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
----- (Rupees in '000) -----				

AI Meezan Investment Management Limited

- Pension Fund Manager

Remuneration payable	34	-	-	-	34
Sindh Sales Tax on management fee	4	-	-	-	4
Investment: Money Market Sub Fund: 300,000 units	30,375	500	500	500	31,875
Debt Sub Fund: 5,000 units, Equity Sub fund: 5,000 units					
Equity Index Sub Fund: 5,000 units					

Central Depository Company of Pakistan

Limited (CDC) - Trustee

Trustee fee payable	16	-	-	-	16
Sindh Sales Tax on trustee fee payable	2	-	-	-	2

14.6 Detail of transactions with connected person and related parties are as follow:

For the period from December 14, 2023 to December 31, 2023				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
----- (Rupees in '000) -----				

AI Meezan Investment Management Limited

(AI Meezan) - Pension Fund Manager

Remuneration for the period	6	-	-	-	6
Sindh Sales Tax on management fee	1	-	-	-	1

Central Depository Company of Pakistan

Limited (CDC) - Trustee

Remuneration for the period	3	-	-	-	3
Sindh Sales Tax on trustee fee	-	-	-	-	-

15. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

Risk of the Funds is being managed by the Pension Fund Manager in accordance with the approved policies of the Investment Committee which provide broad guidelines for management of risk pertaining to market risks (including price risk and interest rate risk), credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the VPS Rules and the directives issued by SECP.

Risks managed and measured by the Fund are explained below:

15.1 Market risk

15.1.1 Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, industry environment and / or the economy in general.

The Pension Fund Manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the participants from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the Pension Fund Manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio. The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

Details of the Fund's investment portfolio exposed to price risk, at the balance sheet date are disclosed in note 5 to these condensed interim financial statements. The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

15.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently the Money Market Sub-Fund hold KIBOR based debt securities, exposing the Sub-Fund to cash flow in interest rate risk.

	2023	
	Money Market Sub Fund	Total
	Effect on net income	
	(Rupees in '000)	
Increase by 100 basis points	140	140
Decrease by 100 basis points	(140)	(140)

The variable interest rate profile of the Fund's interest-bearing financial instruments as reported to the management of the Fund is as follows:

	Note	Carrying amount (Rupees in 000)
Meezan GoKP Pension Fund - Money Market Sub-Fund		
Savings accounts	4	33,755
Investments	5	-
		<u>33,755</u>
		Impact on profit before tax
		100 bp increase 100 bp decrease
		(Rupees)
As at Dec 31, 2023		
Cash flow sensitivity - variable rate instruments		<u>338</u> <u>(338)</u>

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2023, the Fund does not hold any fixed rate instruments in Money Market Sub Fund that exposes the Fund to interest rate risk.

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association of Pakistan for the Government Ijarah Sukuks is expected to change over time. Therefore, the sensitivity analysis prepared as of Dec 31, 2023 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at December 31, 2023 can be determined as follows:

Meezan GoKP Pension Fund - Money Market Sub-Fund

	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
As at December 31 2023						
Note ----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	4	8.75% to 21%	33,755	-	-	33,755
Investments - at fair value through profit or loss						
- Sukuk certificates	5.1		-	14,017	-	14,017
Formation Cost			-	-	223	223
Deposits and other receivables			-	-	710	710
			<u>33,755</u>	-	<u>14,017</u>	<u>933</u>
					<u>48,705</u>	
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Pension Fund Manager			-	-	38	38
Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	18	18
Payable to Securities and Exchange Commission of Pakistan			-	-	3	3
Payable to auditors			-	-	23	23
Accrued expenses and other liabilities			-	-	674	674
			-	-	756	756
On-balance sheet gap			<u>33,755</u>	-	<u>14,017</u>	<u>47,949</u>
Off-balance sheet financial instruments			-	-	-	-
Off-balance sheet gap			-	-	-	-
Total interest rate sensitivity gap			<u>33,755</u>	-	<u>14,017</u>	
Cumulative interest rate sensitivity gap			<u>33,755</u>	<u>33,755</u>	<u>47,772</u>	

15.1.3 Currency risk

Currency risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

15.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted.

Meezan GoKP Pension Fund - Money Market Sub-Fund

The maximum exposure to credit risk as at Dec 31, 2023 is tabulated below:

Financial assets exposed to credit risk	2023
	(Rupees in '000)
Bank balances	33,755
Investments	14,017
Formation cost, deposits and other receivables	933
	48,705

Credit quality of Financial asset

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

	Rating agency	2023	
		(Rs. in '000)	(%)
AAA	VIS / PACRA	17,669	52%
AA	VIS / PACRA	16,086	48%
		33,755	100%

15.3 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Fund's offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting participant's early redemptions at any time. The Fund's investment are considered to be readily realisable.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

In accordance with the risk management policy of the Fund, the investment committee monitors the liquidity position which is reviewed by the Board of Directors of the Pension Fund Manager.

An analysis of the Fund's financial liabilities into relevant maturity grouping as at December 31, 2023 is tabulated below:

Meezan GoKP Pension Fund - Money Market Sub-Fund	2023				Total
	Maturity up to				
	Three months	Six months	One year	More than one year	
	(Rupees in '000)				
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	38	-	-	-	38
Payable to Central Depository Company of Pakistan Limited - Trustee	18	-	-	-	18
Payable to Securities and Exchange Commission of Pakistan	3	-	-	-	3
Accrued expenses and other liabilities	674	-	-	-	674
Payable to auditors	23	-	-	-	23
	756	-	-	-	756
Net assets attributable to redeemable units	47,949	-	-	-	47,949

16. PARTICIPANTS' FUND RISK MANAGEMENT

All units and fractions thereof represent an undivided share in the respective sub-fund and rank pari passu as to their rights in the net assets and earnings of that sub-fund. The relevant movements are shown on the 'statement of movement in participants' sub-fund'.

Each participant has a beneficial interest in the Fund proportionate to the units held by such participant in the respective sub-fund in his individual pension account (IPA). The liability of the participant is limited to the number of units, held by each participant in his IPA. These are only redeemable in case of retirement, premature encashment / redemption, death of the participant, and change of Pension Fund Manager, change of allocation schemes and / or rebalancing of the IPA according to the percentages selected allocation schemes.

In accordance with risk management policies stated in note 15, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet early withdrawal requests, such liquidity being augmented by disposal of investments where necessary.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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 or indirectly.

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

For valuation techniques for specific instruments, refer note 3.1.2.2

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Meezan GoKP Pension Fund - Money Market Sub-Fund		Carrying Amounts				Fair Values			
		Amortised cost	At fair value through profit or loss	Financial liabilities measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
December 31, 2023		Note ----- (Rupees in '000) -----							
Financial assets - measured at fair value									
Sukuk certificates	5	-	14,017	-	14,017	-	14,017	-	14,017
		-	14,017	-	14,017				
Financial assets not measured at fair value									
Bank balances	17.1	33,755	-	-	33,755				
Formation Cost	17.1	223	-	-	223				
Deposits and other receivables	17.1	710	-	-	710				
		34,688	-	-	34,688				
		34,688	14,017	-	48,705				
Financial liabilities not measured at fair value									
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	17.1	-	-	38	38				
Payable to Central Depository Company of Pakistan Limited - Trustee	17.1	-	-	18	18				
Payable to Securities and Exchange Commission of Pakistan (SECP)	17.1	-	-	3	3				
Payable to auditors	17.1	-	-	23	23				
Accrued expenses and other liabilities	17.1	-	-	674	674				
		-	-	756	756				

17.1 The Fund has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.



18. TAXATION

The income of the Fund is exempt from income tax under clause 57(3) (viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these condensed interim financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, Supertax and any other taxes introduced in Finance Act, 2015 is also not applicable on the Fund.

19. 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 Pension Fund Manager.

20. GENERAL

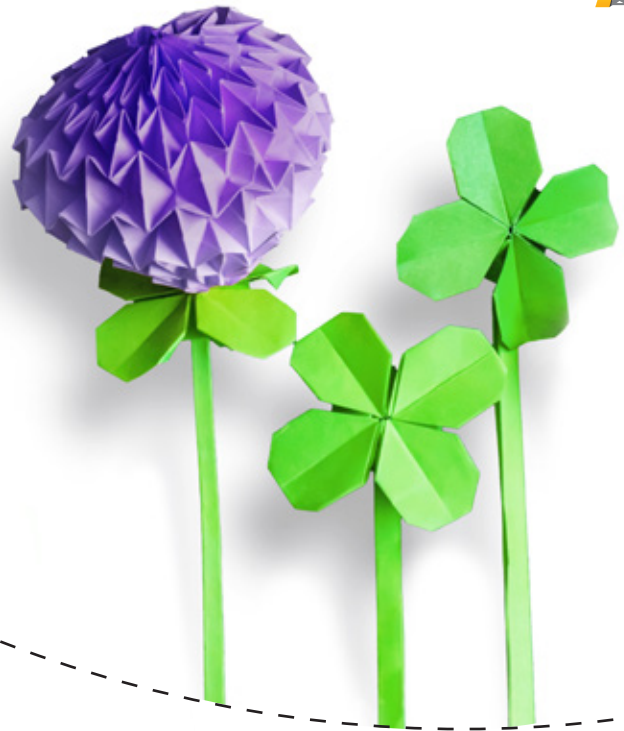
Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

**For AI Meezan Investment Management Limited
(Pension Fund Manager)**

Chief Executive

Chief Financial Officer

Director



Fostering Financial Inclusion

Al Meezan is dedicated to promoting financial inclusion by offering accessible and comprehensive financial services. We are committed to empowering individuals from diverse backgrounds to participate in Shariah Compliant investment opportunities.

Meezan Balanced Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
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Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. 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

BANKERS TO THE FUND

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

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 BALANCED FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Balanced Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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 Balanced 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: RR202310081fQWGrTioO

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 BALANCED 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) -----	
Assets			
Balances with banks	5	238,475	275,724
Investments	6	1,494,386	1,460,582
Receivables against conversion of units		2,007	152
Dividend receivable		3,891	861
Receivable against sale of investments		4,673	19,077
Advances, deposits and profit receivables		46,666	38,308
Total assets		<u>1,790,098</u>	<u>1,794,704</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	7	5,133	6,046
Payable to Central Depository Company of Pakistan Limited - Trustee	8	288	252
Payable to the Securities and Exchange Commission of Pakistan	9	127	471
Payable to Meezan Bank Limited		325	14
Payable against purchase of investments		-	5,319
Payable against redemption and conversion of units		2,804	10,382
Dividend payable		7,697	28,731
Accrued expenses and other liabilities	10	47,877	54,959
Total liabilities		<u>64,251</u>	<u>106,174</u>
Net assets		<u>1,725,847</u>	<u>1,688,530</u>
Unit holders' fund (as per statement attached)		<u>1,725,847</u>	<u>1,688,530</u>
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		<u>86,070,702</u>	<u>108,262,700</u>
		----- (Rupees) -----	
Net asset value per unit		<u>20.0515</u>	<u>15.5966</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 BALANCED 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) -----		
Income					
Net realised gain / (loss) on sale of investments	84,884	(18,335)	56,255	(12,958)	
Dividend income	30,197	56,894	20,355	37,760	
Profit on sukuk certificates	74,905	62,756	36,954	34,238	
Profit on commercial papers	-	2,369	-	2,369	
Profit on savings accounts with banks	21,150	36,486	11,563	15,087	
	211,136	140,170	125,127	76,496	
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.4	244,960	(29,141)	185,843	(18,509)
Total income		456,096	111,029	310,970	57,987
Expenses					
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	16,417	25,784	8,309	12,689
Sindh Sales Tax on remuneration of the Management Company	7.2	2,134	3,352	1,080	1,650
Allocated expenses	7.3	903	1,418	457	698
Selling and marketing expenses	7.4	8,208	12,892	4,154	6,345
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	1,324	1,793	667	886
Sindh Sales Tax on remuneration of the Trustee	8.2	172	233	87	115
Fee to the Securities and Exchange Commission of Pakistan (SECP)	9.1	698	258	353	127
Auditors' remuneration		496	390	404	254
Charity expense		1,106	1,938	942	1,487
Fees and subscription		295	296	162	134
Printing expense		-	3	-	-
Brokerage expense		1,210	899	630	347
Bank and settlement charges		84	216	19	178
Provision against sukuk - net	6.3.1.1	5,536	-	543	-
Total expenses		38,583	49,472	17,807	24,910
Net income for the period after taxation		417,513	61,557	293,163	33,077
Taxation	14	-	-	-	-
Net income for the period after taxation		417,513	61,557	293,163	33,077
Allocation of net income for the period					
Net income for the period after taxation		417,513	61,557		
Income already paid on units redeemed		(44,005)	(5,187)		
		373,508	56,370		
Accounting income available for distribution					
- Relating to capital gains		329,844	-		
- Excluding capital gains		43,664	56,370		
		373,508	56,370		

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 BALANCED 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) -----	
Net income for the period after taxation	417,513	61,557	293,163	33,077
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>417,513</u>	<u>61,557</u>	<u>293,163</u>	<u>33,077</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 BALANCED 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)		
Net assets at the beginning of the period (audited)	1,151,404	537,126	1,688,530	2,104,770	536,051	2,640,821
Issuance of 12,390,696 units (2022: 3,675,215 units)						
- Capital value (at net asset value per unit at the beginning of the period)	193,253	-	193,253	57,390	-	57,390
- Element of income	34,247	-	34,247	1,446	-	1,446
Total proceeds on issuance of units	227,500	-	227,500	58,836	-	58,836
Redemption of 34,582,694 units (2022: 20,908,088 units)						
- Capital value (at net asset value per unit at the beginning of the period)	539,372	-	539,372	326,486	-	326,486
- Element of loss	24,319	44,005	68,324	1,136	5,187	6,323
Total payments on redemption of units	563,691	44,005	607,696	327,622	5,187	332,809
Total comprehensive income for the period	-	417,513	417,513	-	61,557	61,557
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	417,513	417,513	-	61,557	61,557
Net assets at the end of the period (unaudited)	<u>815,213</u>	<u>910,634</u>	<u>1,725,847</u>	<u>1,835,984</u>	<u>592,421</u>	<u>2,428,405</u>
Undistributed income brought forward						
- Realised income		554,915			720,037	
- Unrealised loss		(17,789)			(183,986)	
		<u>537,126</u>			<u>536,051</u>	
Accounting income available for distribution						
- Relating to capital gains		329,844			-	
- Excluding capital gains		43,664			56,370	
		<u>373,508</u>			<u>56,370</u>	
Undistributed income carried forward		<u>910,634</u>			<u>592,421</u>	
Undistributed income carried forward						
- Realised income		665,674			621,562	
- Unrealised income / (loss)		244,960			(29,141)	
		<u>910,634</u>			<u>592,421</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>15.5966</u>			<u>15.6153</u>
Net asset value per unit at the end of the period			<u>20.0515</u>			<u>15.9885</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 BALANCED 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) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		417,513	61,557
Adjustments for:			
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.4	(244,960)	29,141
		172,553	90,698
Decrease / (increase) in assets			
Investments - net		211,156	176,696
Dividend receivable		(3,030)	(129)
Receivable against sale of investments		14,404	802
Advances, deposits and profit receivables		(8,358)	(17,584)
		214,172	159,785
(Decrease) / increase in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		(913)	5,030
Payable to Central Depository Company of Pakistan Limited - Trustee		36	(8)
Payable to the Securities and Exchange Commission of Pakistan		(344)	(540)
Payable to Meezan Bank Limited		311	5
Payable against purchase of investments		(5,319)	965
Accrued expenses and other liabilities		(7,082)	(1,256)
		(13,311)	4,196
Net cash generated from operating activities		373,414	254,679
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		225,645	58,820
Payments against redemption and conversion of units		(615,274)	(323,746)
Dividend paid		(21,034)	-
Net cash used in financing activities		(410,663)	(264,926)
Net decrease in cash and cash equivalents during the period		(37,249)	(10,247)
Cash and cash equivalents at the beginning of the period		275,724	314,974
Cash and cash equivalents at the end of the period	5	238,475	304,727

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 BALANCED 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 Balanced Fund (the Fund) was initially established as a closed-end scheme under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 15, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 8, 2004 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

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

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 above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

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

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

1.5 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.

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

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.

3.2 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.

3.3 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 these 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 audited financial statements 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) -----	
5 BALANCES WITH BANKS	Note	
In savings accounts	5.1	226,889
In current accounts	5.2	11,586
		<u>238,475</u>
		<u>262,047</u>
		<u>275,724</u>

5.1 This includes 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 balances in savings accounts have expected profit rates ranging from 3% to 21% per annum (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	Note	December 31,	June 30,
			2023 (Unaudited)	2023 (Audited)
			----- (Rupees in '000) -----	
At fair value through profit or loss				
	Shares of listed companies - 'ordinary shares'	6.1	826,896	835,585
	Government securities	6.2	317,327	263,112
	Corporate sukuk certificates	6.3	350,163	361,885
			<u>1,494,386</u>	<u>1,460,582</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 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	Paid-up-capital of the investee company (with face value of investments) *
					Number of shares	(Rupees in '000)		%			
Automobile Assembler											
Pak Suzuki Motor Company Limited	-	40,000	-	30,000	10,000	5,100	5,584	484	0.32	0.37	0.01
									0.32	0.37	0.01
Automobile Parts and Accessories											
Thal Limited (note 6.1.1)	-	40,000	-	40,000	-	-	-	-	-	-	-
									-	-	-
Cement											
Cherat Cement Company Limited	202,359	26,582	-	85,000	143,941	18,544	23,460	4,916	1.36	1.57	0.07
Fauji Cement Company Limited	206,250	555,000	-	206,250	555,000	8,771	10,501	1,730	0.61	0.70	0.02
Kohat Cement Company Limited	289,320	-	-	42,000	247,320	42,903	57,930	15,027	3.36	3.88	0.13
Lucky Cement Limited	112,271	-	-	30,293	81,978	42,800	64,515	21,715	3.74	4.32	0.03
Maple Leaf Cement Factory Limited	610,987	125,000	-	370,000	365,987	11,215	14,244	3,029	0.83	0.95	0.03
Pioneer Cement Limited	50,000	-	-	50,000	-	-	-	-	-	-	-
									9.89	11.42	0.28
Chemicals											
Lucky Core Industries Limited	36,916	3,500	-	24,501	15,915	9,529	12,391	2,862	0.72	0.83	0.02
									0.72	0.83	0.02
Commercial Banks											
BankIslami Pakistan Limited	1,172,962	972,962	-	2,145,924	-	-	-	-	-	-	-
Meezan Bank Limited (a related party of the fund)	632,023	-	-	330,000	302,023	26,086	48,734	22,648	2.82	3.26	0.02
									2.82	3.26	0.02
Engineering											
International Steels Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	159,851	-	-	120,000	39,851	1,930	2,637	707	0.15	0.18	0.01
									0.15	0.18	0.01
Fertilizers											
Engro Corporation Limited (note 6.1.2)	295,599	-	-	195,326	100,273	26,060	29,572	3,512	2.00	1.98	0.02
Engro Fertilizers Limited *	80,019	153,000	-	232,654	365	30	41	11	-	-	-
									2.00	1.98	0.02
Food and Personal Care Products											
Al Shaheer Corporation Limited (note 6.1.3) *	6,035	-	-	-	6,035	44	75	31	-	0.01	-
At-Tahir Limited	120,668	-	-	120,668	-	-	-	-	-	-	-
National Foods Limited (Note 6.1.1)	10,100	35,000	-	45,100	-	-	-	-	-	-	-
The Organic Meat Company Limited (note 6.1.4) *	229,875	-	3,237	229,875	3,237	61	70	9	-	-	-
									-	0.01	-
Leather and Tanneries											
Service GlobalFootwear Limited	22,930	-	-	-	22,930	639	1,383	744	0.08	0.09	0.01
									0.08	0.09	0.01

Name of the investee company	As at July 1, 2023	Purchased during the period	Bonus / right shares 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	Paid-up-capital of the investee company (with face value of investments) *		
					Number of shares			Rupees in '000			%		
Miscellaneous													
Pakistan Aluminum Beverage Cans Limited	-	115,000	-	15,501	99,499	5,283	7,519	2,236	0.44	0.50	0.03		
									0.44	0.50	0.03		
Oil and Gas Exploration Companies													
Mari Petroleum Company Limited (note 6.1.3)	68,991	1,000	-	34,625	35,366	53,593	74,131	20,538	4.30	4.96	0.03		
Oil and Gas Development Company Limited	1,067,931	142,000	-	400,000	809,931	66,070	91,077	25,007	5.28	6.09	0.02		
Pakistan Oilfields Limited	14,579	-	-	14,579	-	-	-	-	-	-	-		
Pakistan Petroleum Limited (note 6.1.2)	1,212,167	135,000	-	330,000	1,017,167	64,954	117,005	52,051	6.78	7.83	0.04		
									16.35	18.88	0.09		
Oil and Gas Marketing Companies													
ocw6													
Attock Petroleum Limited	34,391	-	-	20,000	14,391	4,321	5,447	1,126	0.32	0.36	0.01		
Hascol Petroleum Limited * (note 6.1.3)	1,901	-	-	-	1,901	11	14	3	-	-	-		
Pakistan State Oil Company Limited (note 6.1.3)	128,066	90,000	-	47,000	171,066	21,558	30,229	8,671	1.75	2.02	0.04		
Sui Northern Gas Pipelines Limited	360,888	240,000	-	120,000	480,888	23,334	35,355	12,021	2.05	2.37	0.08		
									4.12	4.75	0.13		
Paper and Board													
Century Paper and Board Mills Limited	588,022	-	-	311,500	276,522	7,809	9,004	1,195	0.52	0.60	0.07		
Cherat Packaging Limited	46	-	-	46	-	-	-	-	-	-	-		
Packages Limited	48,473	3,000	-	25,000	26,473	10,257	14,033	3,776	0.81	0.94	0.03		
									1.33	1.54	0.10		
Pharmaceuticals													
AGP Limited *	500	-	-	-	500	28	35	7	-	-	-		
Highnoon Laboratories Limited (note 6.1.3) *	668	-	-	-	668	225	337	112	0.02	0.02	-		
The Searle Company Limited (note 6.1.3) *	19,211	-	-	-	19,211	736	989	253	0.06	0.07	-		
									0.08	0.09	-		
Power Generation and Distribution													
K-Electric Limited (note 6.1.1) *	-	600,000	-	-	600,000	3,251	3,156	(95)	0.18	0.21	-		
Lalpir Power Limited	-	100,000	-	100,000	-	-	-	-	-	-	-		
Nishat Chunian Power Limited	-	207,000	-	107,000	100,000	2,614	2,797	183	0.16	0.19	0.03		
The Hub Power Company Limited	545,322	235,000	-	242,236	538,086	39,614	63,004	23,390	3.65	4.22	0.04		
									4.00	4.61	0.07		
Property													
TPL Properties Limited	165,000	-	-	165,000	-	-	-	-	-	-	-		
									-	-	-		
Real Estate Investment Trust													
Dolmen City REIT	487,500	-	-	487,500	-	-	-	-	-	-	-		
									-	-	-		
Refinery													
Attock Refinery Limited	-	30,000	-	-	30,000	8,662	9,824	1,162	0.57	0.66	0.03		
National Refinery Limited	-	24,000	-	-	24,000	6,111	7,707	1,596	0.45	0.52	0.03		
Pakistan Refinery Limited	-	200,000	-	-	200,000	5,459	5,838	379	0.34	0.39	0.03		
									1.35	1.56	0.09		
Technology and Communication													
Supernet Limited	192,600	1,000	19,260	-	212,860	2,900	2,799	(101)	0.16	0.19	0.16		
Systems Limited	189,230	15,000	-	58,181	146,049	59,094	61,861	2,767	3.58	4.14	0.05		
									3.75	4.33	0.21		
Textile Composite													
Interloop Limited	298,863	-	-	110,000	188,863	6,659	13,598	6,939	0.79	0.91	0.01		
Kohinoor Textile Mills Limited	80,000	-	-	80,000	-	-	-	-	-	-	-		
									0.79	0.91	0.01		
Total as at December 31, 2023						586,256	826,896	240,640					
Total as at June 30, 2023						852,103	835,585	(16,518)					

* Nil figures due to rounding off

6.1.1 All shares have a nominal value of Rs 10 each except for the shares of National Foods Limited and Thal Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.

6.1.2 Investments include 33,500 shares of Engro Corporation Limited having market value of Rs 9.879 million (June 30, 2023: Rs 39.893 million) and 1,000 shares of Pakistan Petroleum Limited having market value of Rs. 0.115 million (June 30, 2023: Rs. 0.059 million) 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 are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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

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

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. 3.88 million (June 30, 2023: Rs. 2.638 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 of the 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. 7,037.

6.2 Government securities

Name of the security	Profit payments / principal redemptions	Issue Date	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Sold / matured 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	
					(Number of certificates)					(Rupees in '000)		%	Total market value of investments
GoP Ijarah Sukuk Certificates - XXI - VRR (Note 6.2.1)	Semi-annually / At maturity	July 29, 2020	July 29, 2025	Weighted Average 6 months T-Bills	2,647	-	-	2,647	263,112	267,347	4,235	15.49	17.89
GoP Ijarah Sukuk Certificates - XXXV - VRR (Note 6.2.1)	Semi-annually / At maturity	July 12, 2023	July 12, 2024	Weighted Average 6 months T-Bills	-	500	500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXXVI - VRR (Note 6.2.1)	Semi-annually / At maturity	July 12, 2023	July 12, 2026	Weighted Average 6 months T-Bills	-	500	500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XLII - VRR (Note 6.2.1)	Semi-annually / At maturity	December 04, 2023	December 04, 2028	Weighted Average 6 months T-Bills	-	500	-	500	49,380	49,980	600	2.90	3.34
Total as at December 31, 2023									312,492	317,327	4,835		
Total as at June 30, 2023									263,138	263,112	(26)		

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

6.3 Corporate sukuks certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Sold / matured 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	
				Number of certificates			(Rupees in '000)			Net assets of the Fund	Total market value of investments	
Power generation & distribution												
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) (note 6.3.1)	Semi-annually	June 29, 2026	6 months KIBOR plus base rate of 1.13%	230	-	-	230	6,113	6,095	(18)	0.35	0.41
Hub Power Holdings Limited (AA+, PACRA, non-traded) (note 6.3.1)	Quarterly / Semi-annually commencing from May 12, 2024	November 12, 2025	6 months KIBOR plus base rate of 2.50%	1,500	-	-	1,500	153,945	152,985	(960)	8.86	10.24
Commercial banks												
Dubai Islamic Bank Pakistan Limited - Sukuk (AA-, VIS, non-traded) (note 6.3.1)	Semi-annually / At maturity	November 30, 2032	6 months KIBOR plus base rate of 0.70%	100	-	-	100	100,137	100,600	463	5.83	6.73
STEEL & ALLIED PRODUCTS												
Agha Steel Industries Limited (A+, VIS, non-traded) (note 6.3.1)	Quarterly	October 9, 2025	3 months KIBOR plus base rate of 0.80%	100	-	100	-	-	-	-	-	-
Agha Steel Industries Limited - Sukuk II (A+, VIS, non-traded) (note 6.3.1 and note 6.3.1.4)	Quarterly	August 17, 2027	3 months KIBOR plus base rate of 0.80%	-	6,800	-	6,800	68,000	68,000	-	3.94	4.55
Non-performing assets												
Security Leasing Corporation Limited II (note 6.3.1.2) (non-traded)	Not applicable	January 19, 2022	Not applicable	5,000	-	-	5,000	-	-	-	-	-
Eden Housing Limited (note 6.3.1.2) (non-traded)	Not applicable	September 29, 2014	Not applicable	5,000	-	-	5,000	-	-	-	-	-
Arzoo Textile Mills Limited (note 6.3.1.2) (non-traded)	Not applicable	April 15, 2014	Not applicable	5,000	-	-	5,000	-	-	-	-	-
Hascol Petroleum Limited - Sukuk (note 6.3.1.2) (non-traded)	Not applicable	January 6, 2022	Not applicable	50,000	-	-	50,000	-	-	-	-	-
Shakarganj Food Products Limited (note 6.3.1.2 and note 6.3.1.3) (non-traded)	Quarterly	July 10, 2026	3 months KIBOR plus base rate of 1.75%	82	-	-	82	22,483	22,483	-	1.30	1.50
Total as at December 31, 2023								350,678	350,163	(515)		
Total as at June 30, 2023								401,672	361,885	(39,787)		

* In case of debt securities against which provision has been made, these are carried at carrying value less provision.

6.3.1 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Eden Housing Limited having nominal value of Rs 984.375, Neelum Jhelum Hydropower Company (Private) Limited and Hub Power Holdings Limited having nominal value of Rs. 100,000 each, and Dubai Islamic Bank Pakistan Limited, Shakarganj Food Products Limited and Agha Steel Industries Limited having nominal value of Rs 1,000,000 each. Further, the nominal value of Agha Steel Industries Limited Sukuk II have a nominal value of Rs.10,000.

Note	December 31, 2023	June 30, 2023
	(Unaudited)	(Audited)
----- (Rupees in '000) -----		
6.3.1.1 Movement of provision		
Balance as at July 1	108,406	99,660
Charge for the period	9,636	8,746
Reversals for the period	(4,100)	-
	5,536	8,746
Balance as at December 31	113,942	108,406

6.3.1.2 Details of non-compliant investments

The Securities and Exchange Commission of Pakistan (SECP), vide Circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the Circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Balanced Fund (the Fund) as an 'Balanced Scheme' in accordance with the said Circular. As at December 31, 2023, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Following investments of the Funds are in sukuk certificates which are non-compliant securities with the above requirements of the circular. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of the investee company	Type of investments	Value of investments before provision	Provision held as at December 31, 2023	Value of investments after provision	Percentage of net assets	Percentage of total investments
		(Rupees in '000)			%	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	62,037	62,037	-	-	-
Shakarganj Food Products Limited	Non-traded sukuk certificates	36,765	14,282	22,483	1.30	0.96
Total as at December 31, 2023		136,425	113,942	22,483	1.30	0.96
Total as at June 30, 2023		140,398	108,406	31,991	-	1.78

6.3.1.3 On April 26, 2023, sukuk certificates of Shakarganj Food Products Limited (SFPL) has been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No. 33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter in accordance with the SECP Circular.

During the current period, SFPL repaid one principal installment amounting to Rs. 4.1 million which was due to be repaid on April 10, 2023, thereby resulting in the reversal of Rs. 4.1 million against the provision created on June 30, 2023. On September 8, 2023, the restructuring of the aforementioned sukuk was approved by all the sukuk investors whereby the four principal installments due on July 10, 2023, October 10, 2023, January 10, 2024 and April 10, 2024 has been deferred for one year from their respective due dates and the tenure of the sukuk has been extended by twelve months. However, SFPL will continue to service profit payments on quarterly basis on the outstanding amount of principal as per the earlier agreed terms. Therefore, the Fund has not recorded further provision after the finalisation of the restructuring agreement. However, an amount of Rs. 14.282 million (June 30, 2023: Rs. 8.746 million) has been held as provision. The face value of sukuk certificates is Rs. 36.90 million as at December 31, 2023.

6.3.1.4 Sukuk certificates of Agha Steel Industries Limited are carried at their cost as they are not valued by MUFAP.

6.4	Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	Note	December 31, 2023	June 30, 2023
			(Unaudited)	(Audited)
			----- (Rupees in '000) -----	
	Market value of investments	6.1, 6.2 & 6.3	1,494,386	1,460,582
	Carrying value of investments	6.1, 6.2 & 6.3	1,249,426	1,516,913
			<u>244,960</u>	<u>(56,331)</u>
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	446	725
	Sindh Sales Tax payable on remuneration of the Management Company	7.2	58	94
	Sales load payable		170	96
	Sindh Sales Tax on sales load payable		8	13
	Allocated expenses payable	7.3	311	155
	Selling and marketing expenses payable	7.4	4,140	4,963
			<u>5,133</u>	<u>6,046</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 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% (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 currently charged such expenses at the rate of 0.11% (June 30, 2023: 0.11%) per annum of the average annual net assets of the Fund during the period ended December 31, 2023 subject to the 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 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 the total expense charged being lower than actual expense incurred.

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	
	Remuneration payable	8.1	230
	Sindh Sales Tax payable on remuneration of the Trustee	8.2	58
		<u>288</u>	<u>29</u>
		<u>288</u>	<u>252</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 2.0 million plus 0.10% 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%)

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	
	Fee payable	9.1	127
			<u>471</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 0.085% per annum of the daily net assets of the Fund, applicable to a "Balanced 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 0.085% 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) -----			
10 ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		433	11,521
Capital gain tax payable		1,971	-
Provision for Federal Excise Duty and related Sindh Sales Tax on Management Fee	10.1	31,961	31,961
Provision for Federal Excise Duty and related Sindh Sales Tax on Sales load	10.1	6,838	6,838
Brokerage expenses payable		737	103
Charity payable		5,024	3,918
Shariah advisory fee payable		465	197
Auditors' remuneration payable		342	346
Zakat payable		103	75
IBFT Charges payable		3	-
		47,877	54,959

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 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 1, 2016. However, as a matter of abundant caution the provision for FED and related sales tax has been made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 38.799 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 not been made, the Net Assets Value per unit of the Fund as at December 31, 2023 would have been higher by Re 0.45 (June 30, 2023: Re 0.36) 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, 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 10% 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:

Balances as at period end

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
AI Meezan Investment Management Limited - the Management Company		
Remuneration payable	446	725
Sindh Sales Tax payable on remuneration of the Management Company	58	94
Sales load payable	170	96
Sindh Sales Tax on sales load payable	8	13
Allocated expenses payable	311	155
Selling and Marketing expenses payable	4,140	4,963
Units outstanding: 988,045 units (June 30, 2023: 988,045 units)	19,812	15,410
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	230	223
Sindh Sales Tax on trustee fee payable	58	29
Security deposit	300	300
Meezan Bank Limited		
Balances with banks	18,360	17,277
Sales load payable	288	12
Sindh Sales Tax on sales load payable	37	2
Shariah advisory fee payable	465	197
Units outstanding: 18,886,746 units (June 30, 2023: 18,886,746 units)	378,708	294,569
Investment in 302,023 shares (June 30, 2023: 632,023 shares)	48,734	54,588
Profit receivable on balances with banks	237	88
Dividend receivable	7,648	-
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Outstanding units: 493,285 units (June 30, 2023: 493,285 units)	9,891	7,694
Directors and Executives of the Management Company		
Outstanding units: 2,510 units (June 30, 2023: 64 units)	50	1

Transactions during the period

	For the six months period ended December 31	
	2023	2022
	(Unaudited) (Unaudited)	
	----- (Rupees in '000) -----	
AI Meezan Investment Management Limited - the Management Company		
Remuneration of AI Meezan Investment Management Limited - Management Company	16,417	25,784
Sindh Sales Tax on remuneration of the Management Company	2,134	3,352
Allocated expenses	903	1,418
Selling and marketing expenses	8,208	12,892
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,324	1,793
Sindh Sales Tax on remuneration of the Trustee	172	233
CDS charges	30	21



Transactions during the period

	For the six months period ended December 31	
	2023 (Unaudited)	2022 (Unaudited)
	----- (Rupees in '000) -----	
Meezan Bank Limited		
Profit on savings account	2,226	639
Shares sold: 330,000 (2022: 140,000 shares)	46,354	18,917
Shares purchased: Nil (2020: 60,000 shares)	-	7,227
Dividend income	12,564	2,934
Shariah advisory fee	267	269
Directors and Executives of the Management Company		
Units issued: 5,230 units (2022: 5,391 units)	93	85
Units redeemed: 1,073 units (2022: 5,355 units)	20	85

13 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2023 based on current period results is 4.02% (December 31, 2022: 3.84%) which includes 0.36% (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 a 'Balanced 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. 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.

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 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:

As at December 31, 2023				
Level 1	Level 2	Level 3	Total	
(Rupees in '000)				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	826,896	-	-	826,896
Government securities	-	317,327	-	317,327
Corporate sukuk certificates	-	350,163	-	350,163
	<u>826,896</u>	<u>667,490</u>	<u>-</u>	<u>1,494,386</u>

As at June 30, 2023				
Level 1	Level 2	Level 3	Total	
(Rupees in '000)				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	835,585	-	-	835,585
GoP Ijarah sukuk certificates	-	263,112	-	263,112
Corporate sukuk certificates	-	361,885	-	361,885
	<u>835,585</u>	<u>624,997</u>	<u>-</u>	<u>1,460,582</u>

16 GENERAL

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

17 DATE OF AUTHORISATION FOR ISSUE

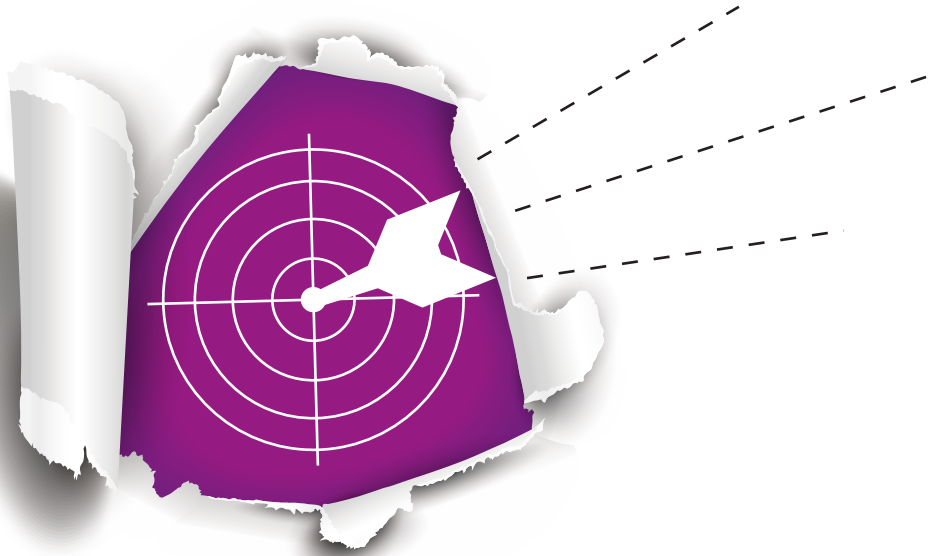
These condensed interim financial statements were authorised for issue on February 9, 2024 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



Evolving Reporting **Standards**

Al Meezan's commitment to evolving its reporting standards ensures that clients receive accurate and up-to-date information, offering complete transparency and easy access to information.

Meezan Asset Allocation Fund

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

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. 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

BANKERS TO THE FUND

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

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MEEZAN ASSET ALLOCATION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Asset Allocation Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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 Asset Allocation 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: RR202310081qZPEWtXM6

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 ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2023**

	Note	December 31, 2023 (Unaudited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
Assets			
Balances with banks	5	72,163	51,466
Investments	6	278,378	400,027
Receivable against conversion of units		5,774	601
Receivable against sale of investments		-	9,966
Dividend receivable		338	716
Advances, deposits and profit receivable		6,478	5,844
Total assets		<u>363,131</u>	<u>468,620</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	1,085	1,558
Payable to Central Depository Company of Pakistan Limited - Trustee	8	71	86
Payable to the Securities and Exchange Commission of Pakistan	9	30	137
Payable to Meezan Bank Limited		2	-
Payable against redemption and conversion of units		3,753	8,294
Payable against purchase of investments		2,919	-
Dividend payable		-	258
Accrued expenses and other liabilities	10	4,601	4,300
Total liabilities		<u>12,461</u>	<u>14,633</u>
Net assets		<u>350,670</u>	<u>453,987</u>
Contingencies and commitments	11		
Unit holders' fund (as per statement attached)		<u>350,670</u>	<u>453,987</u>
		(Number of units)	
Number of units in issue		<u>6,198,598</u>	<u>11,389,560</u>
		(Rupees)	
Net asset value per unit		<u>56.5725</u>	<u>39.8599</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 ASSET ALLOCATION FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2023

	Note	Six months period		Quarter ended	
		December 31,		December 31,	
		2023	2022	2023	2022
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Income					
Net realised gain / (loss) on sale of investments		54,294	(9,061)	33,835	(4,231)
Dividend income		11,919	29,696	7,986	19,605
Profit on savings accounts with banks		5,848	5,987	3,317	2,868
		<u>72,061</u>	<u>26,622</u>	<u>45,138</u>	<u>18,242</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	<u>70,278</u>	<u>(7,839)</u>	<u>50,579</u>	<u>(4,207)</u>
Total (loss) / income		<u>142,339</u>	<u>18,783</u>	<u>95,717</u>	<u>14,035</u>
Expenses					
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	2,806	5,891	1,360	2,782
Sindh Sales Tax on remuneration of the Management Company	7.2	365	766	177	362
Allocated expenses	7.3	206	432	100	204
Selling and marketing expenses	7.4	1,871	3,928	907	1,855
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	374	786	181	371
Sindh Sales Tax on remuneration of the Trustee	8.2	49	102	24	48
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	178	79	86	38
Auditors' remuneration		372	256	287	177
Brokerage expense		941	924	472	338
Charity expense		423	963	360	748
Bank and settlement charges		172	225	57	109
Fees and subscription		300	297	138	135
Total expenses		<u>8,057</u>	<u>14,649</u>	<u>4,149</u>	<u>7,167</u>
Net income for the period before taxation		<u>134,282</u>	<u>4,134</u>	<u>91,568</u>	<u>6,868</u>
Taxation	13	-	-	-	-
Net income for the period after taxation		<u>134,282</u>	<u>4,134</u>	<u>91,568</u>	<u>6,868</u>
Allocation of net income for the period					
Net income for the period after taxation		134,282	4,134		
Income already paid on units redeemed		(34,634)	-		
		<u>99,648</u>	<u>4,134</u>		
Accounting income available for distribution					
- Relating to capital gains		99,648	-		
- Excluding capital gains		-	4,134		
		<u>99,648</u>	<u>4,134</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 ASSET ALLOCATION 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) -----	
Net income for the period after taxation	134,282	315,778	91,568	6,868
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>134,282</u>	<u>315,778</u>	<u>91,568</u>	<u>6,868</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 ASSET ALLOCATION FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
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		
Net assets at the beginning of the period (audited)	1,284,074	(830,087)	453,987	1,680,295	(830,110)	850,185
Issuance of 2,879,533 units (2022: 1,342,059 units)						
- Capital value (at net asset value per unit at the beginning of the period)	114,778	-	114,778	53,697	-	53,697
- Element of income	29,274	-	29,274	845	-	845
Total proceeds on issuance of units	144,052	-	144,052	54,542	-	54,542
Redemption of 8,070,495 units (2022: 5,178,564 units)						
- Capital value (at net asset value per unit at the beginning of the period)	321,689	-	321,689	207,199	-	207,199
- Element of loss	25,328	34,634	59,962	4,040	-	4,040
Total payments on redemption of units	347,017	34,634	381,651	211,239	-	211,239
Total comprehensive Income for the period	-	134,282	134,282	-	4,134	4,134
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	134,282	134,282	-	4,134	4,134
Net assets at the end of the period (unaudited)	1,081,109	(730,439)	350,670	1,523,598	(825,976)	697,622
Accumulated loss brought forward						
- Realised loss		(825,269)			(665,000)	
- Unrealised income		(4,818)			(165,110)	
		<u>(830,087)</u>			<u>(830,110)</u>	
Accounting income available for distribution						
- Relating to capital gains	99,648				-	
- Excluding capital gains	-				4,134	
	<u>99,648</u>				<u>4,134</u>	
Accumulated loss carried forward		<u>(730,439)</u>			<u>(825,976)</u>	
Accumulated loss carried forward						
- Realised loss		(800,717)			(818,137)	
- Unrealised income / (loss)		70,278			(7,839)	
		<u>(730,439)</u>			<u>(825,976)</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>39.8599</u>			<u>40.0109</u>
Net asset value per unit at the end of the period			<u>56.5725</u>			<u>40.0648</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 ASSET ALLOCATION 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) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		134,282	4,134
Adjustments for:			
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	(70,278)	7,839
		64,004	11,973
Decrease / (increase) in assets			
Investments - net		191,927	134,808
Receivable against sale of investments		9,966	2,789
Dividend receivable		378	(56)
Advances, deposits and profit receivable		(634)	149
		201,637	137,690
(Decrease) / increase in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		(473)	1,359
Payable to Central Depository Company of Pakistan Limited - Trustee		(15)	(23)
Payable to the Securities and Exchange Commission of Pakistan		(107)	(189)
Payable to Meezan Bank Limited		2	(66)
Payable against purchase of investments		2,919	(5,179)
Accrued expenses and other liabilities		301	(54)
		2,627	(4,152)
Net cash generated from operating activities		268,268	145,511
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		138,879	57,203
Payment against redemption and conversion of units		(386,192)	(218,522)
Dividend paid		(258)	-
Net cash used in financing activities		(247,571)	(161,319)
Net increase / (decrease) in cash and cash equivalents during the period		20,697	(15,808)
Cash and cash equivalents at the beginning of the period		51,466	94,883
Cash and cash equivalents at the end of the period	5	72,163	79,075

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 ASSET ALLOCATION 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 Asset Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on November 25, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 16, 2015 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

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 above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2 The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant equity instruments, Shariah Compliant fixed income instruments, Shariah Compliant money market instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3 The Fund is an open-end Shariah Compliant Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 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 aforementioned guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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



The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 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) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
5. BALANCE WITH BANKS			
Balances with banks in :			
Savings accounts	5.1	70,022	49,757
Current accounts	5.2	2,141	1,709
		<u>72,163</u>	<u>51,466</u>

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

	Note	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
6. INVESTMENTS			
At fair value through profit or loss			
Shares of listed companies - 'ordinary shares'	6.1	<u>278,378</u>	<u>759,097</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	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	Paid-up capital of investee company (with face value of investment) *	Total market value of investments
								-----%-----			
								----- (Number of shares) -----			
								----- (Rupees in '000) -----			
Automobile Assembler											
Pak Suzuki Motor Company Limited	-	25,000	-	20,000	5,000	2,550	2,792	242	0.80	0.01	1.00
								0.80	0.01	1.00	
Automobile Parts and Accessories											
Thal Limited (note 6.1.1)	-	20,000	-	20,000	-	-	-	-	-	-	-
								-	-	-	
Cement											
Attock Cement Pakistan Limited *	3,100	50,000	-	53,000	100	11	10	(1)	-	-	-
Cherat Cement Company Limited	94,600	20,000	-	63,005	51,595	6,919	8,409	1,490	2.40	0.03	3.02
Fauji Cement Company Limited	115,625	310,000	-	215,625	210,000	3,291	3,973	682	1.13	0.01	1.43
Gharibwal Cement Limited	256,500	-	-	256,500	-	-	-	-	-	-	-
Kohat Cement Company Limited	149,268	-	-	77,000	72,268	12,536	16,927	4,391	4.83	0.04	6.08
Lucky Cement Limited	41,031	16,500	-	28,500	29,031	15,985	22,847	6,862	6.52	0.01	8.21
Pioneer Cement	50,000	-	-	50,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	211,674	75,000	-	193,000	93,674	2,920	3,646	726	1.04	0.01	1.31
								15.92	0.10	20.05	
Chemicals											
Lucky Core Industries Limited	9,400	-	-	6,500	2,900	1,752	2,258	506	0.64	-	0.81
								0.64	-	0.81	
Commercial Banks											
BankIslami Pakistan Limited	992,000	482,000	-	1,474,000	-	-	-	-	-	-	-
Meezan Bank Limited (a related party of the Fund)	336,683	-	-	226,000	110,683	9,560	17,860	8,300	5.09	0.01	6.42
								5.09	0.01	6.42	
Engineering											
International Steels Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
								-	-	-	
Fertilizer											
Engro Corporation Limited (note 6.1.2)	134,515	-	-	100,000	34,515	8,970	10,179	1,209	2.90	0.01	3.66
Engro Fertilizers Limited	54,348	103,000	-	157,000	348	29	39	10	0.01	-	0.01
								2.91	0.01	3.67	
Food And Personal Care Products											
Al-Shaheer Corporation Limited * (note 6.1.3)	188	-	-	-	188	1	2	1	-	-	-
At-Tahir Limited	4,620	-	-	4,620	-	-	-	-	-	-	-
The Organic Meat Company Limited (note 6.1.4) *	199,750	-	125	199,750	125	2	3	1	-	-	-
National Foods Limited (note 6.1.1)	12,000	32,000	-	44,000	-	-	-	-	-	-	-
								-	-	-	
Miscellaneous											
Pakistan Aluminum Beverage Cans Limited	-	65,000	-	50,000	15,000	818	1,134	316	0.32	-	0.41
								0.32	-	0.41	
Oil And Gas Exploration Companies											
Mari Petroleum Company Limited	28,329	1,000	-	20,100	9,229	14,002	19,345	5,343	5.52	0.01	6.95
Oil and Gas Development Company Limited (note 6.1.2)	522,650	197,000	-	409,000	310,650	28,601	34,933	6,332	9.96	0.01	12.55
Pakistan Oilfields Limited	4,418	-	-	4,418	-	-	-	-	-	-	-
Pakistan Petroleum Limited	581,841	185,000	-	383,000	383,841	28,056	44,153	16,097	12.59	0.01	15.86
								28.07	0.03	35.36	
Oil And Gas Marketing Companies											
Pakistan State Oil Company Limited (note 6.1.3)	57,561	72,000	-	78,000	51,561	6,742	9,111	2,369	2.60	0.01	3.27
Attock Petroleum Limited	9,235	-	-	4,500	4,735	1,422	1,792	370	0.51	-	0.64
Sui Northern Gas Pipelines Limited	193,336	185,000	-	192,000	186,336	9,857	13,699	3,842	3.91	0.03	4.92
								7.02	0.04	8.84	
Paper and Board											
Century Paper & Board Mills Limited	215,478	-	-	215,478	-	-	-	-	-	-	-
Packages Limited	15,250	-	-	9,732	5,518	2,146	2,925	779	0.83	0.01	1.05
								0.83	0.01	1.05	

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 (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
								-----%-----			
Pharmaceuticals											
The Searle Company Limited (note 6.1.3)	4,602	-	-	-	4,602	176	237	61	0.07	-	0.09
								0.07	-	0.09	
Power Generation And Distribution											
The Hub Power Company Limited	270,797	110,000	-	189,000	191,797	15,276	22,457	7,181	6.40	0.01	8.07
Lalpir Power Limited	-	60,000	-	60,000	-	-	-	-	-	-	-
Nishat Chunian Power Limited	-	175,000	-	115,000	60,000	1,567	1,678	111	0.48	0.02	0.60
K-Electric Limited (note 6.1.1)	-	350,000	-	-	350,000	1,894	1,841	(53)	0.52	-	0.66
								6.92	0.01	9.33	
Property											
TPL Properties Limited	210,000	-	-	210,000	-	-	-	-	-	-	-
Refinery											
Attock Refinery Limited	-	18,000	-	10,500	7,500	2,162	2,456	294	0.70	0.01	0.88
National Refinery Limited	-	11,000	-	6,000	5,000	1,272	1,606	334	0.46	0.01	0.58
Pakistan Refinery Limited	-	100,000	-	50,000	50,000	1,362	1,460	98	0.42	0.01	0.52
								1.58	0.03	1.98	
Technology and Communication											
Systems Limited	101,260	10,000	-	66,651	44,609	18,116	18,894	778	5.39	0.02	6.79
Supernet Limited	560,000	2,500	56,000	10,500	608,000	8,285	7,995	(290)	2.28	0.45	2.87
								7.67	0.47	9.66	
Textile Composite											
Feroze1888 Mills Limited	2,000	-	-	2,000	-	-	-	-	-	-	-
Interloop Limited	87,625	-	-	36,000	51,625	1,820	3,717	1,897	1.06	-	1.34
Kohinoor Textile Mills Limited	106,500	-	-	106,500	-	-	-	-	-	-	-
								1.06	-	1.34	
Total as at December 31, 2023						208,100	278,378	70,278	78.90	100.00	
Total as at June 30, 2023						404,845	400,027	(4,818)	88.14	98.64	

* Nil figures due to rounding off

- 6.1.1** All shares have a nominal value of Rs. 10 each except for the shares of National Foods Limited and Thal 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 9,540 shares (June 30, 2023: 34,000 shares) of Engro Corporation Limited having market value of Rs. 2.813 million (June 30, 2023: Rs. 8.836 million) as at December 31, 2023 and 140,000 shares (June 30, 2023: 140,000 shares) of Oil and Gas Development Company Limited having market value of Rs. 15.743 million (June 30, 2023: Rs. 10.92 million) 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 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. 1.230 million (June 30, 2023: Rs. 0.800 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. 282.

6.2 Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	Note	December 31, 2023 (Unaudited)	December 31, 2022 (Audited)
----- (Rupees in '000) -----			
Market value of investments	6.1	278,378	616,450
Carrying value of investments	6.1	<u>(208,100)</u>	<u>(624,289)</u>
		<u>70,278</u>	<u>(7,839)</u>
	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	7.1	68	148
Sindh Sales Tax payable on remuneration of the Management Company	7.2	9	19
Allocated expenses payable	7.3	35	42
Selling and marketing expenses payable	7.4	904	1,332
Sales load payable		61	15
Sindh Sales Tax payable on sales load		<u>8</u>	<u>2</u>
		<u>1,085</u>	<u>1,558</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 1.5% (December 31, 2022: 1.5%) 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 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.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable	8.1	63	76
Sindh Sales Tax payable on remuneration of the Trustee	8.2	8	10
		71	86
		71	86

- 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:

On net assets:

- up to Rs. 1 billion Rs. 0.7 million or 0.2% per annum of net assets, whichever is higher.
- exceeding Rs. 1 billion Rs. 2.0 million plus 0.1% per annum of net assets exceeding Rs. 1. billion.

- 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) -----			
9. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable	9.1	30	137

- 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 "Asset Allocation 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) -----			
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		385	255
Brokerage payable		555	568
Shariah advisor fee payable		167	167
Charity payable		2,461	2,036
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	10.1	482	482
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	10.1	146	145
Capital gain tax payable		388	10
Withholding tax payable		14	637
Zakat payable		3	-
		4,601	4,300
		4,601	4,300

- 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 0.628 million is being retained in these condensed interim financial statements as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value per unit of the Fund as at December 31, 2023 would have been higher by Re 0.05 (June 30, 2023: Re 0.06) 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, 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:

Balances	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	68	148
Sindh Sales Tax payable on remuneration of the Management Company	9	19
Allocated expenses payable	35	42
Selling and marketing expenses payable	904	1,332
Sales load payable	61	15
Sindh Sales Tax payable on sales load	8	2
Meezan Bank Limited		
Bank balances	13,783	3,774
Profit receivable on savings account	78	45
Investment in 110,683 shares (June,30 2023: 336,683 shares)	17,860	29,079
Shariah advisor fee payable	167	167
Sales load payable	2	-
Sindh Sales Tax payable on sales load	-	-



	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	63	76
Sindh Sales Tax payable on remuneration of the Trustee	8	10
Security deposit	100	100
Directors and Executives of the Management Company		
Investments of 109 units (June 30, 2023: 96,221 units)	6	3,835
Unit holders holding 10% or more of units of the Fund		
Investment of 2,247,975 units (June 30, 2023: 3,417 units)	127,173	136,190
Transactions during the period		
	For the six months period ended December 31,	
	2023	2022
	----- (Rupees in '000) ----- (Unaudited)	
Al Meezan Investment Management Limited - Management Company		
Remuneration of the Management Company	2,806	5,891
Sindh Sales Tax on remuneration of the Management Company	365	766
Allocated expenses	206	432
Selling and marketing expenses	1,871	3,928
Meezan Bank Limited		
Profit on savings account	351	269
Shares sold: 226,000 shares (2022: 62,000 shares)	29,913	8,022
Dividend income	1,763	1,920
Shariah advisor fee	269	134
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	374	786
Sindh Sales Tax on remuneration of the Trustee	49	102
CDS charges	26	25
Directors and Executives of the Management Company		
Units issued: 132 units (2022: 263 units)	6	119
Units redeemed: 132 units (2022: 11,057 units)	7	500

13. TAXATION

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

14. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31, 2023 based on current period results is 4.29% (December 31, 2022: 3.73%) which includes 0.32% (December 31, 2022: 0.27%) representing government levies on the Fund such as sales taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Asset Allocation Scheme'.

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: 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				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	278,378	-	-	278,378
----- (Rupees in '000) -----				
As at June 30, 2023				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	400,027	-	-	400,027

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 Al Meezan Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director