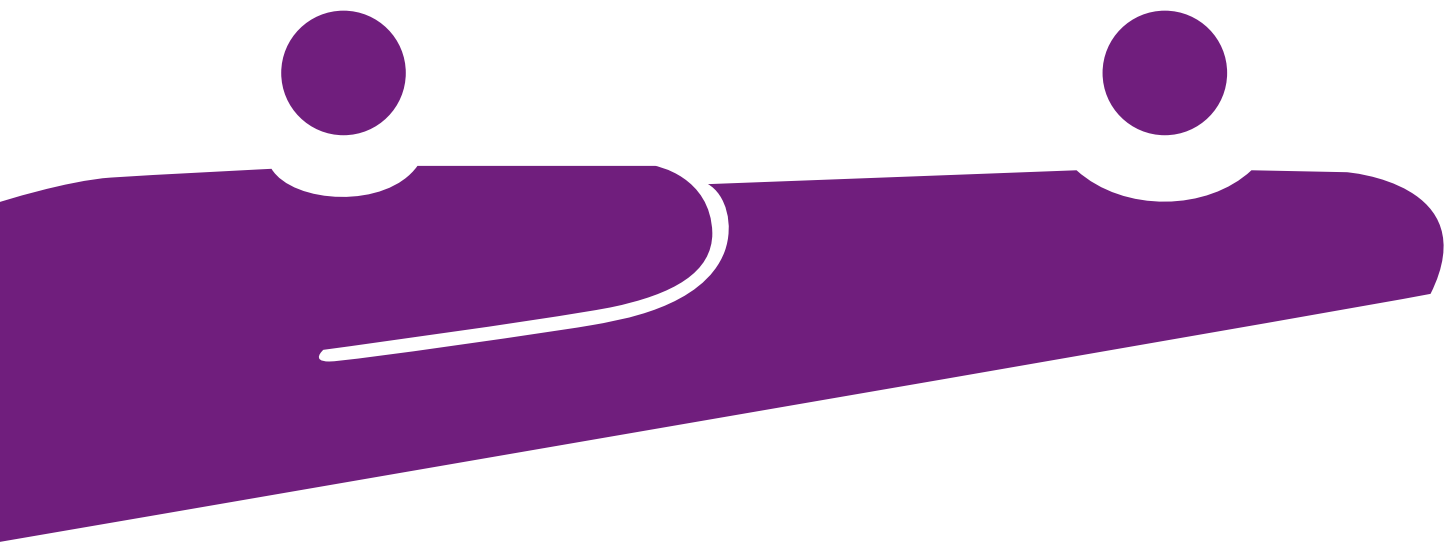


THRUST INTO INNOVATIVE OPPORTUNITIES

At Al Meezan, we embrace innovative opportunities that redefine the financial landscape. Our commitment to developing tailored investment solutions empowers clients to achieve their financial goals with confidence and ease.



Al Meezan Mutual Fund

The investment objective of the Fund is to optimize the total investment returns, both capital gains and dividend income, through prudent investment management.

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal Karachi 74400, Pakistan.
Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
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 Kidwai | Independent Director |
| Mr. Imtiaz Gadar | Chief Executive Officer |
| Mr. Saad Ur Rahman Khan | Non-Executive Nominee Director- PKIC |
| Ms. Shazia Khurram | Non-Executive Nominee Director- MBL |
| Syed Amir Ali | Non-Executive Nominee Director- MBL |
| Mr. Tariq Mairaj* | Non-Executive Nominee Director- MBL |
| Syed Imran Ali Shah** | Non-Executive Nominee Director- MBL |

* Mr. Tariq Mairaj resigned from the Board on September 10, 2024.

** Syed Imran Ali Shah appointed as Director on September 18, 2024.

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Syed Haseeb Ahmed Shah

BOARD AUDIT COMMITTEE

| | |
|------------------------|----------|
| Mr. Feroz Rizvi | Chairman |
| Mr. Ahmed Iqbal Rajani | Member |
| Syed Imran Ali Shah* | Member |

* Syed Imran Ali Shah appointed as Member on September 18, 2024.

BOARD RISK MANAGEMENT COMMITTEE

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

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

| | |
|-------------------------|----------|
| Mr. Irfan Siddiqui | Chairman |
| Mr. Furquan R. Kidwai | Member |
| Mr. Imtiaz Gadar | Member |
| Mr. Saad Ur Rahman Khan | Member |

BOARD IT COMMITTEE

| | |
|-----------------------|-----------------------|
| Mr. Furquan R. Kidwai | Chairman |
| Mr. Imtiaz Gadar | 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 Banking |
| Al Baraka Bank Pakistan Limited | MCB Islamic Bank Limited |
| Askari Bank Limited - Islamic Banking | Meezan Bank Limited |
| Bank Alfalah Limited | National Bank of Pakistan - Islamic Banking |
| Bank Islami Pakistan Limited | Sindh Bank Limited |
| Dubai Islamic Bank Pakistan Limited | UBL Ameen - Islamic Banking |
| Faysal Bank Limited - Islamic Banking | |

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

REPORT OF THE FUND MANAGER Al Meezan Mutual Fund (AMMF)

Type of Fund

Open end equity fund

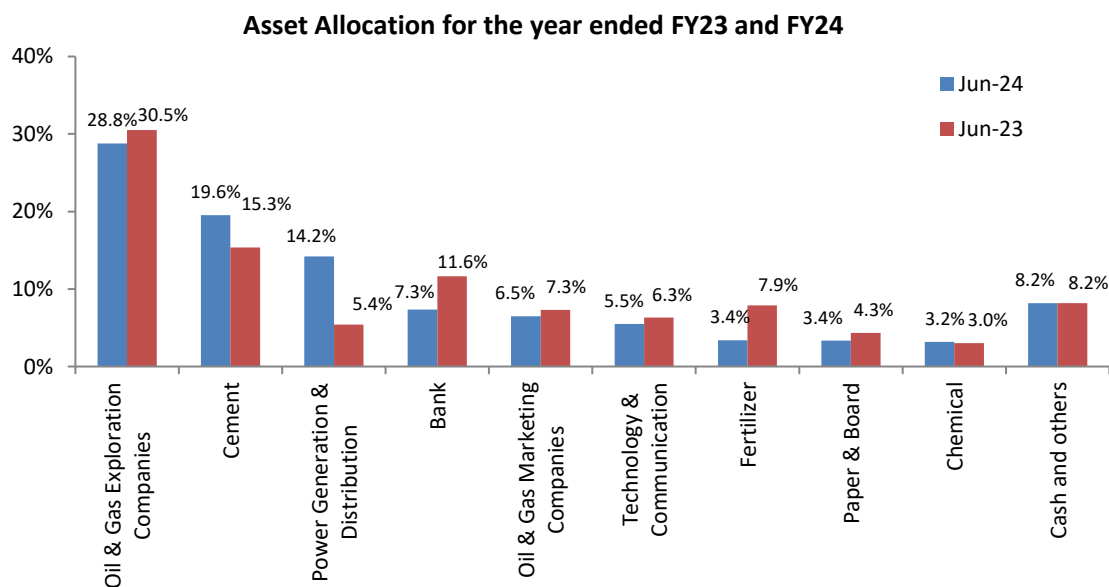
Objective

The objective of AMMF is to provide maximum total return to the shareholders by investing in “Shariah compliant” equity avenues for the given level of risk, while abiding by the Regulations and any other prevailing rules and regulations.

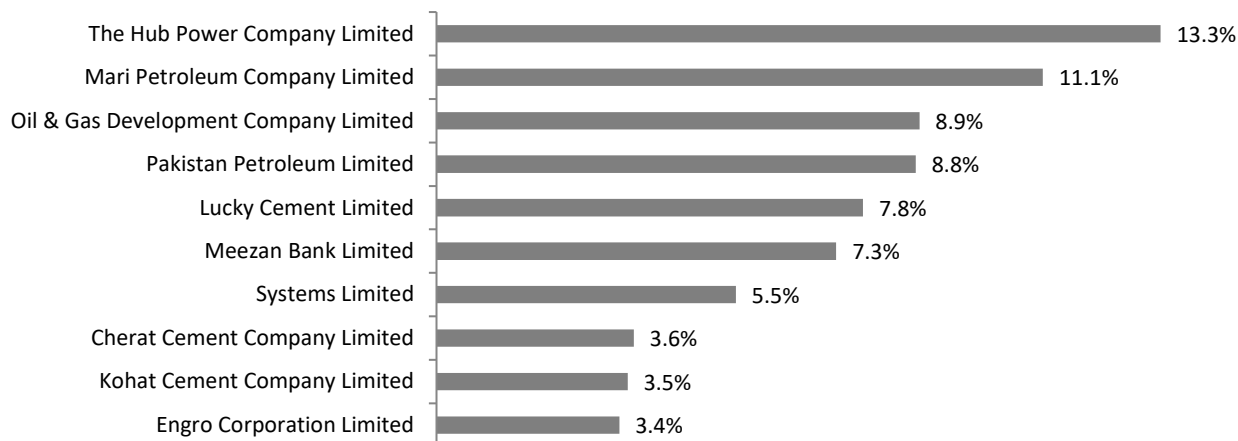
Strategy, Investment Policy and Asset Allocation

The performance of AMMF is directly linked to the performance of the equity market. The fund manager, Al Meezan Investment Management Limited, actively manages the fund with an aim to provide maximum risk adjusted total return to the investors. To control risk, the exposure in growth stocks is balanced against that of high dividend stocks. Moreover, the fund manager strives to reduce equity exposure in times when the market is trading above valuations while increasing equity exposure near troughs.

The fund started the year with a 97.55% exposure to equities and maintained an average exposure at around 98.08% during the year, while closing the year at 98.84%. Exposure to Oil and Gas Exploration Companies was reduced because OGDC became non-compliant and decline in international oil prices, even though circular debt resolution related developments were positive for the sector. We are still significantly overweight in Oil and Gas Exploration Companies sector as compared to KMI 30 Index. Cement sector weight was increased in the wake of receding inflation and expected decline in interest rate which bodes well for the cyclical companies. In Power Generation and Distribution sector mainly, Hub Power Company Ltd. (HUBC) exposure was increased because of HUBC’s entry into electric vehicle market in collaboration with China’s auto company BYD. Moreover, HUBC was also added in KMI 30 index at the start of the fiscal year.



Top Holdings

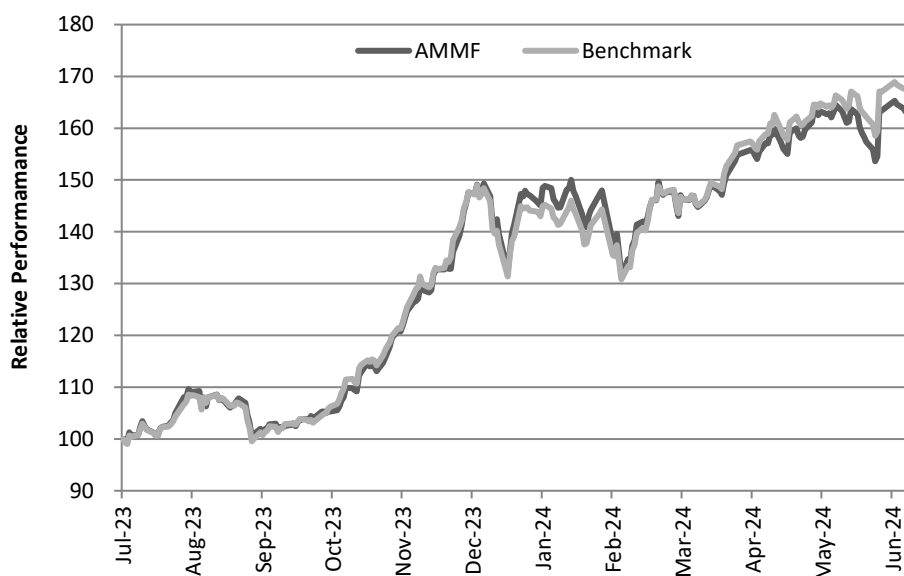


Performance Review

During FY24, Al Meezan Mutual Fund (AMMF) provided a positive return of 74.84% to its investors and the KSE Meezan Index (KMI 30) - Benchmark increased by 78.70% to close at 126,424 pts.

| | AMMF (NAV) | KMI-30 (Benchmark) |
|---|---------------|-----------------------|
| Net Asset Value (NAV) as on June 30, 2023- Rs. | 15.68 | 70,748 |
| Net Asset Value (NAV) as on June 30, 2024- Rs. | 24.40 | 126,424 |
| Change (Points) | 8.73 | 55,676 |
| Return During the Period | 74.84% | 78.70% |

AMMF posted a total income of Rs. 2,431 million in the fiscal year 2024 as compared to a total income of Rs. 124 million last year. Total income comprised of realized gain and unrealized gain on investments of Rs. 773 million and Rs. 1,357 million respectively. Dividend income contributed Rs. 284 million to income, while profit on saving accounts with banks amounted to Rs. 18 million. After accounting for expenses of Rs. 170 million, the Fund posted a net income of Rs. 2,261 million. The net assets of the Fund as at June 30, 2024 were Rs. 4,874 million as compared to Rs. 3,153 million last year depicting increase of 55%. The net asset value per unit as at June 30, 2024 was Rs. 24.4013 as compared to Rs. 15.6760 per unit as on June 30, 2023.



Charity Statement

The Fund purifies the income earned by setting aside an amount payable by the Management Company out of the income of the Trust to charitable / welfare organizations, in consultation with Shariah Advisor, representing income that is Haram. During the year ended June 30, 2024 an amount of Rs. 8.95 million was accrued as charity payable.

Distributions

An interim distribution in the form of cash dividend by the Fund during the fiscal year ended June 30, 2024 was Rs. 3.00 per unit (30.00%). Total distribution made by the Fund was Rs. 487 million.

SWWF Disclosure

Not Applicable

Breakdown of unit holdings by size:

(As on June 30, 2024)

| Range (Units) | No. of investors |
|-------------------|------------------|
| 1 - 9,999 | 4,696 |
| 10,000 - 49,999 | 437 |
| 50,000 - 99,999 | 82 |
| 100,000 - 499,999 | 86 |
| 500,000 and above | 24 |
| Total | 5,325 |



Pure. Profit.



Summary of Actual Proxy Voted By the Fund

| | Resolutions | For | Against | Abstain |
|-------------------|-------------|------|---------|---------|
| Number | 8 | 8 | 0 | 0 |
| Percentage | 100% | 100% | 0% | 0% |

The proxy voting policy of **Al Meezan Investment Management Limited**, duly approved by Board of Directors of the Management Company, is available on the website www.almeezangroup.com. A detailed information regarding actual proxies voted by the Management Company in respect of funds is also available without charge, upon request, to all unit holders.

Dr. Muhammad Imran Usmani

Jamia Darul Uloom Karachi

Korangi Industrial Area Karachi, Pakistan

Postal Code 75180

Tel: +92 21 35123225

Fax: +92 21 5040234

Email: miu786@gmail.com

Report of the Shariah Advisor – Al Meezan Mutual Fund (AMMF)

July 23, 2024/Muharram 16, 1446 AH

Alhamdulillah, the period from July 1, 2023 to June 30, 2024 was the **Twenty Ninth** year of operations of **Al Meezan Mutual Fund** (the “AMMF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with the Trust Deed of the Fund. The scope of the Report is to express an opinion on the Shariah compliance of the Fund’s activity.

In the capacity of Shariah Advisor, Guidelines and policies for Shariah compliant equity investments have been issued to the Fund. Management Company must adhere the guidelines and policies issued by Shariah Advisor. Criteria for Shariah compliance of equity investments includes (i) Nature of business should be *halal*; (ii) Ratio of interest-bearing debt to total assets should be less than 37%; (iii) Ratio of investment in Shariah non-compliant activities to total assets should be less than 33%; (iv) Ratio of Shariah non-compliant income to gross revenue should be less than 5%; (v) Illiquid assets to total assets should be at least 25% and (vi) Market price per share should be at least equal to or greater than net liquid assets per share. In addition to the above criteria, day trading, short sell and trading of right shares (LOR) before subscription are not allowed.

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

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2024 have been in compliance with the Shariah principles.

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

We further confirm that earnings realized through prohibited sources were transferred to the charity.

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

And Allah knows the best.

Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

AL MEEZAN MUTUAL FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Al Meezan Mutual Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 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 Securities and Exchange Commission of Pakistan (SECP) 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.

For the attention of unit holders, during an onsite inspection of the Management Company, the Securities and Exchange Commission of Pakistan (SECP) identified certain matters related to the charging and allocation of selling and marketing expenses to the Fund. Accordingly, the Management Company, following the guidance and interpretation provided by the SECP, has issued units to an amount of Rs. 12.38 million to the entitled unit holders.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2024

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Al Meezan Mutual Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al Meezan Mutual Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|--|
| 1 | Net Asset Value (Refer note 6 to the financial statements) | |
| | Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2024 amounted to Rs. 4,958.70 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter. | Our audit procedures amongst others included the following: <ul style="list-style-type: none">Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; andRe-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. |

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Other Matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 26, 2023.

Other Information

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

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

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

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

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

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

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Khattab Muhammad Akhi Baig**.

Afferguson & Co.

A. F. Ferguson & Co.

Chartered Accountants

Dated: September 16, 2024

Karachi

UDIN: AR2024100810bkoIRgtF



AL MEEZAN MUTUAL FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

| | Note | 2024 (Rupees in '000) | 2023 (Rupees in '000) |
|---|------|--------------------------|--------------------------|
| Assets | | | |
| Balances with banks | 5 | 165,181 | 121,100 |
| Investments | 6 | 4,958,699 | 3,111,672 |
| Receivable against sale of investments | | 33,211 | 2,208 |
| Receivable against conversion of units | | - | 23,440 |
| Dividend receivable | | 2,053 | 1,668 |
| Deposits and other receivable | 7 | 3,740 | 3,642 |
| Total assets | | 5,162,884 | 3,263,730 |
| Liabilities | | | |
| Payable to Al Meezan Investment Management Limited - Management Company | 8 | 9,373 | 9,804 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 542 | 384 |
| Payable to the Securities and Exchange Commission of Pakistan (SECP) : | 10 | 383 | 768 |
| Payable to Meezan Bank Limited | | - | 17 |
| Payable against conversion and redemption of units | | 67,472 | 40,064 |
| Dividend payable | | 123,057 | 4,917 |
| Accrued expenses and other liabilities | 11 | 87,607 | 54,582 |
| Total liabilities | | 288,434 | 110,536 |
| Net assets | | 4,874,450 | 3,153,194 |
| Unit holders' fund (as per statement attached) | | 4,874,450 | 3,153,194 |
| Contingencies and commitments | 12 | | |
| | | (Number of units) | |
| Number of units in issue | | 199,762,285 | 201,147,634 |
| | | (Rupees) | |
| Net asset value per unit | | 24.4013 | 15.6760 |

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**AL MEEZAN MUTUAL FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024**

| | Note | 2024 (Rupees in '000) | 2023 |
|---|------|--------------------------|-----------------|
| Income | | | |
| Dividend income | | 283,521 | 352,404 |
| Profit on savings accounts with banks | | 17,875 | 12,218 |
| Realised gain / (loss) on sale of investments - net | | 772,790 | (138,642) |
| | | 1,074,186 | 225,980 |
| Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 6.2 | 1,357,199 | (102,140) |
| Total income | | 2,431,385 | 123,840 |
| Expenses | | | |
| Remuneration of Al Meezan Investment Management Limited | | | |
| - Management Company | 8.1 | 84,894 | 76,793 |
| Sindh Sales Tax on remuneration of the Management Company | 8.2 | 11,036 | 9,983 |
| Allocated expenses | 8.3 | 2,466 | 4,224 |
| Selling and marketing expenses | 8.4 | 36,255 | 38,396 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 9.1 | 5,245 | 4,840 |
| Sindh Sales Tax on remuneration of the Trustee | 9.2 | 682 | 629 |
| Fee to the Securities and Exchange Commission of Pakistan | 10.1 | 4,032 | 768 |
| Charity expense | 11.1 | 8,948 | 12,523 |
| Auditors' remuneration | 13 | 1,207 | 580 |
| Fees and subscription | | 510 | 527 |
| Brokerage expense | | 13,553 | 6,830 |
| Printing expenses | | 2 | 6 |
| Bank and settlement charges | | 1,067 | 855 |
| Total expenses | | 169,897 | 156,954 |
| Net income / (loss) for the year before taxation | | 2,261,488 | (33,114) |
| Taxation | 14 | - | - |
| Net income / (loss) for the year after taxation | | 2,261,488 | (33,114) |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 2,261,488 | - |
| Income already paid on units redeemed | | (395,301) | - |
| | | 1,866,187 | - |
| Accounting income available for distribution | | | |
| - Relating to capital gains | | 1,866,187 | - |
| - Excluding capital gains | | - | - |
| | | 1,866,187 | - |

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**AL MEEZAN MUTUAL FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**



Al Meezan
Mutual Fund

| | 2024 | 2023 |
|---|-------------------------|------------------------|
| | (Rupees in '000) | |
| Net income / (loss) for the year after taxation | 2,261,488 | (33,114) |
| Other comprehensive income for the year | - | - |
| Total comprehensive income / (loss) for the year | <u>2,261,488</u> | <u>(33,114)</u> |

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

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

Chief Executive Officer

Chief Financial Officer

Director

AL MEEZAN MUTUAL FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2024



Al Meezan
Mutual Fund

| | 2024 | | | 2023 | | |
|---|------------------|----------------------|-------------|------------------|----------------------|-------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| Net assets at the beginning of the year | 2,985,911 | 167,283 | 3,153,194 | 4,250,146 | 200,397 | 4,450,543 |
| Issuance of 304,234,581 units (2023: 93,283,029 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | 4,769,181 | - | 4,769,181 | 1,466,484 | - | 1,466,484 |
| - Element of income | 2,384,610 | - | 2,384,610 | 2,019 | - | 2,019 |
| Total proceeds on issuance of units | 7,153,791 | - | 7,153,791 | 1,468,503 | - | 1,468,503 |
| Redemption of 305,619,930 units (2023: 175,234,495 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the year) | (4,790,898) | - | (4,790,898) | (2,754,826) | - | (2,754,826) |
| - Element of income / (loss) | (1,956,335) | (395,301) | (2,351,636) | 22,088 | - | 22,088 |
| Total payments on redemption of units | (6,747,233) | (395,301) | (7,142,534) | (2,732,738) | - | (2,732,738) |
| Total comprehensive income / (loss) for the year | - | 2,261,488 | 2,261,488 | - | (33,114) | (33,114) |
| Refund of capital | (64,655) | - | (64,655) | - | - | - |
| Distribution during the year | - | (486,834) | (486,834) | - | - | - |
| Income / (Loss) for the year less distribution | (64,655) | 1,774,654 | 1,709,999 | - | (33,114) | (33,114) |
| Net assets at the end of the year | 3,327,814 | 1,546,636 | 4,874,450 | 2,985,911 | 167,283 | 3,153,194 |
| Accumulated losses brought forward | | | | | | |
| - Realised Income | | 269,423 | | | 771,954 | |
| - Unrealised loss | | (102,140) | | | (571,557) | |
| | | 167,283 | | | 200,397 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | 1,866,187 | | | - | | |
| - Excluding capital gains | - | | | - | | |
| | 1,866,187 | | | - | | |
| Net loss for the year after taxation | | - | | | (33,114) | |
| Distribution during the year @ Rs. 12.01 per unit (2023: Nil) declared on June 28, 2024 | | (486,834) | | | - | |
| Undistributed income carried forward | | 1,546,636 | | | 167,283 | |
| Undistributed income / (accumulated losses) carried forward | | | | | | |
| - Realised income | | 189,437 | | | 269,423 | |
| - Unrealised income / (loss) | | 1,357,199 | | | (102,140) | |
| | | 1,546,636 | | | 167,283 | |
| | (Rupees) | | | (Rupees) | | |
| Net assets value per unit at the beginning of the year | | 15.6760 | | | 15.7208 | |
| Net assets value per unit at the end of the year | | 24.4013 | | | 15.6760 | |

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



AL MEEZAN MUTUAL FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

| | Note | 2024 (Rupees in '000) | 2023 |
|---|------|--------------------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income / (loss) for the year before taxation | | 2,261,488 | (33,114) |
| Adjustments for: | | | |
| Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | | (1,357,199) | 102,140 |
| | | 904,289 | 69,026 |
| (Increase) / decrease in assets | | | |
| Investments - net | | (489,828) | 1,143,271 |
| Dividend receivable | | (385) | (392) |
| Receivable against sale of investments | | (31,003) | 22,599 |
| Deposits and other receivable | | (98) | 1,105 |
| | | (521,314) | 1,166,583 |
| (Decrease) / increase in liabilities | | | |
| Payable to Al Meezan Investment Management Limited - Management Company | | (431) | 4,182 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 158 | (126) |
| Payable to the Securities and Exchange Commission of Pakistan (SECP) | | (385) | (199) |
| Payable to Meezan Bank Limited | | (17) | 7 |
| Payable against purchase of investments | | - | (1,788) |
| Accrued expenses and other liabilities | | 33,025 | 4,282 |
| | | 32,350 | 6,358 |
| Net cash generated from operating activities | | 415,325 | 1,241,967 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts against issuance and conversion of units - net of refund of capital | | 7,112,576 | 1,459,190 |
| Payment against issuance and conversion of units | | (7,115,126) | (2,704,992) |
| Dividend paid | | (368,694) | - |
| Net cash used in financing activities | | (371,244) | (1,245,802) |
| Net increase / (decrease) in cash and cash equivalents during the year | | 44,081 | (3,835) |
| Cash and cash equivalents at the beginning of the year | | 121,100 | 124,935 |
| Cash and cash equivalents at the end of the year | 5 | 165,181 | 121,100 |

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

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

In the year 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2 The objective of the Fund is to provide the maximum total return to the unit holders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by the regulations and any other prevailing rules and regulations. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns, if available, at any given point of time. At least seventy percent of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining net assets shall be invested in cash and near cash instruments. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Equity Scheme.
- 1.4 The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 29, 2023 (2023: AM1 dated December 30, 2022) and by PACRA dated June 21, 2024 (2023: AM1 dated June 23, 2023). 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 in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) 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, (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 IFRS Accounting Standards, 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 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

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 are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

3.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 4.3 and 6).

3.5 Accounting convention

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

3.6 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.2 Cash and cash equivalents

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

4.3 Financial assets

4.3.1 Initial recognition and measurement

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

4.3.2 Classification and subsequent measurement

a) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

b) Impairment (other than debt securities)

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

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

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

4.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund

4.3.4 Derecognition

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

4.4 Financial liabilities

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

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

4.5 Offsetting of financial assets and financial liabilities

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

4.6 Provisions

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

4.7 Net asset value per unit

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

4.8 Issue and redemption of units

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

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

4.9 Distributions to unit holders

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

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

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

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

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recognised on the date at which the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise;

- Profit on saving accounts with banks is recognised on a time proportion basis using the effective yield method; and
- Dividend income is recognised when the right to receive the dividend is established i.e. on the commencement of date of book closure of the investee company / institution declaring the dividend.

4.12 Expenses

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

4.13 Taxation

Current

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

Deferred

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

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

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

4.14 Earnings / (loss) per unit

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

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

4.15 Foreign currency translation

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

| | Note | 2024 | 2023 |
|---|------|----------------------------|----------------|
| | | ----- Rupees in '000 ----- | |
| 5 BALANCES WITH BANKS | | | |
| Balances with banks in: | | | |
| Savings accounts | 5.1 | 156,171 | 107,709 |
| Current accounts | | 9,010 | 13,391 |
| | | <u>165,181</u> | <u>121,100</u> |
| 5.1 This includes a balance maintained with Meezan Bank Limited (a related party) that has an expected profit rate of 11.01% (June 30, 2023: 10%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 6.5% to 21.20% (June 30, 2023: 6.74% to 20.25%) per annum. | | | |

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

| | Note | 2024 | 2023 |
|--|------|----------------------------|-----------|
| | | ----- Rupees in '000 ----- | |
| 6 INVESTMENTS | | | |
| At fair value through profit or loss | | | |
| Investment in equity securities - listed | 6.1 | 4,958,699 | 3,111,672 |

6.1 Investments in equity securities - listed

| Name of the investee company | As at July 1, 2023 | Purchased during the year | Sold during the year | As at June 30, 2024 | Carrying value as at June 30, 2024 | Market Value as at June 30, 2024 | Unrealised (diminution)/ appreciation as at June 30, 2024 | Percentage in relation to | | | |
|--|-----------------------|---------------------------------|-------------------------|------------------------|---|---|---|---------------------------|---|---|--|
| | | | | | | | | Net assets of the Fund | Market value of total investments | Paid-up capital of investee company (with face value of investment) | |
| | | | | | | | | | | | |
| (Number of shares) | | | | (Rupees in '000) | | | | % | | | |
| Aerospace and Defense | | | | | | | | | | | |
| Secure Logistics Group Limited | - | 232,270 | 232,270 | - | - | - | - | - | - | - | |
| Automobile Assembler | | | | | | | | | | | |
| Pak Suzuki Motor Company Limited | - | 110,000 | 110,000 | - | - | - | - | - | - | - | |
| Automobile Parts and Accessories | | | | | | | | | | | |
| Thal Limited (note 6.1.1) | - | 160,000 | 160,000 | - | - | - | - | - | - | - | |
| Cement | | | | | | | | | | | |
| Cherat Cement Company Limited | 1,074,240 | 516,000 | 444,215 | 1,146,025 | 155,962 | 186,951 | 30,989 | 3.84 | 3.77 | 0.59 | |
| D.G. Khan Cement Company Limited | - | 2,250,000 | 900,000 | 1,350,000 | 114,400 | 121,865 | 7,464 | 2.50 | 2.46 | 0.31 | |
| Fauji Cement Company Limited | - | 8,746,500 | 3,732,000 | 5,014,500 | 103,172 | 114,882 | 11,710 | 2.36 | 2.32 | 0.20 | |
| Kohat Cement Company Limited | 716,019 | 17,373 | 10,000 | 723,392 | 126,002 | 181,159 | 55,157 | 3.72 | 3.65 | 0.37 | |
| Lucky Cement Limited | 319,674 | 369,000 | 242,832 | 445,842 | 286,635 | 404,258 | 117,624 | 8.29 | 8.15 | 0.15 | |
| Maple Leaf Cement Limited * | 1,469,889 | 1,600,500 | 3,061,654 | 8,735 | 323 | 332 | 8 | 0.01 | 0.01 | - | |
| Pioneer Cement Limited | 450,000 | - | 450,000 | - | - | - | - | - | - | - | |
| | | | | | | | | 20.71 | 20.36 | 1.62 | |
| Chemicals | | | | | | | | | | | |
| Lucky Core Industries Limited | 134,531 | 46,350 | 33,179 | 147,702 | 95,411 | 137,288 | 41,877 | 2.82 | 2.77 | 0.16 | |
| Lotte Chemical Pakistan Limited | - | 1,050,000 | 500,000 | 550,000 | 10,050 | 9,724 | (326) | 0.20 | 0.20 | 0.04 | |
| Sitara Chemical Industries Limited | 75,900 | - | 25,000 | 50,900 | 11,482 | 17,526 | 6,044 | 0.36 | 0.35 | 0.24 | |
| | | | | | | | | 3.38 | 3.32 | 0.44 | |
| Commercial Banks | | | | | | | | | | | |
| BankIslami Pakistan Limited | 9,628,614 | 7,678,804 | 17,307,418 | - | - | - | - | - | - | - | |
| Meezan Bank Limited | 2,421,284 | 615,000 | 1,454,000 | 1,582,284 | 175,356 | 378,783 | 203,427 | 7.77 | 7.64 | 0.09 | |
| | | | | | | | | 7.77 | 7.64 | 0.09 | |
| Fertilizer | | | | | | | | | | | |
| Engro Corporation Limited (note 6.1.2) | 991,629 | 164,872 | 635,733 | 520,768 | 144,200 | 173,264 | 29,065 | 3.55 | 3.49 | 0.10 | |
| Fauji Fertilizer Bin Qasim Limited * | - | 1,150,000 | 1,113,571 | 36,429 | 1,233 | 1,292 | 59 | 0.03 | 0.03 | - | |
| Engro Fertilizers Limited * | - | 1,862,000 | 1,861,500 | 500 | 69 | 83 | 14 | 0.00 | 0.00 | - | |
| | | | | | | | | 3.58 | 3.52 | 0.10 | |
| Food and Personal Care Products | | | | | | | | | | | |
| At-Tahur Limited | 1,688,324 | - | 1,688,324 | - | - | - | - | - | - | - | |
| Al-Shaheer Corporation Limited * | 11,539 | - | - | 11,539 | 83 | 93 | 10 | 0.00 | 0.00 | - | |
| National Foods Limited (note 6.1.1) | 202,000 | - | 202,000 | - | - | - | - | - | - | - | |
| The Organic Meat Company Limited | 1,175,000 | - | 1,175,000 | - | - | - | - | - | - | - | |
| | | | | | | | | 0.00 | 0.00 | - | |
| Glass and Ceramics | | | | | | | | | | | |
| Ghani Glass Limited * | 2,531 | - | - | 2,531 | 65 | 66 | 1 | 0.00 | 0.00 | - | |
| Tariq Glass Industries Limited | - | 490,500 | 255,673 | 234,827 | 24,927 | 27,369 | 2,442 | 0.56 | 0.55 | 0.14 | |
| | | | | | | | | 0.56 | 0.55 | 0.14 | |
| Miscellaneous | | | | | | | | | | | |
| Pakistan Aluminium Beverage Cans Limited | - | 550,000 | 113,971 | 436,029 | 23,394 | 32,201 | 8,807 | 0.66 | 0.65 | 0.12 | |
| Faysal Bank Limited | - | 50,000 | 50,000 | - | - | - | - | - | - | - | |
| TPL Properties Limited | - | 250,000 | 250,000 | - | - | - | - | - | - | - | |
| | | | | | | | | 0.66 | 0.65 | 0.12 | |



| Name of the investee company | As at July 1, 2023 | Purchased during the year | Sold during the year | As at June 30, 2024 | Carrying value as at June 30, 2024 | Market Value as at June 30, 2024 | Unrealised (diminution) / appreciation as at June 30, 2024 | Percentage in relation to | | |
|---|--------------------|---------------------------|----------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------|-----------------------------------|---|
| | | | | | | | | Net assets of the Fund | Market value of total investments | Paid-up capital of investee company (with face value of investment) |
| | | | | | | | | | | |
| (Number of shares) | | | | (Rupees in '000) | | | | % | | |
| Oil and Gas Exploration Companies | | | | | | | | | | |
| Mari Petroleum Company Limited | 296,735 | 69,500 | 154,329 | 211,906 | 349,863 | 574,761 | 224,898 | 11.79 | 11.59 | 0.16 |
| Oil and Gas Development Company Ltd | 3,657,568 | 3,095,000 | 3,371,000 | 3,381,568 | 340,655 | 457,763 | 117,108 | 9.39 | 9.23 | 0.08 |
| Pakistan Oilfields Limited | 68,409 | - | 68,409 | - | - | - | - | - | - | - |
| Pakistan Petroleum Limited | 3,955,771 | 3,793,000 | 3,871,000 | 3,877,771 | 324,127 | 454,126 | 129,999 | 9.32 | 9.16 | 0.14 |
| | | | | | | | | 30.50 | 29.98 | 0.38 |
| Oil and Gas Marketing Companies | | | | | | | | | | |
| Attock Petroleum Limited * | 81,089 | - | 77,419 | 3,670 | 1,102 | 1,418 | 316 | 0.03 | 0.03 | - |
| Hascol Petroleum Limited (note 6.1.3) * | 7,946 | - | - | 7,946 | 44 | 49 | 5 | 0.00 | 0.00 | - |
| Pakistan State Oil Company Limited (note 6.1.3) | 1,005,413 | 520,000 | 511,500 | 1,013,913 | 130,089 | 168,522 | 38,434 | 3.46 | 3.40 | 0.22 |
| Sui Northern Gas Pipelines Limited | 2,617,000 | 1,096,000 | 1,107,426 | 2,605,574 | 119,139 | 165,376 | 46,237 | 3.39 | 3.34 | 0.41 |
| | | | | | | | | 6.88 | 6.76 | 0.63 |
| Paper and Board | | | | | | | | | | |
| Century Paper & Board Mills Limited | 2,528,677 | 450,000 | 523,500 | 2,455,177 | 70,289 | 73,533 | 3,244 | 1.51 | 1.48 | 0.61 |
| Packages Limited | 180,378 | 79,000 | 73,300 | 186,078 | 81,424 | 99,630 | 18,206 | 2.04 | 2.01 | 0.21 |
| | | | | | | | | 3.55 | 3.49 | 0.82 |
| Pharmaceuticals | | | | | | | | | | |
| Ferozsons Laboratories Limited | - | 22,200 | 22,200 | - | - | - | - | - | - | - |
| Highnoon Laboratories Limited (note 6.1.3)* | 984 | - | - | 984 | 331 | 702 | 371 | 0.01 | 0.01 | - |
| The Searle Company Limited (note 6.1.3)* | 22,209 | 1,250,181 | 1,250,000 | 22,390 | 1,223 | 1,279 | 56 | 0.03 | 0.03 | - |
| | | | | | | | | 0.04 | 0.04 | - |
| Power Generation and Distribution | | | | | | | | | | |
| K-Electric Limited (note 6.1.1) | 11,837,765 | 15,269,034 | 16,798,000 | 10,308,799 | 46,869 | 47,730 | 860 | 0.98 | 0.96 | 0.04 |
| The Hub Power Company Limited | 2,251,409 | 3,355,000 | 1,399,000 | 4,207,409 | 442,244 | 686,144 | 243,901 | 14.08 | 13.84 | 0.32 |
| Lalpir Power Limited | - | 250,000 | 250,000 | - | - | - | - | - | - | - |
| Nishat Chunian Power Limited | - | 975,000 | 975,000 | - | - | - | - | - | - | - |
| | | | | | | | | 15.06 | 14.80 | 0.36 |
| Property & Real Estate | | | | | | | | | | |
| TPL REIT Fund I | - | 569,000 | - | 569,000 | 10,008 | 8,535 | (1,474) | 0.18 | 0.17 | 0.03 |
| | | | | | | | | 0.18 | 0.17 | 0.03 |
| Refinery | | | | | | | | | | |
| Attock Refinery Limited | - | 190,390 | 130,000 | 60,390 | 21,361 | 21,233 | (128) | 0.44 | 0.43 | 0.06 |
| Cnergyco Pk Limited | - | 12,344,072 | 5,650,000 | 6,694,072 | 30,527 | 25,772 | (4,755) | 0.53 | 0.52 | 0.12 |
| Pakistan Refinery Limited | - | 600,000 | 200,000 | 400,000 | 10,109 | 9,280 | (829) | 0.19 | 0.19 | 0.06 |
| | | | | | | | | 1.15 | 1.14 | 0.24 |
| Technology and Communication | | | | | | | | | | |
| Systems Limited | 511,550 | 565,200 | 398,555 | 678,195 | 285,447 | 283,689 | (1,758) | 5.82 | 5.72 | 0.23 |
| | | | | | | | | 5.82 | 5.72 | 0.23 |
| Textile Composite | | | | | | | | | | |
| Interloop Limited | 881,180 | 550,000 | 132,000 | 1,299,180 | 63,885 | 92,021 | 28,136 | 1.89 | 1.86 | 0.09 |
| Kohinoor Textile Mills Limited | 194,500 | - | 194,500 | - | - | - | - | - | - | - |
| | | | | | | | | 1.89 | 1.86 | 0.09 |
| Total as at June 30, 2024 | | | | | 3,601,500 | 4,958,699 | 1,357,199 | 101.73 | 100.00 | |
| Total as at June 30, 2023 | | | | | 3,213,812 | 3,111,672 | (102,140) | 98.66 | 99.98 | |

* Nil figures due to rounding off difference

- 6.1.1** All shares have a nominal value of Rs. 10 each except for the shares of National Foods Limited and Thal Limited has a nominal value of Rs. 5 each and K-Electric Limited which have a nominal value of Rs. 3.5 each.
- 6.1.2** Investments include 202,000 shares (June 30, 2023: 202,000 shares) of Engro Corporation Limited, having market value of Rs 67.207 million (June 30, 2023: Rs 52.50 million) as at June 30, 2024 that have been pledged as collateral in favour of National Clearing Company Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.
- 6.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of book closure of the issuing company.

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

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 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 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. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2024, the market value of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 8.195 million (2023: Rs. 5.202 million).

| 6.2 | Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | Note | 2024 ----- Rupees in '000 ----- | 2023 |
|-----|--|------|------------------------------------|------------------|
| | Market value of investments | 6.1 | 4,958,699 | 3,111,672 |
| | Carrying value of investments | 6.1 | (3,601,500) | (3,213,812) |
| | | | <u>1,357,199</u> | <u>(102,140)</u> |
| 7 | DEPOSITS AND OTHER RECEIVABLE | | | |
| | Security deposit with Central Depository Company of Pakistan Limited | | 238 | 238 |
| | Security deposit with National Clearing Company of Pakistan Limited | | 2,500 | 2,500 |
| | Profit accrued on balances with banks | | 1,002 | 904 |
| | | | <u>3,740</u> | <u>3,642</u> |
| 8 | PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY | | | |
| | Remuneration payable | 8.1 | 1,325 | 1,372 |
| | Sindh Sales Tax payable on remuneration of the Management Company | 8.2 | 172 | 178 |
| | Allocated expenses payable | 8.3 | - | 284 |
| | Sales load payable | | 578 | 51 |
| | Sindh Sales Tax payable on sales load | | 76 | 7 |
| | Selling and marketing expenses payable | 8.4 | 7,222 | 7,912 |
| | | | <u>9,373</u> | <u>9,804</u> |
| 8.1 | As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2023: 2%) per annum of the average annual net assets of the Fund during the year ended June 30, 2024. The remuneration is payable to the Management Company monthly in arrears. | | | |
| 8.2 | Sindh Sales Tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 13% (June 30, 2023: 13%). | | | |

- 8.3 The Management Company, based on its own discretion, has charged such expenses at the following rates during the year ended June 30, 2024 subject to the total expense charged being lower than actual expense incurred.

| Rate applicable from July 01, 2023 to January 31, 2024 | Rate applicable from February 01, 2024 to June 30, 2024 | Rate applicable from July 01, 2022 to June 30, 2023 |
|--|---|---|
| 0.15% per annum of the average annual net assets of the Fund | 0% per annum of the average annual net assets of the Fund | 0.11% per annum of the average annual net assets. |

- 8.4 In accordance with Circular 11 dated July 5, 2019 issued by the SECP with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the following rates during the year ended June 30, 2024 subject to total expense charged being lower than actual expense incurred

| Rate applicable from July 01, 2023 to March 31, 2024 | Rate applicable from April 01, 2024 to June 30, 2024 | Rate applicable from July 01, 2022 to June 30, 2023 |
|---|---|---|
| 1% per annum of the average annual net assets of the Fund | 0.5% per annum of the average annual net assets of the Fund | 1% per annum of the average annual net assets of the Fund |

- 8.5 During the year, SECP carried out routine offsite review and onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling and marketing expenses to the funds under its management. As a result of this inspection, SECP recommended changes in the mechanism of chargeability of selling and marketing expenses to the fund. As agreed with SECP, the Management Company has refunded an aggregate amount of Rs. 12.38 million to the identified unit holders through the issuance of additional units of the Fund subsequent to the year end. There is no impact of this refund on Net Assets Value of the Fund as at June 30, 2024.

| 9 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | Note | 2024 | 2023 |
|---|---|------|----------------------------|------------|
| | | | ----- Rupees in '000 ----- | |
| | Remuneration payable | 9.1 | 480 | 340 |
| | Sindh Sales Tax payable on remuneration of the Trustee | 9.2 | 62 | 44 |
| | | | <u>542</u> | <u>384</u> |

- 9.1 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. |
| - exceeding Rs.1,000 million | Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1,000 million. |

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

| 10 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP) | Note | 2024 | 2023 |
|----|--|------|----------------------------|------------|
| | | | ----- Rupees in '000 ----- | |
| | Fee payable | 10.1 | <u>383</u> | <u>768</u> |

- 10.1 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) at the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.095% (2023: 0.02%) per annum of the daily net assets during the year.

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.

| 11 | ACCRUED EXPENSES AND OTHER LIABILITIES | Note | 2024 | 2023 |
|----|---|------|----------------------------|--------|
| | | | ----- Rupees in '000 ----- | |
| | Auditors' remuneration payable | | 604 | 327 |
| | Brokerage payable | | 2,583 | 190 |
| | Withholding tax payable | | 31,490 | - |
| | Shariah advisor fee payable | | 365 | 155 |
| | Charity payable | 11.1 | 8,920 | 12,521 |
| | Capital gain tax payable | | 2,325 | 107 |
| | Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of Management Company | 11.2 | 37,524 | 37,524 |
| | Provision for Federal Excise Duty and related Sindh Sales Tax on sales load | 11.2 | 3,732 | 3,732 |
| | Zakat payable | | 64 | 26 |

- 11.1 According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund. Accordingly, during the year ended June 30, 2024, Shariah non-compliant income amounting to Rs. 8.948 million (2023 : Rs. 12.523 million) was charged as charity expense and Rs. 12.55 million was disbursed to following charitable / welfare organisations respectively:

| S. No. | Charitable Organisations | 2024 Rs. in '000 | Charitable Organisations | 2023 Rs. in '000 |
|--------|---|---------------------|--|---------------------|
| 1 | Mariam Ali Mohammad Tabba Foundation | 2,500 | Health & Nutrition Development Society (HANDS) | 7,252 |
| 2 | Idara AL Khair | 2,000 | | |
| 3 | The Hunar Foundation | 3,000 | | |
| 4 | Alamgir Welfare Trust International | 2,500 | | |
| 5 | Professional Education Foundation | 1,000 | | |
| 6 | Molana Tariq Jamil Foundation | 1,500 | | |
| 7 | Shaukat Khanum Memorial Cancer Hospital & Research Centre | 50 | | |
| | Total | 12,550 | Total | 7,252 |

- 11.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration made was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the 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 made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 41.256 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2024 would have been higher by Re. 0.21 (2023: Re. 0.21) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

13 AUDITORS' REMUNERATION

| | 2024 | 2023 |
|--|----------------------------|------------|
| | ----- Rupees in '000 ----- | |
| Annual audit fee | 694 | 401 |
| Half yearly review fee | 145 | 144 |
| Fee for other Certification | 50 | - |
| Out of pocket expenses and Sindh Sales Tax | 318 | 35 |
| | 1,207 | 580 |

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, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2024 based on current year results is 4% (June 30, 2023: 4.09%) which includes 0.41% (June 30, 2023: 0.32%) representing government levies on the Fund such as sales taxes, Federal Excise Duties, Fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 16.1 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.
- 16.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 16.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.
- 16.4 Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 16.5 Detail of transactions with connected persons and balances with them are as follows:

| Balances | 2024 | 2023 |
|---|----------------------------|---------|
| | ----- Rupees in '000 ----- | |
| Al Meezan Investment Management Limited (Management Company) | | |
| Remuneration payable to the Management Company | 1,325 | 1,372 |
| Sindh Sales Tax payable on remuneration of the Management Company | 172 | 178 |
| Sales load payable | 578 | 51 |
| Sindh Sales Tax payable on sales load | 76 | 7 |
| Allocated expenses payable | - | 284 |
| Selling and marketing expenses payable | 7,222 | 7,912 |
| Investment of 14,654,405 units (2023: 17,962,346 units) | 357,586 | 281,578 |
| Central Depository Company of Pakistan Limited - CDC (Trustee) | | |
| Security deposit | 238 | 238 |
| Remuneration payable to the Trustee | 480 | 340 |
| Sindh Sales Tax on remuneration of the Trustee | 62 | 44 |



Balances

Meezan Bank Limited

| |
|---|
| Profit receivable on saving account |
| Balance with bank |
| Sales load payable |
| Sindh Sales Tax on sales load |
| Investment in 22,984,581 units (2023: 22,984,581 units) |
| Investment in 1,882,284 shares (2023: 2,421,284 shares) |
| Shariah Advisor fee payable |

MSAF - Meezan Strategic Allocation Plan - I

Investment of Nil units (2023: 661,800 units)

MSAF - Meezan Strategic Allocation Plan - II

Investment of 6,336 units (2023: 1,599,999 units)

MSAF - Meezan Strategic Allocation Plan - III

Investment of 519,442 units (2023: 913,189 units)

MSAF - Meezan Strategic Allocation Plan - IV

Investment of 56,285 units (2023: 492,296 units)

MSAF - Meezan Strategic Allocation Plan - V

Investment of 544,657 units (2023: 539,774 units)

Meezan Financial Planning Fund of Funds - MAAP - I

Investment of 108,045 units (2023: 340,968 units)

Pakistan Kuwait Investment Company (Private) Limited

Investment of 16,895,690 units (2023: 16,895,690 units)

Engro Fertilizers Limited*

Investment in 500 shares (2023: nil shares)

National Clearing Company of Pakistan Limited

Security deposit

Directors and executives of the Management Company

Investment of 176,114 units (2023: 393,230 units)

Al Meezan Investment Management Limited - Employees Gratuity Fund

Investment of 492,484 units (2023: 438,459)

Unitholders holding 10% or more units of the fund

Investment of 22,984,581 units (2023: 79,631,145 units)

Transactions during the year

Al Meezan Investment Management Limited (Management Company)

| |
|---|
| Remuneration to the Management Company |
| Sindh Sales Tax on remuneration of the Management Company |
| Allocated expenses |
| Selling and marketing expenses |
| Issuance of 9,015,979 units (2023: 2,065,206 units) |
| Redemption of 12,323,921 units (2023: 1,982,318 units) |
| Dividend paid |
| Refund of capital |

| 2024 | 2023 |
|-----------------------------|-----------|
| ----- Rupees in '000 ----- | |
| 169 | 207 |
| 80,740 | 61,328 |
| - | 15 |
| - | 2 |
| 560,853 | 360,306 |
| 45,930 | 209,126 |
| 365 | 155 |
| - | 10,374 |
| 155 | 25,082 |
| 12,675 | 14,315 |
| 1,373 | 7,717 |
| 13,290 | 8,461 |
| 2,636 | 5,345 |
| 412,277 | 264,857 |
| 83 | - |
| 2,500 | 2,500 |
| 4,297 | 6,164 |
| 12,017 | 6,873 |
| 560,854 | 1,248,298 |
| For the year ended June 30, | |
| 2024 | 2023 |
| ----- Rupees in '000 ----- | |
| 84,894 | 76,793 |
| 11,036 | 9,983 |
| 2,466 | 4,224 |
| 36,255 | 38,396 |
| 192,763 | 29,881 |
| 260,000 | 30,000 |
| 31,004 | - |
| 8,759 | - |



Transactions during the year

For the year ended June 30,
2024 2023

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

Central Depository Company of Pakistan Limited - CDC (Trustee)

| |
|--|
| Remuneration of the Trustee |
| Sindh Sales Tax on remuneration of the Trustee |
| CDS charges |

| | |
|-------|-------|
| 5,245 | 4,840 |
| 682 | 629 |
| 289 | 170 |

Meezan Bank Limited

| |
|---|
| Profit on saving account |
| Purchase of 465,000 shares (2023: 262,232 shares) |
| Sale of 1,004,000 shares (2023: 837,145 shares) |
| Bonus shares: nil shares (2023: 263,290) |
| Dividend income |
| Shariah Advisor fee |
| Cash Dividend paid |

| | |
|---------|--------|
| 1,951 | 1,883 |
| 72,399 | 25,573 |
| 163,440 | 85,146 |
| - | - |
| 52,381 | 25,151 |
| 479 | 499 |
| 69,151 | - |

MSAF - Meezan Strategic Allocation Plan - I

| |
|---|
| Redemption of 661,800 units (2023: 7,160,002 units) |
|---|

| | |
|--------|---------|
| 11,765 | 110,530 |
|--------|---------|

MSAF - Meezan Strategic Allocation Plan - II

| |
|---|
| Units issued: 695 units (2023: 1,256,795 units) |
| Redemption of 1,594,358 units (2023: 3,110,005 units) |

| | |
|--------|--------|
| 17 | 20,000 |
| 29,740 | 48,870 |

MSAF - Meezan Strategic Allocation Plan IV

| |
|--|
| Units issued: 6,174 units (2023: nil units) |
| Redemption of 442,186 units (2023: 26,058 units) |

| | |
|-------|-----|
| 151 | - |
| 8,000 | 400 |

Meezan Financial Planning Fund of Funds - MAAP - I

| |
|---|
| Issuance of 11,852 units (2023: nil units) |
| Redemption of 244,776 units (2023: 939,510 units) |

| | |
|-------|--------|
| 289 | - |
| 5,000 | 14,620 |

MSAF - Meezan Strategic Allocation Plan - III

| |
|---|
| Units issued: 56,980 units (2023: nil units) |
| Redemption of 450,747 units (2023: 1,768,991 units) |

| | |
|-------|--------|
| 1,391 | - |
| 9,000 | 27,660 |

MSAF - Meezan Strategic Allocation Plan - V

| |
|--|
| Units issued: 59,748 units (2023: nil units) |
| Redemption of 54,865 units (2023: 734,137 units) |

| | |
|-------|--------|
| 1,459 | - |
| 1,000 | 11,520 |

Pakistan Kuwait Investment Company (Private) Limited

| |
|--------------------|
| Cash Dividend paid |
|--------------------|

| | |
|--------|---|
| 50,832 | - |
|--------|---|

Engro Fertilizers Limited*

| |
|------------------------------|
| Purchase of 1,862,000 shares |
| Sale of 1,861,500 shares |
| Dividend received |

| | |
|---------|---|
| 229,415 | - |
| 265,776 | - |
| 283,521 | - |

National Clearing Company of Pakistan Limited

| |
|---------------|
| NCCPL charges |
|---------------|

| | |
|-----|-----|
| 712 | 579 |
|-----|-----|

Directors and executives of the Management Company

| |
|---|
| Issuance of 3,484,189 units (2023: 1,034,608 units) |
| Redemption of 3,629,139 units (2023: 9,126,419 units) |
| Dividend paid |
| Refund of capital |

| | |
|--------|---------|
| 86,324 | 16,405 |
| 89,941 | 146,585 |
| 215 | - |
| 260 | - |

* Prior year figures have been shown as nil as the person was classified as a related party / connected person of the Fund with effect from November 1, 2023.

17 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

| |
|--|
| Balances with banks |
| Investments |
| Receivable against sale of investments |
| Dividend receivable |
| Deposits and other receivable |

Financial liabilities

| |
|--|
| Payable to Al Meezan Investment Management Limited - Management Company |
| Payable to the Central Depository Company of Pakistan Limited - Trustee |
| Payable to Meezan Bank Limited |
| Payable against conversion and redemption of units |
| Dividend payable |
| Accrued expenses and other liabilities |

| 2024 | | |
|-------------------|--------------------------------------|-----------|
| At amortised cost | At fair value through profit or loss | Total |
| Rupees in '000 | | |
| 165,181 | - | 165,181 |
| - | 4,958,699 | 4,958,699 |
| 33,211 | - | 33,211 |
| 2,053 | - | 2,053 |
| 3,740 | - | 3,740 |
| 204,185 | 4,958,699 | 5,162,884 |

Financial assets

| |
|--|
| Balances with banks |
| Investments |
| Receivable against sale of investments |
| Receivable against conversion of units |
| Dividend receivable |
| Deposits and other receivable |

Financial liabilities

| |
|--|
| Payable to Al Meezan Investment Management Limited - Management Company |
| Payable to the Central Depository Company of Pakistan Limited - Trustee |
| Payable to Meezan Bank Limited |
| Payable against conversion and redemption of units |
| Dividend payable |
| Accrued expenses and other liabilities |

| 2023 | | |
|-------------------|--------------------------------------|-----------|
| At amortised cost | At fair value through profit or loss | Total |
| Rupees in '000 | | |
| 121,100 | - | 121,100 |
| - | 3,111,672 | 3,111,672 |
| 2,208 | - | 2,208 |
| 23,440 | - | 23,440 |
| 1,668 | - | 1,668 |
| 3,642 | - | 3,642 |
| 152,058 | 3,111,672 | 3,263,730 |

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

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

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

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 1.561 million (2023: Rs. 1.077 million).

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

| ----- 2024 ----- | | | | | |
|--|-------------------------------------|--|-----------------------|---|-----------|
| Effective yield / profit rate (%) | Exposed to yield / profit rate risk | | | Not exposed to yield / profit rate risk | Total |
| | Up to three months | More than three months and up to one year | More than one year | | |
| ----- Rupees in '000 ----- | | | | | |
| Financial assets | | | | | |
| Balances with banks | 6.5% - 21.20% | 156,171 | - | 9,010 | 165,181 |
| Investments | | - | - | 4,958,699 | 4,958,699 |
| Receivable against sale of investments | | - | - | 33,211 | 33,211 |
| Receivable against conversion of units | | - | - | - | - |
| Dividend receivable | | - | - | 2,053 | 2,053 |
| Deposits and other receivable | | - | - | 3,740 | 3,740 |
| | | 156,171 | - | 5,006,713 | 5,162,884 |
| Financial liabilities | | | | | |
| Payable to Al Meezan Investment Management Limited - Management Company | | - | - | 9,373 | 9,373 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | 542 | 542 |
| Payable to Meezan Bank Limited | | - | - | - | - |
| Payable against conversion and redemption of units | | - | - | 67,472 | 67,472 |
| Dividend payable | | - | - | 123,057 | 123,057 |
| Accrued expenses and other liabilities | | - | - | 12,472 | 12,472 |
| | | - | - | 212,916 | 212,916 |
| On-balance sheet gap (a) | | 156,171 | - | 4,793,797 | 4,949,968 |
| Off-balance sheet financial instruments | | - | - | - | - |
| Off-balance sheet gap (b) | | - | - | - | - |
| Total profit rate sensitivity gap (a+b) | | 156,171 | - | - | - |
| Cumulative profit rate sensitivity gap | | 156,171 | 156,171 | 156,171 | - |

| 2023 | | | | | |
|---|-------------------------------------|--|-----------------------|---|-------|
| Effective yield / profit rate (%) | Exposed to yield / profit rate risk | | | Not exposed to yield / profit rate risk | Total |
| | Up to three months | More than three months and up to one year | More than one year | | |

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

Financial assets

| | | | | | | |
|--|----------------|---------|---|---|-----------|-----------|
| Balances with banks | 6.74% - 20.25% | 107,709 | - | - | 13,391 | 121,100 |
| Investments | | - | - | - | 3,111,672 | 3,111,672 |
| Receivable against sale of investments | | - | - | - | 2,208 | 2,208 |
| Receivable against conversion of units | | - | - | - | 23,440 | 23,440 |
| Dividend receivable | | - | - | - | 1,668 | 1,668 |
| Deposits and other receivable | | - | - | - | 3,642 | 3,642 |
| | | 107,709 | - | - | 3,156,021 | 3,263,730 |

Financial liabilities

| | | | | | | |
|--|--|---|---|---|--------|--------|
| Payable to Al Meezan Investment Management Limited - Management Company | | - | - | - | 9,804 | 9,804 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 384 | 384 |
| Payable to Meezan Bank Limited | | - | - | - | 17 | 17 |
| Payable against conversion and redemption of units | | - | - | - | 40,064 | 40,064 |
| Dividend payable | | - | - | - | 4,917 | 4,917 |
| Accrued expenses and other liabilities | | - | - | - | 13,193 | 13,193 |
| | | - | - | - | 68,379 | 68,379 |

| | | | | | |
|---|---------|---------|---------|-----------|-----------|
| On-balance sheet gap (a) | 107,709 | - | - | 3,087,642 | 3,195,351 |
| Off-balance sheet financial instruments | - | - | - | - | - |
| Off-balance sheet gap (b) | - | - | - | - | - |
| Total profit rate sensitivity gap (a+b) | 107,709 | - | - | | |
| Cumulative profit rate sensitivity gap | 107,709 | 107,709 | 107,709 | | |

(ii) Currency risk

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

(iii) Price risk

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

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 1% increase / decrease in KMI All Share Index on June 30, 2024, with all other variables held constant, total income of the Fund would increase / decrease by Rs. 49.586 million (2023: Rs. 31.1167 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI All Share Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI All Share Index.

18.2 Liquidity risk

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

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

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

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

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

| ----- 2024 ----- | | | | | | |
|---|---|--|--|-------------------|--|------------------|
| Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial instruments with no fixed maturity | Total |
| ----- Rupees in '000 ----- | | | | | | |
| Financial assets | | | | | | |
| Balances with banks | 165,181 | - | - | - | - | 165,181 |
| Investments | - | - | - | - | 4,958,699 | 4,958,699 |
| Receivable against sale of investments | 33,211 | - | - | - | - | 33,211 |
| Receivable against conversion of units | - | - | - | - | - | - |
| Dividend receivable | 2,053 | - | - | - | - | 2,053 |
| Deposits and other receivable | 1,002 | - | - | - | 2,738 | 3,740 |
| | 201,447 | - | - | - | 4,961,437 | 5,162,884 |
| Financial liabilities | | | | | | |
| Payable to Al Meezan Investment Management Limited - Management Company | 9,373 | - | - | - | - | 9,373 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 542 | - | - | - | - | 542 |
| Payable to Meezan Bank Limited | - | - | - | - | - | - |
| Payable against conversion and redemption of units | 67,472 | - | - | - | - | 67,472 |
| Dividend payable | 123,057 | - | - | - | - | 123,057 |
| Accrued expenses and other liabilities | 11,503 | 604 | 365 | - | - | 12,472 |
| | 211,947 | 604 | 365 | - | - | 212,916 |
| Net financial assets / (liabilities) | (10,500) | (604) | - | - | 4,961,437 | 4,949,968 |

| 2023 | | | | | | |
|---|---|--|--|-------------------|--|------------------|
| Within 1 month | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial instruments with no fixed maturity | Total |
| Rupees in '000 | | | | | | |
| Financial assets | | | | | | |
| Balances with banks | 121,100 | - | - | - | - | 121,100 |
| Investments | - | - | - | - | 3,111,672 | 3,111,672 |
| Receivable against sale of investments | 2,208 | - | - | - | - | 2,208 |
| Receivable against conversion of units | 23,440 | - | - | - | - | 23,440 |
| Dividend receivable | 1,668 | - | - | - | - | 1,668 |
| Deposits and other receivable | 904 | - | - | - | 2,738 | 3,642 |
| | 149,320 | - | - | - | 3,114,410 | 3,263,730 |
| Financial liabilities | | | | | | |
| Payable to Al Meezan Investment Management Limited - Management Company | 9,804 | - | - | - | - | 9,804 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 384 | - | - | - | - | 384 |
| Payable to Meezan Bank Limited | 17 | - | - | - | - | 17 |
| Payable against conversion and redemption of units | 40,064 | - | - | - | - | 40,064 |
| Dividend payable | 4,917 | - | - | - | - | 4,917 |
| Accrued expenses and other liabilities | 12,711 | 327 | 155 | - | - | 13,193 |
| | 67,897 | 327 | 155 | - | - | 68,379 |
| Net financial assets / (liabilities) | 81,423 | (327) | (155) | - | - | 3,114,410 |
| | | | | | | 3,195,351 |

18.3 Credit risk

18.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

| | 2024 | | 2023 | |
|--|--|---------------------------------|--|---------------------------------|
| | Balance as per statement of assets and liabilities | Maximum exposure to credit risk | Balance as per statement of assets and liabilities | Maximum exposure to credit risk |
| (Rupees in '000) | | | | |
| Bank balances | 165,181 | 165,181 | 121,100 | 121,100 |
| Investments | 4,958,699 | - | 3,111,672 | - |
| Receivable against conversion of units | - | - | 23,440 | 23,440 |
| Dividend receivable | 2,053 | 2,053 | 1,668 | 1,668 |
| Receivable against sale of investments | 33,211 | 33,211 | 2,208 | 2,208 |
| Deposits and other receivable | 3,740 | 3,740 | 3,642 | 3,642 |
| | 5,162,884 | 204,185 | 3,263,730 | 152,058 |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Investment in equity securities, however, are not exposed to credit risk and have been excluded from the above analysis.

18.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit accrued thereon, dividend receivable and receivable against conversion of units and against investments. The credit rating profile of balances with banks is as follows:

Rating

AAA
AA+
AA
A+

| % of financial assets exposed to credit risk | | |
|---|-------------|-------------|
| | 2024 | 2023 |
| AAA | 96.09% | 52.93% |
| AA+ | 3.55% | 42.20% |
| AA | 0.03% | 0.05% |
| A+ | 0.33% | 4.82% |
| | 100% | 100% |

18.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2024 and June 30, 2023 are unsecured and are not impaired.

19 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

Financial assets

At fair value through profit or loss

| 2024 | | |
|------------------|---------|---------|
| Level 1 | Level 2 | Level 3 |
| (Rupees in '000) | | |

| | | |
|-----------|---|---|
| 4,958,699 | - | - |
|-----------|---|---|

Financial assets

At fair value through profit or loss

| 2023 | | |
|------------------|---------|---------|
| Level 1 | Level 2 | Level 3 |
| (Rupees in '000) | | |

| | | |
|-----------|---|---|
| 3,111,672 | - | - |
|-----------|---|---|

20 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

21 UNIT HOLDING PATTERN OF THE FUND

| Category | 2024 | | | 2023 | | |
|----------------------------------|------------------------|-------------------|---------------------|------------------------|-------------------|---------------------|
| | Number of unit holders | Investment amount | Percentage of total | Number of unit holders | Investment amount | Percentage of total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| Individuals | 5,283 | 1,132,907 | 23.24 | 4,496 | 648,775 | 20.58 |
| Associated Companies / Directors | 10 | 1,372,862 | 28.16 | 12 | 986,041 | 31.27 |
| Insurance Companies | 2 | 303,865 | 6.23 | 1 | 143,333 | 4.55 |
| Banks and DFIs | 1 | 15,729 | 0.32 | 1 | 8,996 | 0.29 |
| Retirement Funds | 7 | 2,040,175 | 41.85 | 14 | 1,324,139 | 41.99 |
| Public Limited Companies | 3 | 7,305 | 0.15 | - | - | - |
| Others | 19 | 1,607 | 0.03 | 25 | 41,910 | 1.30 |
| | 5,325 | 4,874,450 | 100% | 4,549 | 3,153,194 | 100% |

22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| 2024 | | 2023 | |
|--|-------------------------------|----------------------------------|-------------------------------|
| Name of broker | Percentage of commission paid | Name of broker | Percentage of commission paid |
| EFG Hermes Pakistan | 7.61% | Next Capital Limited | 9.18% |
| Optimus Capital Management (Private) Limited | 6.31% | EFG Hermes Pakistan | 7.61% |
| Alfa Adhi Securities (Private) Limited | 6.11% | Taurus Securities Limited | 7.19% |
| Next Capital Limited | 6.03% | BMA Capital Management Limited | 6.14% |
| Taurus Securities Limited | 6.01% | AKD Securities Limited | 6.00% |
| JS Global Capital Limited | 5.85% | Aba Ali Habib Securities Pvt Ltd | 4.61% |
| Top Line Securities (Pvt) Limited | 5.51% | JS Global Capital Limited | 4.61% |
| Spectrum Securities (Private) Limited | 4.84% | Intermarket Securities Limited | 4.61% |
| Intermarket Securities Limited | 4.75% | Dalal Securities (Pvt) Ltd. | 3.95% |
| Dalal Securities (Private) Limited | 4.58% | Arif Habib Limited | 3.82% |

23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

23.2 The Fund manager of the Fund is Mr. Ahmed Hassan. Other funds being managed by the Fund Manager are as follows:

- Meezan Energy Fund; and
- Meezan Tahaffuz Pension Fund.

24 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

| Name of Directors | Designation | Meeting held on | | | | | | |
|--|----------------------------|-----------------|-----------------|------------------|------------------|------------------|-------------------|----------------|
| | | July 04, 2023 | August 07, 2023 | October 13, 2023 | February 2, 2024 | February 9, 2024 | February 29, 2024 | April 15, 2024 |
| Mr. Ariful Islam ¹ | Director | Yes | Yes | Yes | No | No | No | No |
| Mr. Irfan Siddiqui ² | Director | No | No | No | Yes | Yes | Yes | Yes |
| Mr. Mohammad Shoaib ³ | Ex-Chief Executive Officer | Yes | Yes | Yes | Yes | Yes | Yes | No |
| Mr. Muhammad Abdullah Ahmed ¹ | Director | Yes | No | No | No | No | No | No |
| Mr. Moin M. Fudda ⁴ | Director | No | No | No | Yes | Yes | Yes | No |
| Mr. Furquan Kidwai | Director | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Mubashar Maqbool ⁵ | Director | Yes | No | No | No | No | No | No |
| Mr. Tariq Mairaj | Director | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Naeem Sattar ¹ | Director | Yes | Yes | Yes | No | No | No | No |
| Mr. Feroz Rizvi | Director | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Ms. Danish Zuberi | Director | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Saad Ur Rahman Khan ⁶ | Director | No | No | Yes | Yes | Yes | Yes | Yes |
| Ms. Shazia Khurram | Director | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Syed Amir Ali ⁷ | Director | No | No | No | No | No | No | Yes |
| Mr. Ahmed Iqbal Rajani ² | Director | No | No | No | Yes | Yes | Yes | Yes |

¹ Mr. Ariful Islam, Mr. Muhammad Abdullah Ahmed and Mr. Naeem Sattar retired from the Board on December 31, 2023.

² Mr. Irfan Siddiqui and Mr. Ahmed Iqbal Rajani were elected on the Board vide an EOGM dated December 26, 2023.

³ Mr. Mohammad Shoaib resigned from the Board on February 29, 2024.

⁴ Mr. Moin M. Fudda was elected on the Board vide an EOGM dated December 26, 2023 and subsequently resigned from the Board on March 14, 2024.

⁵ Mr. Mubashar Maqbool resigned from the Board on July 18, 2023.

⁶ Mr. Saad Ur Rahman Khan was appointed on the Board with effect from August 7, 2023.

⁷ Syed Amir Ali was appointed on the Board with effect from April 9, 2024.

25 GENERAL

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

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 19, 2024.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

PERFORMANCE TABLE
Al Meezan Mutual Fund

| | 2024 | 2023 | 2022 |
|--|--------------|--------------|--------------|
| Net assets (Rs. '000) (ex-distribution) | 4,874,450.28 | 3,153,194.00 | 4,450,543.00 |
| Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution) | 24.4013 | 15.6760 | 15.7208 |
| Offer price per unit as at June 30, (Rs.) (ex-distribution) | 24.9527 | | 16.0761 |
| Highest offer price per unit (Rs.) | 28.1997 | 17.0147 | 18.9709 |
| Lowest offer price per unit (Rs.) | 16.0273 | 14.7959 | 15.6983 |
| Highest redemption price per unit (Rs.) | 27.5765 | 16.6387 | 18.5517 |
| Lowest redemption price per unit (Rs.) | 15.6731 | 14.4690 | 15.3514 |
| Distribution (%) | | | |
| Interim | 30% | | |
| Final | | | |
| Date of distribution | 28-Jun-24 | | |
| Interim | | | |
| Final | | | |
| Income distribution (Rupees in '000) | 486834 | | |
| Growth distribution (Rupees in '000) | | | |
| Total return (%) | 74.84% | -0.28% | 10.91% |

| | One Year | Two Years | Three Years |
|---|----------|-----------|-------------|
| Average annual return as at June 30, 2024 (%) | 74.84% | 0.37% | 0.28% |

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