



Community Engagement Development

Al Meezan is dedicated to helping the community save more effectively and offering halal avenues for financial growth. By doing so, we aim to improve the lives of everyone, fostering a brighter future.

Meezan Strategic Allocation Fund-III

Meezan Strategic Allocation Fund-III is a Shariah Compliant scheme which aims to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income/Money Market Collective Investment Schemes and Equity based Collective Investment Schemes.

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. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Syed Amir Ali	Non-Executive Nominee Director- MBL
Mr. Ahmed Iqbal Rajani	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

ACTING CHIEF EXECUTIVE OFFICER

Mr. Muhammad Asad

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Syed Haseeb Ahmed Shah

BOARD AUDIT COMMITTEE

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

BOARD RISK MANAGEMENT COMMITTEE

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

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Irfan Siddiqui	Chairman
Mr. Saad Ur Rahman Khan	Member
Mr. Furquan R. Kidwai	Member

BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Faiz ur Rehman	Subject Matter Expert

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

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

BANKERS TO THE FUND

Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

Al Meezan Investment Management Limited

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT March 31, 2024

		March 31, 2024	June 30, 2023
		(Unaudited)	(Audited)
		MCPP-IX	
Note		----- (Rupees in '000) -----	
Assets			
Balances with banks	5	2,056	5,085
Investments	6	247,806	237,765
Advance, deposits and other receivable		7	55
Total assets		<u>249,869</u>	<u>242,905</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	7	2	27
Payable to Central Depository Company of Pakistan Limited - Trustee		16	16
Payable to Securities and Exchange Commission of Pakistan (SECP)		4	65
Dividend Payable		602	872
Payable against conversion of units		4,958	-
Accrued expenses and other liabilities	8	502	4,573
Total liabilities		<u>6,084</u>	<u>5,553</u>
Net assets		<u>243,784</u>	<u>237,352</u>
Contingencies and commitments	9		
Unit holders' fund (as per statement attached)		<u>243,784</u>	<u>237,352</u>
		----- (Number of units) -----	
Number of units in issue		<u>3,310,995</u>	<u>4,073,034</u>
		----- (Rupees) -----	
Net asset value per unit		<u>73.6287</u>	<u>58.2740</u>

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

For AI-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	Nine months period ended March 31,		Quarter ended March 31,	
	2024	2023	2024	2023
	MCPPI-IX		MCPPI-IX	
Note	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Income				
Realised gain / (loss)	25,581	(63)	21,499	(70)
Profit on balance with banks	170	151	75	38
Dividend income	7,437	27,817	-	8,728
	<u>33,188</u>	<u>27,905</u>	<u>21,574</u>	<u>8,696</u>
Net unrealised appreciation / (diminution) on re-measurement of investments - 'at fair value through profit or loss'	6.1	26,012	(2,365)	(9,854)
	<u>26,012</u>	<u>(2,365)</u>	<u>(9,854)</u>	<u>(1,920)</u>
Total income	<u>59,200</u>	<u>25,540</u>	<u>11,720</u>	<u>6,776</u>
Expenses				
Remuneration to Al Meezan Investment Management Limited - Management Company	7.1	18	25	8
Sindh Sales Tax on remuneration to Management Company	7.2	2	3	1
Allocated expenses	7.3	158	285	21
Remuneration to Central Depository Company of Pakistan Limited - Trustee		131	181	44
Sindh Sales Tax on remuneration of the Trustee		17	24	6
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		37	52	12
Auditors' remuneration		85	122	33
Bank and settlement charges		19	-	1
Fees and subscription		232	192	67
Total expenses		<u>699</u>	<u>884</u>	<u>193</u>
		<u>-</u>	<u>-</u>	<u>-</u>
Net income for the period before taxation		<u>58,501</u>	<u>24,656</u>	<u>11,529</u>
Taxation	12	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
Net income for the period after taxation		<u>58,501</u>	<u>24,656</u>	<u>11,529</u>
Allocation of net income for the period				
Net income for the quarter after taxation		58,501	24,656	
Income already paid on units redeemed		(7,662)	(3,982)	
		<u>50,839</u>	<u>20,674</u>	
Accounting income available for distribution				
- Relating to capital gains		50,839	-	
- Excluding capital gains		-	20,674	
		<u>50,839</u>	<u>20,674</u>	

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

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	Nine months period ended March 31,		Quarter ended March 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net income for the period after taxation	58,501	24,656	11,529	6,558
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>58,501</u>	<u>24,656</u>	<u>11,529</u>	<u>6,558</u>

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

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31 2024

	March 31, 2024			March 31, 2023		
	MCPPI-X			MCPPI-X		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed Income	Total
(Rupees in '000)			(Rupees in '000)			
Net assets at the beginning of the period	219,087	18,265	237,352	410,201	16,431	426,632
Issuance of units:						
Issuance of Nil (2023: 9,378) units						
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	533	-	533
- Element of income	-	-	-	28	-	28
Total proceeds on issuance of units	-	-	-	561	-	561
Redemption of units:						
Redemption of 762,039 (2023: 203,242) units						
- Capital value (at net asset value per unit at the beginning of the quarter)	44,407	-	44,407	149,197	-	149,197
- Element of income	-	7,662	7,662	313	3,982	4,295
Total payments on redemption of units	44,407	7,662	52,069	149,510	3,982	153,492
Total comprehensive income for the period	-	58,501	58,501	-	24,656	24,656
Net assets at the end of the period	<u>174,680</u>	<u>69,104</u>	<u>243,784</u>	<u>261,252</u>	<u>37,105</u>	<u>298,357</u>
Undistributed income brought forward						
- Realised gain		18,433			26,964	
- Unrealised loss		(168)			(10,533)	
		<u>18,265</u>			<u>16,431</u>	
Accounting income available for distribution						
- Relating to capital gains		50,839			-	
- Excluding capital gains		-			20,674	
		<u>50,839</u>			<u>20,674</u>	
Net Loss for the period after taxation		-			-	
Undistributed income carried forward		<u>69,104</u>			<u>37,105</u>	
Undistributed income carried forward						
- Realised income		43,092			39,470	
- Unrealised Income / (loss)		26,012			(2,365)	
		<u>69,104</u>			<u>37,105</u>	
Net asset value per unit as at the beginning of the period			<u>Rupees 58.2740</u>			<u>Rupees 57.8119</u>
Net asset value per unit as at the end of the period			<u>73.6287</u>			<u>62.0525</u>

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

For Al-Meezan Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - III
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

	Nine months period ended March 31,	
	2024	2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	58,501	24,656
Adjustments for:		
Net unrealised (appreciation) / diminution on re-measurement of investments - 'at fair value through profit or loss'	(26,012)	2,365
	<u>32,489</u>	<u>27,021</u>
Decrease in assets		
Investments - net	15,972	125,981
Advance, deposits and other receivable	48	(143)
Receivable against sale of investments	-	13
	<u>16,020</u>	<u>125,851</u>
Decrease in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	(25)	23
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(14)
Payable to Securities and Exchange Commission of Pakistan	(61)	(1)
Payable against purchase of investments	-	94
Accrued expenses and other liabilities	(4,071)	(4,353)
	<u>(4,157)</u>	<u>(4,251)</u>
Net cash generated from operating activities	<u>44,352</u>	<u>148,621</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(270)	563
Payments against redemption and conversion of units	(47,111)	(153,672)
Net cash used in financing activities	<u>(47,381)</u>	<u>(153,109)</u>
Net decrease in cash and cash equivalents	<u>(3,029)</u>	<u>(4,488)</u>
Cash and cash equivalents at the beginning of the period	5,085	4,636
Cash and cash equivalents at the end of the period	<u>5</u> <u>2,056</u>	<u>148</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director



**MEEZAN STRATEGIC ALLOCATION FUND - III
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund - III (the Fund) was established under a Trust Deed executed under the Trust Act, 1882 between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on January 24, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules). The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on October 10, 2016. The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) 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.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme. Units are offered for public subscription on a continuous basis till the end of the subscription period. However, the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in the books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 29, 2023 (2022: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The Fund generates returns on investment as per allocation plan (sub fund) namely Meezan Capital Preservation Plan-IX (MCPPI-IX) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.
- 1.7** A brief description of the plan is as follows:

Meezan Capital Preservation Plan-IX (MCPPI-IX)	<p>Medium risk - High return through asset allocation</p> <p>This allocation plan commenced its operations from May 14, 2019 and can invest its portfolio between the Equity asset classes / Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes. The initial maturity of this plan was two and a half years from the close of the subscription period i.e. January 29, 2022. However, the SECP has approved extension and in accordance with such extension granted vide letter No. SCD/AMCW/MSAFIII/227/2022 dated January 25, 2022, the plan shall now mature on September 30, 2024. Units shall be subject to front end load.</p>
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2. BASIS OF PRESENTATION

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



3 BASIS OF PREPARATION

3.1 Statement Of Compliance

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

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

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

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

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2024.

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

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

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these do not have any significant impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

		March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
5. BALANCES WITH BANKS	Note	MCPPI-IX	
		----- (Rupees in '000) -----	
Saving accounts	5.1	<u>2,056</u>	<u>5,085</u>
5.1 The balances in saving account with Meezan Bank Limited (a related party) have an expected profit 11.01% per annum. (June 30, 2023: 10% per annum).			
6. INVESTMENTS	Note	MCPPI-IX	
		----- (Rupees in '000) -----	
At fair value through profit or loss			
units of mutual funds	6.1	<u>247,806</u>	<u>237,765</u>



6.1 Units of mutual funds

Name of investee funds	As at July 01, 2023	Purchases during the period	Sales during the period	As at March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised loss as at March 31, 2024	Percentage in relation to	
								Market Value on the basis of Net Assets of the Fund	Total market value of investments
				(Number of units)		(Rupees in '000)		(Percentage)	
Meezan Capital Preservation Plan - IX									
Meezan Dedicated Equity Fund	1,563,276	-	471,932	1,091,343	43,772	69,029	25,257	28	28
Meezan Rozana Amdani Fund	3,501,288	148,740	3,650,027	-	-	-	-	-	-
Meezan Cash Fund	-	3,035,253	3,035,253	3,035,253	178,022	178,777	755	73	72
Meezan Sovereign Fund	-	3,342,571	3,342,571	-	-	-	-	-	-
Total as at March 31, 2024				4,126,596	221,794	247,806	26,012	102	100
Total as at June 30, 2023					438,136	427,603	(10,533)		

7 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - Management Company

	Note	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
Management fee payable	7.1	2	1
Sindh Sales Tax payable on remuneration of the Management Company	7.2	-	2
Allocated Expenses	7.3	-	24
		<u>2</u>	<u>27</u>

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% (March 31, 2023: 1%) per annum of the daily bank balances of the Fund during the quarter ended March 31, 2024. The remuneration is payable to the Management Company monthly in arrears.

7.2 During the quarter, Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) was charged on the remuneration of the Management Company.

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

The Management Company, based on its own discretion, has charged such expenses at the rate 0.15% from July 1, 2023 to January 31, 2024 and Nil from February 1, 2024 to March 31, 2024 (March 31, 2023: 0.15%) per annum of the average annual net assets of the Fund, subject to total expense charged being lower than actual expense incurred.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----		
Auditors' remuneration payable	40	79
Shariah advisory fee payable	198	132
Capital gain tax payable	249	8
Withholding tax payable	-	4,341
Zakat payable	15	13
	<u>502</u>	<u>4,573</u>

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024 and June 30, 2023

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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



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

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

	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
Balances		
AI Meezan Investment Management Limited - Management Company		
Management fee payable	2	1
Allocated expenses (Rs in '000)	-	24
Meezan Bank Limited		
Bank balance (Rs in '000)	2,056	5,085
Profit receivable (Rs in '000)	7	54
Shariah Advisory fee payable	198	132
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable (Rs. in '000)	10	9
Sindh Sales Tax on trustee fee payable (Rs. in '000)	6	7
Meezan Dedicated Equity Fund		
Investment (Rs in '000)	69,029	62,701
Investment (Units)	1,091,343	1,563,275
Meezan Rozana Amdani Fund		
Investment (Rs in '000)	-	175,064
Investment (Units)	-	3,501,288
Meezan Cash Fund		
Investment (Rs in '000)	178,777	-
Investment (Units)	3,035,253	-
For the period ended March 31, 2024 (Unaudited) 2023 (Audited)		
MCPPIX (Rupees in '000)		
Transactions during the period		
AI Meezan Investment Management Limited - Management Company		
Remuneration for the period	18	25
Sindh Sales Tax on remuneration of the Management Company	2	3
Allocated expenses (Rs in '000)	158	285
Meezan Bank Limited		
Profit on saving account (Rs in '000)	170	151
Shariah Advisory Fee expense	201	164
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period (Rs in '000)	131	181
Sindh Sales Tax on trustee fee (Rs in '000)	17	24
Meezan Dedicated Equity Fund		
Redeemed during the period (Rs in '000)	25,360	15,230
Redeemed during the period (Units)	471,932	380,275
Meezan Rozana Amdani Fund		
Invested during the period (Rs in '000)	7,437	27,713
Invested during the period (Units)	148,740	554,252
Redeemed during the period (Rs in '000)	182,501	138,400
Redeemed during the period (Units)	3,650,027	2,768,000
Dividend received during the period (Units)	148,740	27,817
Dividend received during the period (Rs. In '000')	7,437	556,343
Meezan Sovereign Fund		
Invested during the period (Rs in '000)	181,961	-
Invested during the period (Units)	3,342,571	-
Redeemed during the period (Rs in '000)	201,111	-
Redeemed during the period (Units)	3,342,571	-
Meezan Cash Fund		
Invested during the period (Rs in '000)	178,021	-
Invested during the period (Units)	3,035,253	-



11 EXPENSE RATIO

The Total Expense Ratio of the Fund for the period ended March 31, 2024 is 0.37% (March 31,2023 is 0.36%) which include 0.03% (March 31, 2023 is 0.03%) representing government levies and SECP fee for MCPP - IX. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Funds Scheme.

12. TAXATION

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

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

13 FAIR VALUE FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

As at March 31, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

		As at March 31, 2024		
		Level 1	Level 2	Level 3
		----- Rupees in '000 -----		
ASSETS				
Financial assets 'at fair value through profit or loss'				
Units of mutual funds		-	247,806	-
		----- Rupees in '000 -----		
		As at June 30, 2023		
		Level 1	Level 2	Level 3
		----- Rupees in '000 -----		
Financial assets 'at fair value through profit or loss'				
Units of mutual funds		-	237,765	-

14 GENERAL

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

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 15, 2024 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director