



**Pak-Qatar Islamic Stock Fund**  
**Accounts for the Period Ended**  
**June 30, 2023**

## FUND'S INFORMATION

<b>Management Company:</b>	Pak-Qatar Asset Management Company Limited G-8/9, Ground Floor, Business Arcade, Block-6 P.E.C.H.S, Shahrach-e-Faisal Karachi. UAN: (021) 111-PQAMCL (772625) Website: www.pqamcl.com	
<b>Board of Directors of the Management Company:</b>	Mr. Said Gul Mr. Muhammad Owais Ansari Mr. Syed Asad Ali Shah Jilani Mr. Muhammad Kamran Saleem Mrs. Sameera Said	Chairman Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
<b>Board Audit Committee:</b>	Mr. Syed Asad Ali Shah Jilani Mr. Muhammad Owais Ansari Mr. Muhammad Kamran Saleem	Chairman Member Member
<b>Board Human Resource and Remuneration Committee:</b>	Mr. Syed Asad Ali Shah Jilani Mr. Said Gul Mr. Muhammad Kamran Saleem Mr. Farhan Shaukat	Chairman Member Member Member
<b>Board Risk Management Committee:</b>	Mr. Muhammad Owais Ansari Mr. Muhammad Kamran Saleem Mrs. Sameera Said	Chairman Member Member
<b>Chief Executive Officer of: The Management Company</b>	Mr. Farhan Shaukat	
<b>Chief Financial Officer &amp;: Company Secretary</b>	Mr. Umair Karim	
<b>Chief Internal Auditor:</b>	Mr. Tahir Lateef	
<b>Trustee:</b>	Central Depository Company of Pakistan Limited CDC – House, Shahrach-e-Faisal, Karachi.	
<b>Bankers to the Fund:</b>	Dubai Islamic Bank Pakistan Limited Bank Islami Pakistan Limited	

<b>Auditors:</b>	Yousuf Adil Chartered Accountants Cavish Court, KCHSU, Shahrah-e-Faisal Karachi
<b>Legal Adviser:</b>	AHM & Co 415, Eden Heights, Jail Road, Lahore, Pakistan
<b>Shariah Adviser:</b>	Mufti. Muhammad Shakir Siddiqui
<b>Transfer Agent:</b>	ITMinds Limited

## Fund Manager Report

Annual Report 2023

### PAK QATAR ISLAMIC STOCK FUND

- **Description of the Collective Investment Scheme category and type**  
Shariah Compliant Islamic - Equity Scheme / Open end
- **Statement of Collective Investment Scheme's investment objective**  
The investment objective is to generate long term capital growth through actively managed portfolio in accordance with Shariah Compliant Islamic Equity Category.
- **Explanation as to whether the Collective Investment Scheme has achieved its stated objective**  
The collective investment scheme achieved its stated objective.
- **Statement of benchmark(s) relevant to the Collective Investment Scheme**  
KMI30 Index
- **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY23
<b>PQISF</b>	0.39%	1.16%	2.10%	-4.04%	1.11%	-0.96%	1.59%	2.74%	-2.73%	-0.72%	0.42%
<b>Benchmark</b>	0.84%	2.74%	3.55%	-4.86%	1.70%	-0.98%	0.84%	4.35%	-1.40%	-0.83%	5.75%
<b>Diff.</b>	-0.45%	-1.58%	-1.45%	0.82%	-0.59%	0.02%	0.75%	-1.61%	-1.33%	0.11%	-5.33%

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**  
Over the course of the year, the fund took a tactical approach by favoring undervalued defensive positions, while maintaining minimal involvement in cyclical sectors due to the challenging macroeconomic environment.
- **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

Asset Allocation		
	Jun-23	Jun-22
Equity	92%	0%
Cash	7%	0%
Other Receivables	1%	0%
	100%	0%

➤ **Analysis of the Collective Investment Scheme's performance**

	<b>PQISF</b>	<b>Benchmark</b>
Standard Deviation	0.87%	0.93%
Expense Ratio YTD	3.70%	

➤ **Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)**

	Net Assets Excluding PQAMC FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-23	542.04	99.98
30-Sep-22	202.95	100.39

➤ **Disclosure of the markets that the Collective Investment Scheme has invested in:**

The fund invests in Shariah-compliant equity securities listed on the Pakistan Stock Exchange (PSX)

➤ **Disclosure on distribution (if any), comprising: -**

Since its inception, the Pak Qatar Islamic Stock Fund has periodically distributed payouts to its unit holders. On October 6, 2022, the fund distributed a payout of 0.2350 per unit to its investors. This distribution reflected the profits or returns generated by the fund's investments up to that date. Furthermore, on June 28, 2023, the fund again made a payout of 0.2129 per unit to its investors

➤ **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

➤ **Breakdown of unit holdings by size**

<b>Fund</b>	<b>Range</b>		<b>Count</b>
Pak Qatar Islamic Stock Fund	0.10	9,999.00	1.00
	10,000.00	49,999.00	5.00
	50,000.00	99,999.00	-
	100,000.00	499,999.00	1.00
	500,000.00	Above	7.00
		<b>Total</b>	<b>14.00</b>

- **Disclosure on unit split (if any), comprising: -**  
The Fund has not carried out any unit split exercise during the year
- **Disclosure of circumstances that materially affect any interests of the unit holders**  
Investment is subject to market risk.
- **Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e., goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following: -**

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.

## Performance Table

	<b>June 30 2023</b>
NET ASSETS - RUPEES IN "000"	542,039
NET INCOME / (LOSS) - RUPEES IN "000"	2,184
TOTAL RETURN OF THE FUND	0.42%
NAV PER UNIT	99.98
HIGHEST OFFER PRICE PER UNIT	109.86
LOWEST OFFER PRICE PER UNIT	97.06
YEAR-END OFFER PRICE PER UNIT	103.37
HIGHEST REPURCHASE PRICE PER UNIT	106.25
LOWEST REPURCHASE PRICE PER UNIT	93.88
YEAR-END REPURCHASE PRICE PER UNIT	99.98
INTERIM DISTRIBUTION	0.24
FINAL DISTRIBUTION	0.21
TOTAL DISTRIBUTION AS % OF PAR VALUE	0.45

## Notes

Pak Qatar Islamic Fund was launched on September 22, 2022

## Disclaimer

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

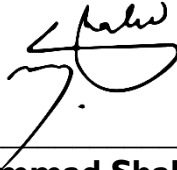
# Report of the Shari'ah Advisor – Pak Qatar Islamic Stock Fund

الحمد لله رب العلمين والصلاة والسلام على سيد الانبياء والمرسلين محمد النبي الامى

وعلى آله وصحبه اجمعين، وبعد

In the capacity of Shari'ah Advisor, I have prescribed criteria and procedure to be followed in ensuring Shari'ah compliance in every investment of **Pak Qatar Islamic Stock Fund** and I certify that:

- 1) I have reviewed and approved the modes of investments of **Pak Qatar Islamic Stock Fund** in light of the Shari'ah guidelines.
- 2) All the provisions of the fund and investments made on account of **Pak Qatar Islamic Stock Fund** are Shari'ah compliant and in accordance with the defined criteria.
- 3) On the basis of information provided by the management, all the operation of the **Pak Qatar Islamic Stock Fund** for the year ended June 30, 2023 have been in compliance with Shari'ah principles.



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**Mufti Muhammad Shakir Siddiqui**  
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

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

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**PAK-QATAR ISLAMIC STOCK FUND (PQISF)**

**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 Pak-Qatar Islamic Stock Fund (the Fund) are of the opinion that Pak-Qatar Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund from September 21, 2022 to June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 27, 2023



## **INDEPENDENT AUDITOR'S REPORT**

### **To The Unit Holders of Pak Qatar Islamic Stock Fund**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of **Pak Qatar Islamic Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the period from September 21, 2022 to June 30, 2023 (the period) and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the period then ended in accordance with accounting and reporting standards as applicable in Pakistan.

##### **Basis for Opinion**

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

##### **Information Other than the Financial Statements and Auditor's Report Thereon**

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

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company 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 Company 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 Company 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 are responsible for overseeing the Fund's financial reporting process.

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.

  
**Chartered Accountants**

**Place:** Karachi

**Date:** August 25, 2023

**UDIN:** AR202310057quzbpAg7k

# **Pak Qatar Islamic Stock Fund**

Financial Statements for the  
Period from September 21, 2022  
to June 30, 2023



PAK QATAR ISLAMIC STOCK FUND  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2023

	Note	June 30, 2023 ----- (Rupees) -----
<b>Assets</b>		
Bank balances	4	56,527,833
Investments	5	497,517,995
Profit receivable		575,350
Deposits and other receivables	6	1,109,738
Receivable against sale of investments		51,414,891
Preliminary expenses and floatation cost	7	708,251
<b>Total Assets</b>		<b>607,854,058</b>
<b>Liabilities</b>		
Payable to Management Company	8	1,942,181
Payable to Trustee	9	87,639
Payable to the Commission	10	64,415
Accrued and other liabilities	11	63,720,954
<b>Total Liabilities</b>		<b>65,815,189</b>
<b>Net Assets</b>		<b>542,038,869</b>
<b>UNIT HOLDERS' FUND (as per statement of movement in unit holders' Fund)</b>		<b>542,038,869</b>
		---(Number of units)---
<b>Number Of Units In Issue</b>		<b>5,421,403</b>
		----- (Rupees) -----
<b>Net Assets Value Per Unit</b>		<b>99.9813</b>

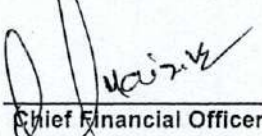
**CONTINGENCIES AND COMMITMENTS**

12

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

PAK QATAR ISLAMIC STOCK FUND  
INCOME STATEMENT  
FOR THE PERIOD FROM SEPTEMBER 21, 2022 TO JUNE 30, 2023

		From September 21, 2022 to June 30, 2023 ----- (Rupees) -----
<b>INCOME</b>	<b>Note</b>	
Profit on bank savings account	4.1	5,697,620
Dividend income		25,446,844
Capital gain on sale of investments - net		7,355,352
Net unrealised diminution on remeasurement of investments classified 'at fair value through profit or loss'	5.2	(20,837,350)
<b>Total Income</b>		<b>17,662,466</b>
<b>EXPENSES</b>		
Remuneration of Management Company	8.1	6,441,503
Sindh sales tax on Management Company remuneration	8.2	837,395
Allocated expenses by the Management Company	8.3	508,600
Remuneration of Trustee	9.1	644,150
Sindh sales tax on Trustee remuneration	9.2	83,740
Annual fee of the Commission	10.1	64,415
Shariah advisory fee		400,000
Advertisement and marketing expense		1,421,439
Auditor's remuneration	13	248,600
Securities transaction cost		4,566,135
Legal and professional charges		132,870
Amortisation of preliminary expenses and floatation cost	7	129,441
<b>Total expenses</b>		<b>15,478,288</b>
<b>Net income for the period before taxation</b>		<b>2,184,178</b>
Taxation	15	-
<b>Net income for the period after taxation</b>		<b>2,184,178</b>
<b>Allocation of net income for the period:</b>		
Net income for the period after taxation		2,184,178
Income already paid on units redeemed		(7,207)
		<b>2,176,971</b>
<b>Accounting income available for distribution:</b>		
Relating to capital gains		-
Excluding capital gains		2,176,971
		<b>2,176,971</b>

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Pak Qatar Asset Management Company Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



PAK QATAR ISLAMIC STOCK FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM SEPTEMBER 21, 2022 TO JUNE 30, 2023

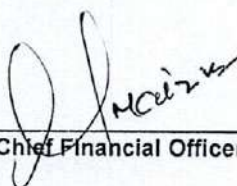
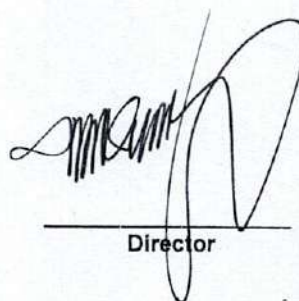
From September  
21, 2022 to  
June 30, 2023  
----- (Rupees) -----

Net income for the period after taxation	2,184,178
Other comprehensive income for the period	-
Total comprehensive income for the period	<u>2,184,178</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.



For Pak Qatar Asset Management Company Limited  
(Management Company)


  
Chief Executive Officer  
Chief Financial Officer  
Director

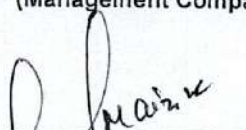
PAK QATAR ISLAMIC STOCK FUND  
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND  
FOR THE PERIOD FROM SEPTEMBER 21, 2022 TO JUNE 30, 2023

	From September 21, 2022 to June 30, 2023		
	Capital value	Accumulated Profit (Rupees)	Total
Net assets at beginning of the period	-	-	-
Issuance of 8,207,621 units			
- Capital value (at Ex-net asset value per unit at issue)	820,762,200	-	820,762,200
- Element of income	6,742,457	-	6,742,457
Total proceeds on issuance of units	827,504,657	-	827,504,657
Redemption of 2,786,218 units			
- Capital value (at Ex-net asset value per unit at issue)	(278,621,800)	-	(278,621,800)
- Element of income	(7,393,759)	(7,207)	(7,400,966)
Total payments on redemption of units	(286,015,559)	(7,207)	(286,022,766)
Total comprehensive income for the period	-	2,184,178	2,184,178
Distributions during the year	(64,806)	(1,562,394)	(1,627,200)
Net assets at end of the period	541,424,292	614,577	542,038,869
Undistributed Income brought forward			
- Realised		-	-
- Unrealised		-	-
Accounting Income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		2,176,971	2,176,971
Distributions during the year		(1,562,394)	(1,562,394)
Undistributed Income carried forward		614,577	614,577
- Realised income		21,451,927	21,451,927
- Unrealised loss		(20,837,350)	(20,837,350)
		614,577	614,577
		--- (Rupees) ---	
Net assets value per unit at beginning of the period		-	-
Net assets value per unit at end of the period		99.9813	99.9813

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

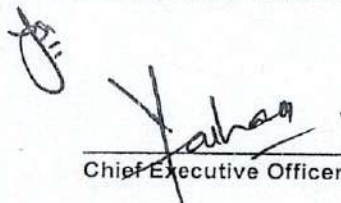


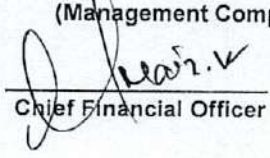
PAK QATAR ISLAMIC STOCK FUND  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM SEPTEMBER 21, 2022 TO JUNE 30, 2023

	From September 21, 2022 to June 30, 2023
Note	----- (Rupees) -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net profit for the period before taxation	2,184,178
<b>Adjustments for:</b>	
Profit on bank deposits	(5,697,620)
Dividend income	(25,446,844)
Net unrealised diminution on remeasurement of investments 'at fair value through profit or loss'	20,837,350
Amortisation of preliminary expenses and floatation cost	129,441
	<u>(7,993,495)</u>
<b>(Increase) in assets</b>	
Investments	(518,355,345)
Receivable against sale of investments	(51,414,891)
Preliminary expenses and floatation cost	(837,692)
Deposits and other receivables	(1,109,738)
	<u>(571,717,666)</u>
<b>Increase in liabilities</b>	
Payable to Management Company	1,942,181
Payable to the Trustee	87,639
Payable to the Commission	64,415
Accrued expenses and other liabilities	63,720,954
	<u>65,815,189</u>
Profit received on deposits	5,122,270
Dividend received	25,446,844
	<u>30,569,114</u>
<b>Net cash used in operating activities</b>	<u>(483,326,858)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Amount received from issuance of units	827,504,657
Amount paid against redemption of units	(286,022,766)
Distribution during the year	(1,627,200)
<b>Net cash generated from financing activities</b>	539,854,691
<b>Net increase in cash and cash equivalents</b>	<u>56,527,833</u>
Cash and cash equivalents at beginning of the period	-
<b>Cash and cash equivalents at end of the period</b>	<u><u>56,527,833</u></u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



**PAK QATAR ISLAMIC STOCK FUND**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE PERIOD FROM SEPTEMBER 21, 2022 TO JUNE 30, 2023**

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

- 1.1 Pak Qatar Islamic Stock Fund (the "Fund") is an open-ended Shariah compliant scheme constituted under a Trust Deed entered into on June 28, 2022 between Pak-Qatar Asset Management Company Limited (PQAMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee under the Sindh Trusts (Amendment) Act, 2021. The Fund was authorised by the Securities and Exchange Commission of Pakistan (the commission) as a unit trust scheme on July, 07 2022. The initial public offering (IPO) of the Fund was made on Initial offering period from September 21, 2022 to September 22, 2022 (both days inclusive), and the Fund commenced operation from September 21, 2022. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund's property was first transferred to the trustee i.e., period commencing on September 21, 2022 and ending on June 30, 2023 of the succeeding calendar year.
- 1.2 The Management Company of the Fund is registered as Non Banking Finance Company (NBFC) under NBFC Rules, 2003 and has obtained the requisite license from the commission to undertake Asset Management Services. The registered office of the Management Company is situated at Suite # G-8/9, Business Arcade, Block 6, Pakistan Employees Co-Operative Housing Society (PECHS), Karachi, in the province of Sindh.
- 1.3 The Fund is an open-ended Shariah Compliant Fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the fund.
- 1.4 According to the Trust Deed, the principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities. The Fund is categorised as an open end Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009, issued by the Securities and Exchange Commission of Pakistan (SECP). Mufti Muhammad Shakir Siddiqui acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.5 These financial statements have been prepared from date of launch of the fund. i.e from September 21, 2022 to June 30, 2023 (the period), therefore these are the first set of financial information of the fund, hence there are no corresponding numbers in these financial statements.
- 1.6 The investment objective is to generate long term capital growth through actively managed portfolio in accordance with Shariah Compliant Islamic Equity Category.
- 1.7 The Fund's credit rating is in process by Pakistan Credit Rating Agency (PACRA) hence the fund is not rated as at period end June 30, 2023.
- 1.8 The title to the assets of the Fund is held in the name of the Trustee of the Fund. i.e. CDC.

**2. BASIS OF PREPARATION**

**2.1 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 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, part VIII A of the repealed Companies Ordinance 1984; and
- The NBFC rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.





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

## 2.2 New accounting standards, amendments and IFRS interpretations that are effective for the period ended June 30, 2023

The following standards, amendments and interpretations are effective for the period ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

## 2.3 New accounting standards, amendments and IFRS interpretations that are not yet effective

	Effective from accounting period beginning on or after
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 Financial Instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Commission:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts



## 2.4 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are documented in the following accounting policies, notes and relate primarily to:

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

	Note
- Classification and valuation of financial assets	3.1.1
- Impairment of financial assets	3.1.1.3
- Taxation	3.4
- Classification and valuation of financial liabilities	3.1.2.1

The 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.

## 2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments which are stated at fair value.

## 2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been round off to the nearest thousand rupees, unless otherwise stated.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to periods presented in these financial statements.

### 3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Income statement.

#### 3.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

##### 3.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.





All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

#### **Financial assets designated at fair value through profit or loss (equity instruments)**

Equity investments which the Fund had not irrevocably elected to classify at fair value through other comprehensive income are classified as at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of assets and liabilities at fair value with net changes in fair value recognised in the Income statement.

Dividends on equity investments are recognised as income in the Income statement when the right to receive is established.

#### **3.1.1.2 Fair value measurement principles**

The fair value of financial instruments is determined as follows:

##### **Basis of valuation of equity instruments:**

The fair value of equity instruments is determined by using closing rate of securities at day end available on the Pakistan Stock Exchange's website.

#### **3.1.1.3 Impairment of financial assets**

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

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertains to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

#### **3.1.1.4 Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset;

#### **3.1.2 Financial liabilities**

##### **3.1.2.1 Classification and measurement of financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fair value through profit or loss.



### 3.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income statement.

### 3.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances.

### 3.3 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 3.4 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 its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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

### 3.5 Distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors (the Board) of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the Commission, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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

### 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.





Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, and the net assets value 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 net asset value 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.

### 3.7 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 issue at the year end.

### 3.8 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised appreciation / diminution arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the Income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

### 3.9 Expenses

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

### 3.10 Earnings per unit

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

			June 30, 2023
	Note		------(Rupees)-----
4. BANK BALANCES			
Local currency:			
Savings accounts	4.1		<u>56,527,833</u>
4.1 Mark-up rates on these accounts range between 14% to 19.25% per annum.			
5. INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	5.1		<u>497,517,995</u>



## 5.1 Listed equity securities

Name of the investee company	Face value per share	As at July 1, 2022	Purchased during the period	Bonus / right issue received during the period	Sold / disposed during the period	As at June 30, 2023	Balance as at June 30, 2023			Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
							Carrying value	Market value	Appreciation / (diminution)			
Fully paid ordinary shares (unless otherwise stated)	(Rupees)		----- (Number of shares) -----				----- (Rupees) -----			----- (%) -----		
<b>Banks</b>												
Faysal Bank Limited	10	-	1,629,069	-	708,500	920,569	21,076,095	18,577,082	(2,499,013)	3.73	3.43	0.06
Meezan Bank Limited	10	-	747,350	-	325,207	422,143	39,253,019	36,460,491	(2,792,528)	7.33	6.73	0.02
							60,329,114	55,037,573	(5,291,541)			
<b>Textile Composite</b>												
Nishat Mills Limited	10	-	441,278	-	302,078	139,200	8,053,967	7,902,384	(151,583)	1.59	1.46	0.04
<b>Cement</b>												
Cherat Cement Company Limited	10	-	643,412	-	530,805	112,607	13,451,575	13,544,370	92,795	2.72	2.50	0.06
D.G. Khan Cement Company Limited	10	-	1,107,032	-	873,476	233,556	11,641,365	11,981,423	340,058	2.41	2.21	0.05
Lucky Cement Limited	10	-	198,892	-	124,800	74,092	37,631,101	38,682,692	1,051,591	7.78	7.14	0.02
Maple Leaf Cement Factory Limited	10	-	1,812,142	-	1,456,733	355,409	9,844,372	10,068,737	224,365	2.02	1.86	0.03
Pioneer Cement Limited	10	-	844,301	-	756,640	87,661	7,209,533	7,594,072	384,539	1.53	1.40	0.04
							79,777,946	81,871,294	2,093,348			
<b>Power Generation &amp; Distribution</b>												
The Hub Power Company Limited	10	-	955,122	-	562,282	392,840	26,644,817	27,333,807	688,990	5.49	5.04	0.03
<b>Oil &amp; Gas Marketing Companies</b>												
Pakistan State Oil Company Limited	10	-	440,033	-	240,033	200,000	23,865,816	22,202,000	(1,663,816)	4.46	4.10	0.04
Sui Northern Gas Pipelines Limited	10	-	692,875	-	423,182	269,693	11,072,452	10,617,813	(454,639)	2.13	1.96	0.04
							34,938,268	32,819,813	(2,118,455)			
<b>Oil &amp; Gas Exploration Companies</b>												
Mari Petroleum Company Limited	10	-	48,371	-	28,968	19,403	30,262,552	29,388,560	(873,992)	5.91	5.42	0.01
Oil & Gas Development Company Limited	10	-	2,210,415	-	1,697,130	513,285	41,245,922	40,036,230	(1,209,692)	8.05	7.39	0.01
Pakistan Oilfields Limited	10	-	202,426	-	125,840	76,586	31,872,016	30,769,957	(1,102,059)	6.18	5.68	0.03
Pakistan Petroleum Limited	10	-	2,250,694	-	1,695,594	555,100	35,313,632	32,828,614	(2,485,018)	6.60	6.06	0.02
							138,694,122	133,023,361	(5,670,761)			
<b>Engineering</b>												
Amreli Steels Limited	10	-	595,127	-	321,078	274,049	5,034,768	4,206,652	(828,115)	0.85	0.78	0.09
International Industries Limited	10	-	322,038	-	228,200	93,838	7,063,294	6,872,695	(190,599)	1.38	1.27	0.07
International Steels Limited	10	-	378,252	-	214,957	163,295	6,936,770	6,618,346	(318,424)	1.33	1.22	0.04
Mughal Iron And Steel Industries Ltd	10	-	789,886	-	604,079	185,807	9,248,735	9,000,491	(248,244)	1.81	1.66	0.06
							28,283,567	26,698,184	(1,585,382)			



Name of the investee company	Face value per share	As at July 1, 2022	Purchased during the period	Bonus / right issue received during the period	Sold / disposed during the period	As at June 30, 2023	Balance as at June 30, 2023			Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
							Carrying value	Market value	Appreciation / (diminution)			
Fully paid ordinary shares (unless otherwise stated)	(Rupees)		(Number of shares)				(Rupees)			(%)		
<b>Automobile Assembler</b>												
Millat Tractors Limited	10	-	44,105	10,114	33,651	20,568	7,595,020	8,027,896	432,876	1.61	1.48	0.01
<b>Technology &amp; Communications</b>												
Avanceon Limited	10	-	353,087	14,940	203,487	164,540	8,503,552	7,246,342	(1,257,210)	1.46	1.34	0.04
Systems Limited	10	-	276,806	-	213,206	63,600	27,756,964	25,651,788	(2,105,176)	5.16	4.73	0.02
							36,260,516	32,898,130	(3,362,386)			
<b>Refinery</b>												
Attock Refinery Limited	10	-	135,719	-	109,590	26,129	4,434,874	4,484,520	49,646	0.90	0.83	0.02
<b>Fertilizer</b>												
Engro Fertilizers Limited	10	-	909,258	-	541,539	367,719	30,745,362	30,347,849	(397,513)	6.10	5.60	0.03
Engro Corporation Limited	10	-	351,586	-	281,586	70,000	19,004,834	18,192,300	(812,534)	3.66	3.36	0.01
							49,750,196	48,540,149	(1,210,047)			
<b>Pharmaceuticals</b>												
Citi Pharma Limited	10	-	1,726,146	-	1,103,924	622,222	14,606,228	13,278,217	(1,328,011)	2.67	2.45	0.27
The Searle Company Limited	10	-	345,496	7,425	230,600	122,321	6,847,348	4,687,341	(2,160,007)	0.94	0.86	0.03
							21,453,576	17,965,558	(3,488,018)			
<b>Chemicals</b>												
Engro Polymer & Chemicals Limited	10	-	203,630	-	91,426	112,204	5,241,404	4,740,619	(500,785)	0.95	0.87	0.01
<b>Foods &amp; Personal Care Products</b>												
Unity Foods Limited	10	-	908,691	-	636,000	272,691	4,036,698	4,262,161	225,463	0.86	0.79	0.02
<b>Automobile Parts &amp; Accessories</b>												
Loads Limited	10	-	2,277,500	-	1,466,500	811,000	5,322,309	5,149,850	(172,459)	1.04	0.95	0.32
<b>Cables &amp; Electrical Goods</b>												
Pak Elektron Limited	10	-	2,045,259	-	1,298,000	747,259	7,538,953	6,762,696	(776,257)	1.36	1.25	0.09
<b>Inv. Bank/Inv. Companies/Securities Co.</b>												
Dawood Hercules Corporation Limited	10	-	85,500	-	85,500	-	-	-	-	-	-	-
<b>Total as at June 30, 2023</b>							<b>518,355,345</b>	<b>497,517,995</b>	<b>(20,837,350)</b>			



		June 30, 2023 ----(Rupees)----
Note		
5.2	<b>Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'</b>	
	Market value of investments	5.1 497,517,995
	Carrying value of investments	5.1 (518,355,345)
		<u>(20,837,350)</u>
6.	<b>DEPOSITS AND OTHER RECEIVABLES</b>	
	Security deposit with	
	- Central Depository Company of Pakistan Limited	100,000
	Other receivable	867,035
	Advance tax against bank profits	142,703
		<u>1,109,738</u>
7.	<b>PRELIMINARY EXPENSES AND FLOATATION COST</b>	
	Preliminary expenses and floatation cost	837,692
	Accumulated amortisation	
	Opening balance	-
	Amortised during the year	129,441
	Closing balance	7.1 129,441
		<u>708,251</u>
7.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with clause 15.3.1 set out in the Trust Deed of the Fund and the requirements set out in Non-Banking Finance Companies and Notified Entities Regulations, 2008.	
		June 30, 2023 ----(Rupees)----
8.	<b>PAYABLE TO MANAGEMENT COMPANY</b>	
	Management fee	8.1 775,573
	Sindh sales tax on management fee	8.2 100,824
	Preliminary expenses and floatation charges payable	7.1 722,021
	Allocated expenses payable	8.3 225,303
	Advertisement and marketing fee payable	8.4 118,460
		<u>1,942,181</u>
8.1	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 the management fee as disclosed in the Offering Document subject into the total expense ratio limit. As per Offering Document the Management Company can charge management fee upto 3% of average annual net assets. The fee is payable monthly in arrears to the Management Company. The Management Company has charged management fee at the rate of 2% of net assets.	
8.2	Sindh Sales Tax on services at the rate of 13% on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.	



- 8.3 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 Collective Investment Scheme (CIS). The Management Company has allocated expenses at the rate of 0.10% of the average annual net assets of the Fund.
- 8.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the management company, based on its own discretion, has charged selling and marketing expense at the rate of 0.5% per annum of the average annual net assets of the Fund during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

		Note	June 30, 2023 ----(Rupees)----
9.	<b>PAYABLE TO TRUSTEE</b>		
	Trustee fee	9.1	77,557
	Sindh sales tax on Trustee fee	9.2	10,082
			<u>87,639</u>
9.1	The Trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.2% per annum of average net assets.		
9.2	Sindh Sales Tax on services has been charged at 13% on gross value of Trustee fee levied through Sales Tax on Services Act, 2011.		
10.	<b>PAYABLE TO THE COMMISSION</b>	Note	June 30, 2023 ----(Rupees)----
	Annual fee payable	10.1	<u>64,415</u>
10.1	In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as an equity scheme is required to pay the SECP an amount equal to 0.02% of the average annual net assets of the Fund as annual fee.		
11.	<b>ACCRUED AND OTHER LIABILITIES</b>		June 30, 2023 ----(Rupees)----
	Capital gain tax payable		37,304
	Auditor's remuneration		159,560
	Withholding tax payable		163,068
	Charity / donation payable		1,211,753
	Payable against purchase of investments		<u>62,149,269</u>
			<u>63,720,954</u>
12.	<b>CONTINGENCIES AND COMMITMENTS</b>		
	There were no contingencies and commitments as at June 30, 2023.		
13.	<b>AUDITOR'S REMUNERATION</b>		
	Auditor's remuneration		209,259
	Out of pocket		<u>20,926</u>
			<u>230,185</u>
	Sindh sales tax		18,415
			<u>248,600</u>



14. **TOTAL EXPENSE RATIO**

The total expense ratio (TER) of the Fund from September 22, 2022 to June 30, 2023 is 3.70% (annualised) and this includes 0.24% representing government levies on the Fund such as sales taxes, annual fees to commission etc. This ratio is within the limit of 4.5% prescribed under the NBFC Regulations for a Collective Investment Scheme.

15. **TAXATION**

As disclosed in note 3.4 the Fund's Income is exempt from Income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition as mentioned in the said note. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. Since, the management intends to distribute the income earned by the Fund during the period to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements. Further, the Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Subsequent to period end the Fund distributed 100% of the Income for the period June 30, 2023 through resolution passed dated July 19, 2023.

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

Connected persons / related parties include the Management Company, the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons / related parties essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons / related parties.

The transactions with connected persons / related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

16.1 The details of transactions with connected persons / related parties during the period are as follows:

	For the period from September 21, 2022 to June 30, 2023 ----(Rupees)----
Transactions during the period	
<b>Pak Qatar Asset Management Company Limited (Management Company)</b>	
Remuneration to Management Company	6,441,503
Sindh sales tax on Management Company remuneration	837,395
Allocated expenses by the Management Company	508,600
<b>Central Depository Company of Pakistan Limited (Trustee)</b>	
Trustee remuneration	644,150
Sindh sales tax on trustee remuneration	83,740

16.2 Details of balances with connected persons / related parties as at period end are as follows:

<b>With Management Company</b>	
Remuneration payable to the management company	775,573
Sindh sales tax on management remuneration	100,824
Allocated expenses	225,303
Advertisement and marketing fee payable	118,460
<b>With Trustee</b>	
Remuneration payable	77,557
Deposit with CDC	100,000
Sindh sales tax on Trustee remuneration payable	10,082



16.3 Transactions during the year with connected persons / related parties in units of the Fund:

					For the period ended June 30, 2023					
As at July 01, 2022	Issued for cash	Bonus	Redeemed	As at June 30, 2023	As at July 01, 2022	Issued for cash	Bonus	Redeemed	As at June 30, 2023	
(Number of Units)					(Rupees)					
Associated Companies / Undertakings :-										
Pak Qatar Asset Management Company Limited (Management Company)	-	449,253	291	297,157	152,387	-	44,919,816	29,117	30,283,655	15,235,850
Pak Qatar Individual Family Participant Investment Fund	-	4,136,324	11,488	-	4,147,812	-	418,000,000	1,148,753	-	414,703,636
Pak Qatar Investment Account	-	330,299	598	-	330,897	-	34,000,000	58,773	-	33,083,512
Pak Qatar Investment (Pvt) Limited	-	20,000	76	-	20,076	-	2,000,000	7,622	-	2,007,225
Pak Qatar Family Takaful Limited	-	1,814,925	728	1,434,684	380,969	-	182,500,000	72,793	147,290,826	38,089,776
Pak Qatar General Takaful Limited	-	1,421,075	728	1,040,834	380,969	-	142,500,000	72,793	107,082,781	38,089,776
Key Management Personnel of Management Company	-	1,583	3	548	1,038	-	160,875	330	55,484	103,781

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value based on:

**Level 1:** quoted prices in active markets for identical assets or liabilities;

**Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

10



As at June 30, 2023								
Note	Carrying amount			Fair Value				
	Amortised Cost	Fair value through profit or loss	Fair value through other comprehensive income	Level 1	Level 2	Level 3	Total	
(Rupees )								
Financial assets measured at fair value through Profit or Loss								
Listed equity securities	5	-	497,517,995	-	497,517,995	-	-	497,517,995
Financial assets not measured at fair value								
Bank balances		56,527,833	-	-	-	-	-	56,527,833
Profit receivable		575,350	-	-	-	-	-	575,350
Deposits		100,000	-	-	-	-	-	100,000
Receivable against sale of investments		51,414,891	-	-	-	-	-	51,414,891
								108,618,074
Financial liabilities not measured at fair value								
Payable to Management Company		1,841,357	-	-	-	-	-	1,841,357
Payable to Trustee		77,557	-	-	-	-	-	77,557
Accrued and other liabilities		63,520,582	-	-	-	-	-	63,520,582
								65,439,496

There were no transfers between various levels of fair value hierarchy during the period.

## 18. FINANCIAL RISK MANAGEMENT

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 the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and the regulations laid down by the SECP, the NBFC regulations and the NBFC rules.

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



### 18.1.1 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. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

### 18.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is exposed to such risk on 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.

As of June 30, 2023 details of Fund's interest bearing financial instruments were as follows:

	Note	June 30, 2023 ----(Rupees)----
<b>Variable rate instrument (financial asset)</b>		
Bank balances	4	<u>56,527,833</u>

#### Sensitivity analysis for variable rate instrument

Presently, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher/lower by Rs. 0.57 million.

As of June 30, 2023 the Fund does not hold any fixed rate instruments.

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

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

Particulars	As at June 30, 2023					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	----(%)----				------(Rupees)-----	
On-balance sheet financial instruments						
Financial assets						
Bank balances	14 to 19.25	56,527,833	-	-	-	56,527,833
Investments		-	-	-	497,517,995	497,517,995
Profit receivable		-	-	-	575,350	575,350
Deposits		-	-	-	100,000	100,000
Receivable against sale of investments		-	-	-	51,414,891	51,414,891
Sub total		56,527,833	-	-	549,608,236	606,136,069
Financial liabilities						
Payable to Management Company		-	-	-	1,841,357	1,841,357
Payable to Trustee		-	-	-	77,557	77,557
Accrued and other liabilities		-	-	-	63,520,582	63,520,582
Sub total		-	-	-	65,439,496	65,439,496
On-balance sheet gap		56,527,833	-	-	484,168,740	540,696,573
Total interest rate sensitivity gap		56,527,833	-	-	484,168,740	540,696,573
Cumulative interest rate sensitivity gap		56,527,833	56,527,833	56,527,833		



### 18.1.3 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 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 35% of the net assets.

In case of 1% increase / decrease in KMI 30 index on June 30, 2023, with all other variables held constant, the total comprehensive (loss) / income of the Fund for the year would increase / decrease by Rs. 4.975 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 30 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 30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

### 18.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The fund is exposed to counter party credit risk on bank balances, investments, profit receivable, deposits and receivable against sale of investments. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major customers. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from balances with banks and financial institutions is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	June 30, 2023	
	Balance as per statement of assets and liabilities	Maximum exposure
	----(Rupees)----	
Bank balances	56,527,833	56,527,833
Profit receivable	575,350	575,350
Deposits	100,000	100,000
Receivable against sale of investments	51,414,891	51,414,891
	<u>108,618,074</u>	<u>108,618,074</u>

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2023.

#### Bank Balances and profit receivable thereon by rating category

Rating	June 30, 2023	
	--(Rupees)--	%
AA-	125,697	0.22%
AA	56,977,486	99.78%
	<u>57,103,183</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited (Formally JCR-VIS Credit Rating Company Limited) as of June 30, 2023.



## Security deposit

Deposits are placed with CDC for the purpose of effecting transaction and settlement of listed securities. It is expected that all deposits with CDC will be clearly identified as being asset of the Fund, hence management believes that the Fund is not materially exposed a credit risk with such respect to such deposit.

## Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

## Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using central clearing system.

### 18.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations arising from its financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Funds. Liquidity risk also arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price calculated in accordance with the Fund's constitutive documents and guidelines laid down by the commission.

Units of the Fund are redeemable on demand at the holder's option, however, the Fund does not anticipate significant redemption of units.

The table below analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

June 30, 2023

	Within 1 months	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Financial instruments with no fixed maturity	Total
----- (Rupees) -----							
Financial assets							
Bank balances	56,527,833	-	-	-	-	-	56,527,833
Investments	-	-	-	-	-	497,517,995	497,517,995
Profit receivable	575,350	-	-	-	-	-	575,350
Deposits	-	-	-	-	-	100,000	100,000
Receivable against sale of investments	51,414,891	-	-	-	-	-	51,414,891
	108,518,074	-	-	-	-	497,617,995	606,136,069

	Within 1 months	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Financial instruments with no fixed maturity	Total
----- (Rupees) -----							
Financial liabilities							
Payable to Management Company	1,841,357	-	-	-	-	-	1,841,357
Payable to Trustee	77,557	-	-	-	-	-	77,557
Accrued and other liabilities	63,520,582	-	-	-	-	-	63,520,582
	-	-	-	-	-	-	-
	65,439,496	-	-	-	-	-	65,439,496
	43,078,578	-	-	-	-	497,617,995	540,696,573



## 19 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units. The Fund is required by the NBFC Regulations, to maintain a minimum fund size of Rs.100 million, to be maintained all the time during the life of the scheme. The units issued by the Fund provides an investor with the right to require redemption for cash at a value proportionate to the unit holder's share in the Fund's net assets at the redemption date.

The Fund's objective in managing the unit holders' fund is to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemption. In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

## 20 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the Investment Committee of the Fund are as follows:

Name	Designation	Qualification	Experience in years (Number)
Farhan Shaukat	Chief Executive Officer	FCA, PGD in Islamic Finance	24
Meraj Uddin Mazhar	Chief Investment Officer	CFA, FRM, MBA	12
Shahzaib Muhammad Saleem	Fund Manager	MBA, IFMP, IFC	8
Muhammad Farhan Javaid	Head of Risk and Research	ACMA	14

20.1 Mr. Shahzaib Muhammad Saleem exclusively serves as the fund manager for this particular fund and is not involved in managing any other funds.

## 21 TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

	June 30, 2023 (%)
1 EFG Hermes Pakistan Limited	19.52
2 Chase Securities Pakistan (Private) Limited	19.03
3 Arif Habib Limited	18.42
4 Multiline Securities (Pvt) Limited	10.82
5 Ismail Iqbal Securities (Pvt) Ltd.	6.56
6 Topline Securities Limited	6.00
7 AKD Securities Limited	5.72
8 M. R. A. Securities (Pvt) Limited	4.42
9 BMA Capital Management Ltd.	3.49
10 Dawood Equities Ltd.	2.61

## 22. PATTERN OF UNIT HOLDING

Individual  
Associated companies

As at June 30, 2023			
Number of unit holders	Number of units	Investment amount	Percentage investment
		---(Rupees)---	%
7	6,375	637,401	0.12%
6	5,415,028	541,401,468	99.88%
13	5,421,403	542,038,869	100%

23. **ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS**

The meeting of Board of Directors were held on September 16, 2022, October 07, 2022, October 28, 2022, February 20, 2023 and April 18, 2023.

Name of persons attending the meetings	Designation	Number of Meetings Held	Number of meetings			Meetings Not Attended
			Attendance required	Attended	Leave Granted	
Said Gul	Chairman	5	5	5	-	-
Muhammad Owais Ansari	Director	5	5	5	-	-
Syed Asad Ali Jilani	Director	5	5	5	-	-
Muhammad Kamran Saleem	Director	5	5	5	-	-
Sameera Said	Director	5	5	5	-	-
Farhan Shaukat	Chief Executive Officer	5	5	5	-	-

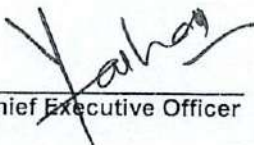
24. **GENERAL**

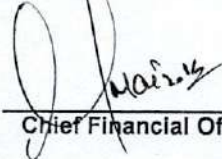
24.1 Figures have been rounded off to the nearest Rupee unless otherwise stated.

25. **DATE OF AUTHORISATION FOR ISSUE**

These financial statements are approved and authorised for issue on 23 AUG 2023 by the Board of Directors of the Management Company.

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director