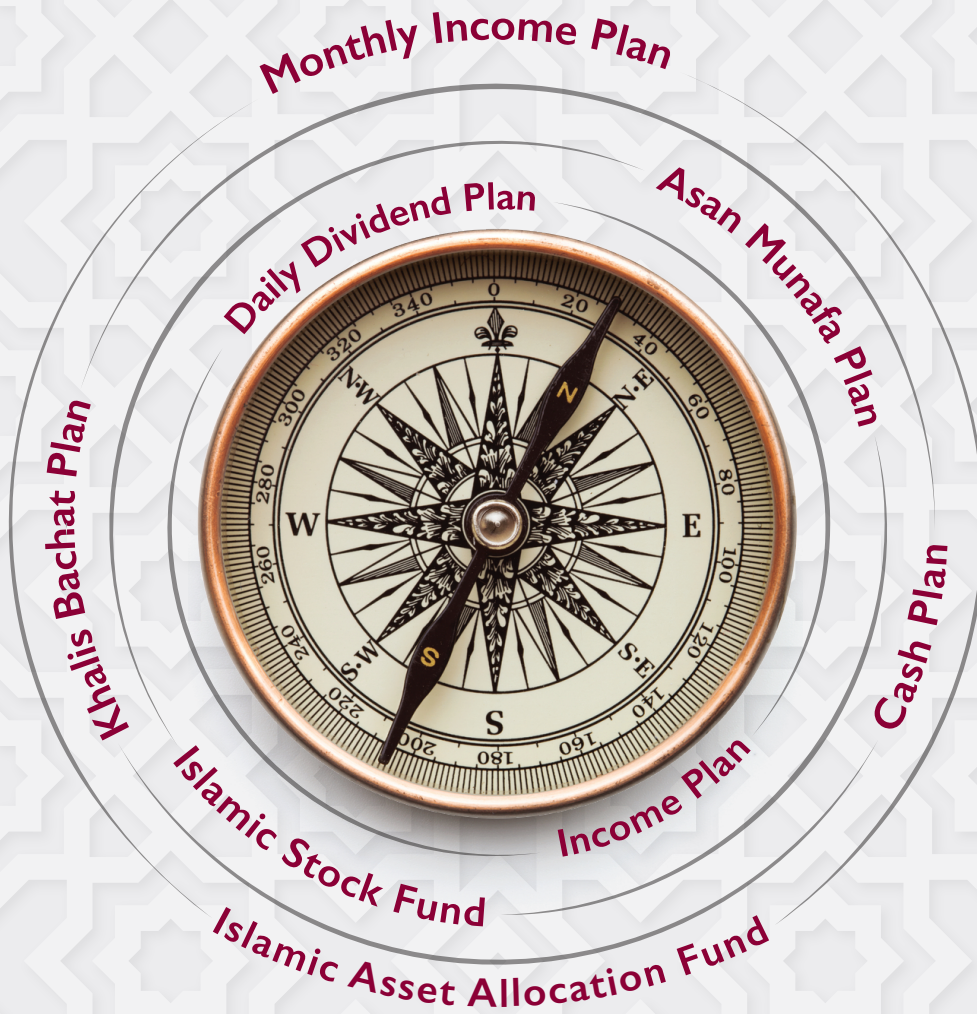




PAK-QATAR  
ASSET MANAGEMENT

## Our Investment options cover all directions



**Pak-Qatar Asset Management Company Limited**

# Annual Report 2023

A Pak-Qatar Group Company: Pakistan's Premier and Pioneer Islamic financial Services Group

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ





# PAK-QATAR GROUP

Pak Qatar Group stands as Pakistan's premier and pioneer Islamic financial services group, offering a comprehensive range of savings and protection solutions that adhere to the principles of Sharia-compliant finance. With a steadfast commitment to excellence and a strong emphasis on Islamic values, the group encompasses esteemed companies such as Pak-Qatar Investment (Private) Limited, Pak-Qatar Family Takaful Limited, Pak-Qatar General Takaful Limited, and Pak-Qatar Asset Management Company Limited.

At the heart of its operations, Pak-Qatar Investments excels in providing independent assessments and exclusive investment recommendations to its esteemed clientele. Backed by a team of seasoned experts and a deep understanding of the financial landscape, Pak-Qatar Investments guides individuals and organizations towards prudent investment decisions that align with their unique goals and Islamic finance principles.

Pak-Qatar Family Takaful and Pak-Qatar General Takaful embody the essence of solidarity and shared responsibility, delivering comprehensive Takaful (Islamic insurance) coverage that adheres to the principles of cooperation and mutual support. Through innovative and Sharia-compliant savings & protection solutions, these entities provide individuals, families, and businesses with reliable protection against unforeseen risks, ensuring peace of mind, supplemented by market competitive returns on their investments under unit-linked life Takfaul policies.

Pak-Qatar Asset Management Company plays a pivotal role within the group, offering expert guidance and proficiently managing investments funds in strict adherence to Islamic finance principles. With a focus on thorough research, market analysis, and prudent risk management practices, Pak-Qatar Asset Management Company strives to maximize returns while maintaining ethical investment standards.

With an unwavering commitment to excellence, integrity, customer satisfaction and Shariah compliance, Pak-Qatar Group has established a remarkable track record in Pakistan's financial industry. By combining cutting-edge financial solutions with the guiding principles of Islamic finance, the group continues to set new industry benchmarks. As a trusted partner, Pak-Qatar Group empowers individuals and organizations to navigate the financial landscape with confidence and integrity, fostering their prosperity and financial well-being.



# Introduction

Pak-Qatar Asset Management Company Limited (PQAMC) is at the forefront of Islamic asset management, ushering in a new era of smart investments designed to enrich your financial journey. Our mission is to elevate your lifestyle through strategic investment choices that offer Riba-free returns. With a commitment to excellence, PQAMC is your partner in securing a prosperous future.

PQAMC is part of Pak Qatar Group (Pakistan's premier and pioneer Islamic financial services group), offering a comprehensive range of savings and protection solutions that adhere to the principles of Sharia-compliant finance. With a steadfast commitment to excellence and a strong emphasis on Islamic values, the group encompasses esteemed companies such as Pak-Qatar Investment (Private) Limited, Pak-Qatar Family Takaful Limited, Pak-Qatar General Takaful Limited, and Pak-Qatar Asset Management Company Limited.

PQAMC takes immense pride in its esteemed patronage with industry leaders such as Pak-Qatar Investment Private Limited, Pak-Qatar Family Takaful Limited – a pioneering force in Pakistan's Family Takaful landscape, and FWU AG – a distinguished German entity specializing in Asset Management and Family Takaful across Europe and the Middle East. This collaboration establishes a solid foundation for PQAMC's unwavering commitment to excellence and innovation.

Backed by strong sponsors and guided by Islamic principles, our journey began with the grant of an asset management and advisory services license by SECP in December 2021. By September 2022, we had fulfilled all regulatory requirements, marking our official entry into the market in October 2022. PQAMC proudly became the second pure Islamic asset management company to initiate commercial operations.

The trust bestowed upon us by our investors stands as a testament to our unwavering dedication to excellence.

In a mere eight months of operations, we attained a remarkable milestone, by achieving Assets Under Management (AUM) of PKR 11.2 Billion (as of June 30th, 2023).

These assets are skillfully managed by experienced fund managers, overseeing a range of collective investment schemes that have garnered laudable ratings from PACRA. These ratings encompass a "AA" (Very High Credit Quality) rating to an "A" (High Credit Quality Rating), all backed by a stable outlook. At PQAMC, we are dedicated to Shariah-compliant investment solutions. Guided by our esteemed Shariah Advisor and Board, we meticulously select asset classes and conduct regular screenings for Shariah compliance. Our rigorous approach to research, market analysis, and risk management is designed to optimize returns while upholding ethical investment practices.

PQAMC operates under the regulatory purview of the Securities and Exchange Commission of Pakistan (SECP) and is a proud member of the Mutual Fund Association of Pakistan (MUFAP). The Central Depository Company (CDC) ensures the safety and compliance of investments, reflecting our commitment to transparency and accountability.

In the digital age, PQAMC leads with innovation. We offer the convenience of opening your investment account online, allowing you to begin your Riba-free investment journey seamlessly through our innovative digital onboarding process. Our digital platform empowers you to manage your investments, make fund transfers, view portfolio details, and track performance, all with a few clicks. Experience the digital journey through our digital platforms. Through our digital solutions, you can invest in our funds via the inbuilt payment solution, offering options ranging from a payment aggregator, IBFT, RTGS, or cheque.

PQAMC has a presence across all major cities in Pakistan

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## **Our Vision:**

To be the most progressive Fund Manager providing investment solutions to everyone tailored for their needs.

## **Our Mission:**

- Identifying ingenious ways by enabling potential investors to maximize their investments.
- Using Technology to provide a digitized platform for every investment need.
- Providing predictive research based on Quant Model.
- Shariah Compliance at its core in every respect.
- Ensuring value-for-money for all stakeholders.
- Outperforming the contemporaries at all times.

## **Our Values:**

- Trusted, Secure, Reliable.
- Expeditious & Quality Service.
- Convenience, Secure & Optimum Return.
- Shariah Compliance.



## Directors' Report – Funds Under Management Company

The Board of Directors of Pak-Qatar Asset Management Company Limited is pleased to present the financial statements of the following open-end funds for the period ended June 30, 2023.

### Economic Review

FY23 proved to be a challenging year for the country, with GDP growth hampered by unprecedented floods, external price shocks, international slowdown, hyperinflation, and currency devaluation. These factors contributed to a growth slowdown, reaching an abysmal low of approximately 0.3%, with all major sectors – Agriculture, Industry, and Services – falling behind targeted projections. Agriculture and Services sectors grew marginally by 1.5% and 0.86%, respectively. Floods caused by climate change devastated many major crops, inducing price shocks and supply disruptions. The decline in Agricultural output of two major crops, cotton and rice, by 58% and around 22%, respectively, exacerbated the impact of the commodity super-cycle. The spike in global conflicts, such as the Ukrainian conflict, also added to inflationary trends worldwide. A secondary impact of this decline was also visible in the industrial sector, which decelerated by 2.9%.

The industrial sector faced headwinds due to global slowdown, SBP restrictions, currency devaluation, and import rationalization to manage the Current Account deficit, resulting in restrictions on LCs and forced shutdowns for many industries. Inflationary pressures and a tight fiscal space elevated poverty and unemployment, and the decline in per capita income from government estimates of USD 1,765 in FY22 to USD 1,568 reaffirms a loss in consumption propensity. Investor confidence was also shattered, as Total Foreign Investment during FY23 stood at USD 430 million, compared to USD 1,858 million in FY22. The government continued to walk a tight rope in meeting external maturities and made desperate efforts to secure the IMF deal by agreeing to harsh economic reforms. The country managed to secure a Stand-by Agreement (SBA) signed with the IMF board for approximately USD 3 billion, with the first tranche of USD 1.2 billion being released. The SBA came with its set of conditions, including the removal of import restrictions, a market-based exchange rate, and SBP autonomy in monetary operations. The government remained focused on bolstering SBP foreign exchange reserves, which at one point depleted to around USD 3 billion. Chinese loans and deposits from GCC countries became vital lifelines to avoid a declared default. Total Debt increased from PKR 47,832 billion to PKR 60,839 billion during the fiscal year, forming around seventy percent of GDP. Simultaneously, this increase was reflected in the fiscal space, where Interest Expenditure accounted for around sixty percent of Total Consolidated Federal Revenue. Despite achieving a revenue collection of PKR 7,818 billion, the government ended up with a Primary Deficit of PKR 690 billion. The country will continue to adhere to the IMF reforms agenda with strict timelines, while also exploring new mechanisms to attract FDIs and align the country with regional economies.

### Money Market Review

During the review period, the central bank raised the policy rate by 825 bps from 13.75% to 22% to meet IMF conditions, control inflationary pressures, curtail demands, and alleviate pressure from external balances to address the weakening rupee. Due to the continuous hike in the monetary policy rate, yields for 3M, 6M, and 12M T-bills surged significantly and reached 22%, 21.97%, and 22%, respectively, while

yields for 3Y, 5Y, and 10Y PIBs settled at 19.47%, 16.08%, and 15.32%, respectively. Yields for 3 Months, 6 Months, and 12 Months KIBOR saw robust growth, increasing by 775 bps, 762 bps, and 754 bps, respectively. On the liquidity front, the monetary market remained stable due to regular short and medium Open Market Operations (OMO) from SBP, ensuring that overnight rates remained close to the monetary policy rate. The following changes were observed on a YoY basis in KIBOR, T-Bills, and PIBs:

Description	30-Jun-22	30-Jun-23	Change (YoY)
KIBOR 1 Month	14.16%	22.54%	838.00
KIBOR 3 Months	15.16%	22.91%	775.00
KIBOR 6 Months	15.35%	22.97%	762.00
KIBOR 12 Months	15.73%	23.27%	754.00
T-Bill 3 Months	14.98%	22.00%	702.00
T-Bill 6 Months	15.15%	21.97%	682.00
T-Bill 12 Months	15.30%	22.00%	670.00
PIB 3 Year	13.45%	19.47%	602.00
PIB 5 Year	12.93%	16.08%	315.00
PIB 10 Year	12.92%	15.32%	240.00

During FY23, the market displayed significant interest in T-Bills, participating with PKR 41.9 trillion, of which the government accepted PKR 24.6 trillion. Due to ongoing monetary policy tightening, heavy participation was observed in 3M T-bills, accounting for 73% of total participation in T-Bills. Overall, market participation in 3M, 6M, and 12M T-bills was PKR 30.6 trillion, PKR 6.3 trillion, and PKR 4.9 trillion, respectively. In Fixed Rate PIBs, the market participated with PKR 4.1 trillion, of which the government accepted PKR 1.0 trillion. In floating PIBs, the market participated with PKR 8.2 trillion, of which the government accepted PKR 5.3 trillion. The central bank regularly conducted GoP Ijarah Sukuk Auctions, witnessing healthy participation from financial institutions.

Government Ijarah Fixed Rate Rental (FRR) Securities continued to face the impact of rising monetary policy rates, with instrument prices falling. On the other hand, the Central Bank began auctioning 1-Year and 3-Year tenor GoP Ijarah securities to broaden its access to untapped market funds that prefer shorter tenors. The market remained biased toward variable rate Ijara sukuk. Total participation in the variable rate Ijara sukuk auction was PKR 1296 billion, with the government accepting PKR 736 billion against the total target of PKR 1205 billion. However, PKR 331 billion in participation was observed in the fixed-rate Ijara sukuk auction, and the government accepted PKR 135 billion against the total target of PKR 415 billion.

Rising interest rates, coupled with increased bank deposits and lackluster stock market performance, led to significant participation in GoP Ijarah securities, as banks could better deploy excess liquidity at better rates compared to available money market rates. The corporate sector continued to struggle in raising funds through long tenor Sukuks, but there was an increase in short tenor Sukuks, particularly in the Energy sector, which were heavily subscribed to by Asset Management Companies and other financial institutions.

## Equity Review

The fiscal year began with the KMI-30 Index at 68,766.37 points on June 30, 2022. Over the year, the market experienced fluctuations and volatility. Despite challenges from internal and external factors, the fiscal year ended positively, with the index reaching 70,748.13 points on June 27, 2023—an increase of 2.88%. Throughout the fiscal year, from June 2022 to June 2023, Pakistan's equity market underwent significant shifts. The KMI-30 Index transitioned from 68,766.37 to 70,748.13 points, reflecting a change of 1,981.76 points.

This transformation was influenced by various sectors; the Fertilizer and Technology & Communication sectors, led by Engro Corporation Ltd and Systems Ltd, experienced index point gains. However, sectors like Chemicals and Pharmaceuticals, represented by companies such as Engro Polymer & Chemicals Ltd and The Searle Company Ltd, faced challenges resulting in negative index points. This dynamic interplay highlights the equity market's adaptability to diverse economic factors. The equity market navigated heightened volatility influenced by external elements and macroeconomic indicators that affected investor sentiment and overall market dynamics. Throughout the fiscal year, challenges resonated through the equity market, including external pressures, IMF program delays, an expanding fiscal deficit, and inflationary pressures, creating a cautious atmosphere for investors. The policy rate surged by 825 basis points, reaching an unprecedented 22.0%, impacting the market's attractiveness. This demanding economic environment led to a decline in foreign exchange reserves held by the State Bank of Pakistan (SBP), resulting in the depreciation of the Pakistani Rupee against the US Dollar.

Significant events unfolded during the year, shaping the equity market's trajectory. Government decisions on power tariffs, IMF agreements, credit rating adjustments, and fluctuations in interest rates played pivotal roles in influencing market sentiment and conditions. Remittances from overseas Pakistanis fluctuated, experiencing a 10% YoY decrease by May 2023. Foreign direct investment (FDI) also declined by 21% over the 11-month period ending in May 2023. Notably, investments from economic powerhouses like China and Japan remained substantial, particularly in sectors such as Power, Financial Business, and Oil & Gas exploration. As the fiscal year concluded, the equity market remained attuned to local and global developments.

Despite challenges, positive signals emerged from international commitments and efforts to revitalize the IMF program. Looking ahead, the equity market's trajectory depends on evolving factors within the country and abroad. Government policies, worldwide economic trends, and political stability will significantly influence market performance. The market's resilience positions it for recovery and growth under more favorable conditions. In summary, the fiscal year 2022-2023 showcased Pakistan's stock market's intricate and ever-changing nature. The KMI-30 Index mirrored the market's evolution. Moving forward, the recent decline in commodity prices offers much-needed relief for the economy. However, the sustained nature of this trend is crucial for genuine economic improvement.

## Mutual Fund Industry Review

The Assets under Management (AUM) of the mutual fund industry increased by 28.9% to PKR 1,619.4 billion in FY23. The percentage of Shariah-compliant funds in the entire mutual fund industry rose to 45.9% in FY23, with Shariah-compliant AUMs growing by 53.9% to PKR 744.3 billion. As of June 30, 2023,

Pak Qatar Asset Management held a 0.7% market share in the mutual fund industry and a 1.5% market share in the Shariah-compliant funds category.

The table below illustrates the change in industry AUMs from FY22 to FY23:

	FY22	FY23	Change
	(PKR in Billion)		(%)
<b><u>Sovereign, Money Market and Income Funds</u></b>			
Shariah Compliant Funds	370	651	76.04
Conventional Funds	627	723	15.32
<b>Total Funds</b>	<b>997</b>	<b>1374</b>	<b>37.85</b>
<b><u>Equity Funds (Including Index Tracker Funds)</u></b>			
Shariah Compliant Funds	66	44	(33.71)
Conventional Funds	121	86	(28.51)
<b>Total Funds</b>	<b>187</b>	<b>130</b>	<b>(30.35)</b>
<b><u>Capital Protected, balanced, and asset allocation Funds</u></b>			
Shariah Compliant Funds	20	15	(22.85)
Conventional Funds	10	48	383.21
<b>Total Funds</b>	<b>30</b>	<b>64</b>	<b>112.51</b>
<b><u>Commodity Funds</u></b>			
Shariah Compliant Funds	0.6	1.3	124.33
Conventional Funds	NA	NA	NA
<b>Total Funds</b>	<b>0.6</b>	<b>1</b>	<b>124.33</b>
<b><u>Voluntary Pension Funds</u></b>			
Shariah Compliant Funds	27	32	19.96
Conventional Funds	14	17	23.51
<b>Total Funds</b>	<b>41</b>	<b>50</b>	<b>21.17</b>
<b>Grand Total</b>	<b>1,255.6</b>	<b>1619.4</b>	<b>28.98</b>



### Performance Review (Funds)

The table provided below depicts a summary of FY23 performance of fund under our management.

Funds Category	Funds	Net Assets Rs. in millions	Returns for FY23 (%) *	Benchmark for FY23 (%)
Equity Fund	Pak-Qatar Islamic Stock Fund	542	0.42%	5.75%
Money Market Fund	Pak-Qatar Asan Munafa Plan	204	15.92%	6.23%
	Pak-Qatar Cash Plan	2,866	17.07%	6.23%
	Pak-Qatar Daily Dividend Plan	2,159	17.59%	6.23%
	Pak-Qatar Khalis Bachat Plan	313	15.79%	6.06%
Income Fund	Pak-Qatar Income Plan	4,764	17.29%	6.06%
	Pak-Qatar Monthly Income Plan	344	16.97%	6.06%
		11,192		

As of June 30, 2023, Pak Qatar Asset Management, have crossed PKR 11.19 billion assets under management.

\* For Equity Fund, the stated returns are absolute, while returns for Money Market Funds and Income Funds are annualized.

## Performance Review (Funds/Plans)

### Pak-Qatar Islamic Stock Fund:

With a net asset size of Rs. 542 million, the Pak-Qatar Islamic Stock Fund demonstrated modest performance in the fiscal year 2023, recording a return of 0.42% compared to the benchmark return of 5.75%.

### Pak-Qatar Islamic Cash Fund

#### Pak-Qatar Asan Munafa Plan:

Boasting a net asset size of Rs. 204 million, the Pak-Qatar Asan Munafa Plan demonstrated exceptional performance in the fiscal year 2023, delivering an impressive return of 15.92%. This substantial return significantly outperforms the benchmark return of 6.23%.

#### Pak-Qatar Cash Plan:

With a net asset size of Rs. 2,866 million, the Pak-Qatar Cash Plan exhibited strong performance in the fiscal year 2023, with a return of 17.07%. This robust performance surpasses the benchmark return of 6.23%.

#### Pak-Qatar Daily Dividend Plan:

Managing a net asset size of Rs. 2,159 million, the Pak-Qatar Daily Dividend Plan showcased impressive performance in the fiscal year 2023, delivering a notable return of 17.59%. This substantial return significantly exceeds the benchmark return of 6.23%.

### Pak-Qatar Islamic Income Fund

#### Pak-Qatar Khalis Bachat Plan:

With a net asset size of Rs. 313 million, the Pak-Qatar Khalis Bachat Plan generated significant returns of 15.79% in the fiscal year 2023, outperforming the benchmark return of 6.06%.

#### Pak-Qatar Income Plan:

Managing a net asset size of Rs. 4,764 million, the Pak-Qatar Income Plan displayed impressive performance in the fiscal year 2023, generating a return of 17.29%. This notable return far surpasses the benchmark return of 6.06%.

#### Pak-Qatar Monthly Income Plan:

With a net asset size of Rs. 344 million, the Pak-Qatar Monthly Income Plan delivered solid returns of 16.97% in the fiscal year 2023, exceeding the benchmark return of 6.06%.

### Auditors

S. No	Name of Funds	Name of Auditors as of June 30, 2023	Status of appointment for the year ending June 30, 2024
1	Pak-Qatar Islamic Stock Fund (PQISF)	M/s. Yousuf Adil, Chartered Accountants.	M/s. Yousuf Adil, Chartered Accountants, have been recommended by the Board of Audit Committee to be the Auditors of PQISF.
2	Pak-Qatar Islamic Cash Fund (PQICF)	M/s. Yousuf Adil, Chartered Accountants.	M/s. Yousuf Adil, Chartered Accountants, have been recommended by the Board of Audit Committee to be the Auditors of PQICF.
3	Pak-Qatar Islamic Income Fund (PQIIF)	M/s. Yousuf Adil, Chartered Accountants.	M/s. Yousuf Adil, Chartered Accountants, have been recommended by the Board of Audit Committee to be the Auditors of PQIIF.

### Board Meetings

Details of Board Meetings and attendance therein is given in the notes to the financial statements of the funds.

### Acknowledgement

We take this opportunity to thank our valued investors for reposing their faith in Pak-Qatar Asset Management Company Limited. We also thank the regulator, the Securities and Exchange Commission of Pakistan and our trustee, the Central Depository Company of Pakistan for their support.

For and on behalf of the Board

**Farhan Shaukat**  
**Chief Executive Officer**  
Date: August 23, 2023

**Director**

**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, Shahrah-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, Shahrah-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
PQISF	0.39%	1.16%	2.10%	-4.04%	1.11%	-0.96%	1.59%	2.74%	-2.73%	-0.72%	0.42%
Benchmark	0.84%	2.74%	3.55%	-4.86%	1.70%	-0.98%	0.84%	4.35%	-1.40%	-0.83%	5.75%
Diff.	-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

	June 30 2023
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.

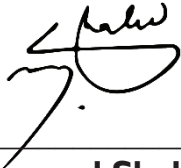
## Report of the Shari'ah Advisor – Pak Qatar Islamic Stock Fund

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.



**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

Fax: (92-21) 34326021 - 23

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

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**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.



Independent Correspondent Firm to  
Deloitte Touche Tohmatsu Limited

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

Independent Correspondent Firm to  
Deloitte Touche Tohmatsu Limited



## **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>

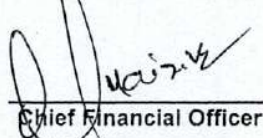
CONTINGENCIES AND COMMITMENTS

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

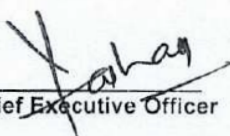


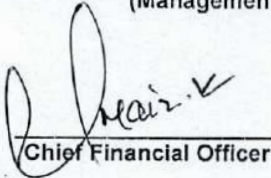
**PAK QATAR ISLAMIC STOCK FUND**  
**INCOME STATEMENT**  
**FOR THE PERIOD FROM SEPTEMBER 21, 2022 TO JUNE 30, 2023**

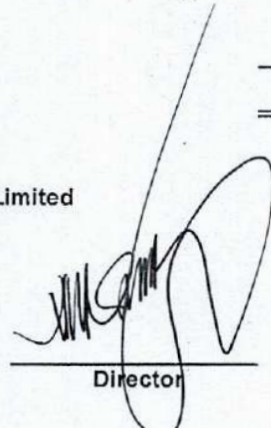
	Note	From September 21, 2022 to June 30, 2023 ----- (Rupees) -----
<b>INCOME</b>		
Profit on bank savings account	4.1	5,697,620
Dividend income		25,446,844
Capital gain on sale of investments - net		7,355,352
Net unrealised diminution on remeasurement of investments classified 'at fair value through 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) -----

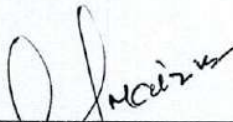
Net income for the period after taxation	2,184,178
Other comprehensive income for the period	-
Total comprehensive income for the period	<u>2,184,178</u>

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	Total
(Rupees)		

Net assets at beginning of the period

- - -

Issuance of 8,207,621 units

- Capital value (at Ex-net asset value per unit at issue)
- Element of income

820,762,200	-	820,762,200
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)
- Element of income

(278,621,800)	-	(278,621,800)
(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)  
614,577

Undistributed Income carried forward

- Realised income
- Unrealised loss

21,451,927  
(20,837,350)  
614,577

--- (Rupees) ---

Net assets value per unit at beginning of the period

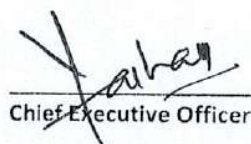
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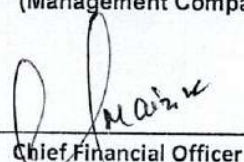
Net assets value per unit at end of the period

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) -----

**CASH FLOWS FROM OPERATING ACTIVITIES**

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
	(7,993,495)
<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)
	(571,717,666)
<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
	65,815,189
Profit received on deposits	5,122,270
Dividend received	25,446,844
	30,569,114
<b>Net cash used in operating activities</b>	(483,326,858)

**CASH FLOWS FROM FINANCING ACTIVITIES**

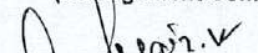
Amount received from issuance of units	827,504,657
Amount paid against redemption of units	(286,022,766)
Distribution during the year	(1,627,200)
<b>Net cash generated from financing activities</b>	539,854,691
<b>Net increase in cash and cash equivalents</b>	56,527,833
Cash and cash equivalents at beginning of the period	-
<b>Cash and cash equivalents at end of the period</b>	56,527,833

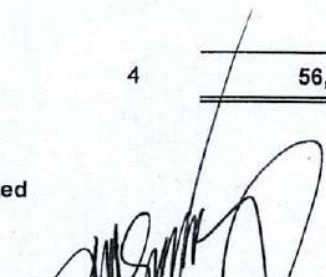
4

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

  
Chief Executive Officer

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
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)-----
<b>4. BANK BALANCES</b>		
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.		
<b>5. INVESTMENTS</b>		
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	(Number of shares)						(Rupees)			(Rupees)			Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
		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								
							Carrying value	Market value	Appreciation / (diminution)						
Fully paid ordinary shares (unless otherwise stated)															
Banks															
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)						
Textile Composite															
Nishat Mills Limited	10	-	441,278	-	302,078	139,200	8,053,967	7,902,384	(151,583)	1.59	1.46	0.04			
Cement															
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						
Power Generation & Distribution															
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			
Oil & Gas Marketing Companies															
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)						
Oil & Gas Exploration Companies															
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)						
Engineering															
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	-	378,252	-	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	(Rupees)					(Number of shares)			(Rupees)			(%)		Paid up value of shares as a percentage of total paid up capital of the investee company
		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					
							Carrying value	Appreciation / (diminution)							
Fully paid ordinary shares (unless otherwise stated)															
Automobile Assembler	10	-	44,105	10,114	33,651	20,568	7,595,020	8,027,896	432,876	1.61	1.48	0.01			
Millat Tractors Limited															
Technology & Communications	10	-	353,087	14,940	203,487	164,540	8,503,552	7,246,342	(1,257,210)	1.46	1.34	0.04			
Avanceon Limited	10	-	276,806	-	213,206	63,600	27,756,964	25,651,788	(2,105,176)	5.16	4.73	0.02			
Systems Limited							36,260,516	32,898,130	(3,362,386)						
Refinery	10	-	135,719	-	109,590	26,129	4,434,874	4,484,520	49,646	0.90	0.83	0.02			
Attock Refinery Limited															
Fertilizer	10	-	909,258	-	541,539	367,719	30,745,362	30,347,849	(397,513)	6.10	5.60	0.03			
Engro Fertilizers Limited	10	-	351,586	-	281,586	70,000	19,004,834	18,192,300	(812,534)	3.66	3.36	0.01			
Engro Corporation Limited							49,750,196	48,540,149	(1,210,047)						
Pharmaceuticals	10	-	1,726,146	-	1,103,924	622,222	14,606,228	13,278,217	(1,328,011)	2.67	2.45	0.27			
Citi Pharma 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			
The Searle Company Limited							21,453,576	17,965,558	(3,488,018)						
Chemicals	10	-	203,630	-	91,426	112,204	5,241,404	4,740,619	(500,785)	0.95	0.87	0.01			
Engro Polymer & Chemicals Limited															
Foods & Personal Care Products	10	-	908,691	-	636,000	272,691	4,036,698	4,262,161	225,463	0.85	0.79	0.02			
Unity Foods Limited															
Automobile Parts & Accessories	10	-	2,277,500	-	1,466,500	811,000	5,322,309	5,149,850	(172,459)	1.04	0.95	0.32			
Loads Limited															
Cables & Electrical Goods	10	-	2,045,259	-	1,298,000	747,259	7,538,953	6,762,696	(776,257)	1.36	1.25	0.09			
Pak Elektron Limited															
Inv. Bank/Inv. Companies/Securities Co.	10	-	85,500	-	85,500	-	-	-	-	-	-	-			
Dawood Hercules Corporation Limited															
Total as at June 30, 2023							518,355,345	497,517,995	(20,837,350)						

*(Signature)*

		June 30, 2023 ---(Rupees)---
	Note	
<b>5.2</b>	<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>
<b>6.</b>	<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>
<b>7.</b>	<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>
<b>7.1</b>	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)---
<b>8.</b>	<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>
<b>8.1</b>	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.	
<b>8.2</b>	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)----
<b>9. 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.

	Note	June 30, 2023 ----(Rupees)----
<b>10. PAYABLE TO THE COMMISSION</b>		
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.

	June 30, 2023 ----(Rupees)----
<b>11. ACCRUED AND OTHER LIABILITIES</b>	
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. CONTINGENCIES AND COMMITMENTS**

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

**13. AUDITOR'S REMUNERATION**

Auditor's remuneration	209,259
Out of pocket	<u>20,926</u>
	230,185
Sindh sales tax	<u>18,415</u>
	<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)---
<b>Transactions during the period</b>	
<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 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	15,235,850
Pak Qatar Individual Family Participant Investment Fund	-	4,136,324	11,488	-	4,147,812	414,703,636
Pak Qatar Investment Account	-	330,299	598	-	330,897	33,083,512
Pak Qatar Investment (Pvt) Limited	-	20,000	76	-	20,076	2,007,225
Pak Qatar Family Takaful Limited	-	1,814,925	728	1,434,684	380,969	38,089,776
Pak Qatar General Takaful Limited	-	1,421,075	728	1,040,834	380,969	38,089,776
Key Management Personnel of Management Company	-	1,583	3	548	1,038	103,781
					330	55,484

**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).



As at June 30, 2023

Note	Carrying amount		Fair Value				Total
	Amortised Cost	Fair value through profit or loss	Fair value through other comprehensive income	Level 1	Level 2	Level 3	
			(Rupees)				
<b>Financial assets measured at fair value through Profit or Loss</b>							
Listed equity securities	5	-	497,517,995	-	497,517,995	-	497,517,995
<b>Financial assets not measured at fair value</b>							
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
<b>Financial liabilities not measured at fair value</b>							
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		
	---(%)---	-----			-----	
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

	June 30, 2023	
	--(Rupees)--	%
Rating		
AA-	125,697	0.22%
AA	<u>56,977,486</u>	<u>99.78%</u>
	<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 (Formerly 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
<hr/> <div>(Rupees)</div> <hr/>							
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
<hr/> <div>(Rupees)</div> <hr/>							
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	-	-

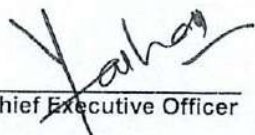
24. **GENERAL**

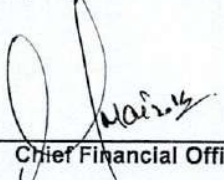
24.1 Figures have been rounded off to the nearest Rupee unless otherwise stated.


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



# **Pak-Qatar Islamic Income Fund**

## **Financial Statements 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, Shahrah-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, Shahrah-e-Faisal, Karachi.	
<b>Bankers to the Fund:</b>	Dubai Islamic Bank Pakistan Limited MCB Islamic Bank Limited U Microfinance Bank Limited Meezan bank 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>	Dr. Mufti Muhammad Zubair Usmani
<b>Transfer Agent:</b>	ITMinds Limited

# REPORT OF THE FUND MANAGER

## Pak-Qatar Islamic Income Fund

### Type of Fund

Pak-Qatar Islamic Income Fund, investing primarily in Shariah compliant money market instruments, Sukuks, Government securities etc.

### Objective

To focus on corporate and high net worth investors who prefer long term wealth generation and capital gain with an objective to invest in medium to long-term income instruments as well as short-tenor money market instruments to generate superior, long-term, risk-adjusted returns in accordance with Shariah practices

### Investment Policy and Strategy

The fund provides investors with the opportunity to park their excess liquidity in secure high-quality instruments. As per its investment policy, Pak-Qatar Islamic Income Funds can invest or place funds in instruments/avenues with a credit rating of at least 'A' (A). The weighted average time to maturity (WATM) of net assets invested in the plan shall not exceed four (4) years; where securities issued by federal govt. shall be excluded from ascertaining WATM.

### Performance Review

Pak-Qatar Islamic Income Fund provided a return of 15.79% in Pak-Qatar Khalis Bachat Plan, 17.29% in Pak-Qatar Income Plan and 16.97% in Pak-Qatar Monthly Income Plan to its investors for the year ended June 30, 2022 as compared to its benchmark of 6.06%.

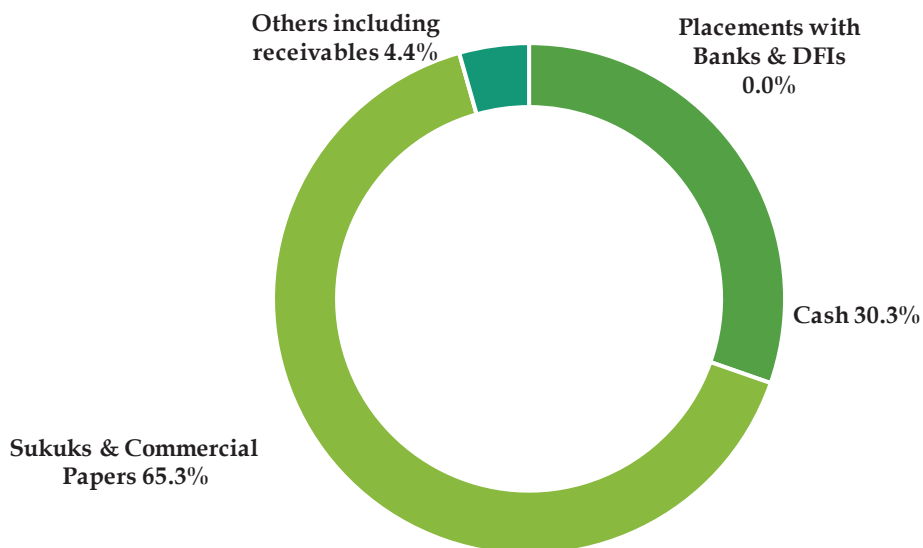
The Fund earned a gross income of PKR. 376 million this year, which was primarily due to profit on bank deposits, placements and Sukuks. The fund also incurred expenses totaling to PKR. 22 million which brought the net income figure to PKR. 354 million. The net assets of the Fund as at June 30, 2022 were PKR. 313.24 million (Pak-Qatar Khalis Bachat Plan), PKR 4,764.33 million (Pak-Qatar Income Plan) and PKR 344.19 million (Pak-Qatar Monthly Income Plan).

### Fund Stability Rating

PACRA Credit Rating Company has assigned Stability Rating of A+ to Pak-Qatar Income Plan and Pak-Qatar Monthly Income Plan while A to Pak-Qatar Khalis Bachat Plan.

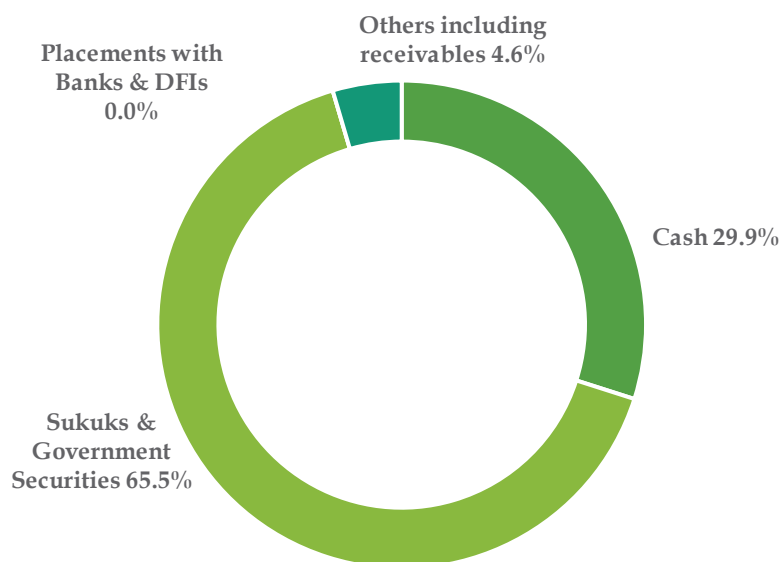
## PAK-QATAR KHALIS BACHAT PLAN

### Asset Allocation



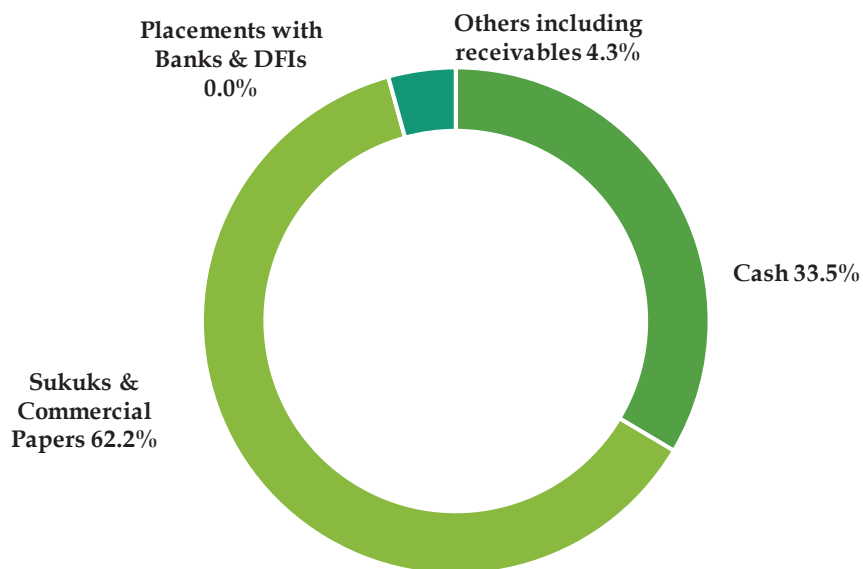
## PAK-QATAR INCOME PLAN

### Asset Allocation



## PAK-QATAR MONTHLY INCOME PLAN

### Asset Allocation





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

الحمد لله رب العلمين والصلاة والسلام على سيد الانبياء والمرسلين محمد النبي الامي  
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 Income Fund** and I certify that:

- 1) I have reviewed and approved the modes of investments of **Pak-Qatar Islamic Income Fund** in light of the Shari'ah guidelines.
- 2) All the provisions of the fund and investments made on account of **Pak-Qatar Islamic Income 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 Income Fund** for the year ended June 30, 2023 have been in compliance with Shari'ah principles.



**Dr. Mufti Muhammad Zubair Usmani**  
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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

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

Fax: (92-21) 34326021 - 23

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

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**PAK-QATAR ISLAMIC INCOME FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Pak-Qatar Islamic Income 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 October 03, 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 28, 2023

## INDEPENDENT AUDITOR'S REPORT

### To The Unit Holders of Pak Qatar Islamic Income Fund

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

#### Opinion

We have audited the financial statements of **Pak Qatar Islamic Income 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' funds and statement of cash flows for the period from October 03, 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.



Yousuf Adil  
Chartered Accountants

Place: Karachi

Date: August 25, 2023

UDIN: AR202310057oUzJEeQTl

## **Pak Qatar Islamic Income Fund**

Financial Statements for the  
period from October 03, 2022  
to June 30, 2023

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

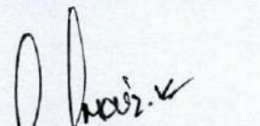
June 30, 2023

	Note	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
<b>Assets</b>					
----- (Rupees) -----					
Bank balances	4	1,283,968,061	92,103,248	90,152,293	1,466,223,602
Investments	5	3,165,976,521	241,102,706	214,452,691	3,621,531,918
Profit receivable	6	138,014,140	11,257,939	9,024,688	158,296,767
Deposits, advances and prepayments	7	667,044	271,164	259,964	1,198,172
Receivable against sale of units		179,625,186	-	495,000	180,120,186
Preliminary expenses and floatation cost	8	237,921	237,921	237,921	713,763
<b>Total assets</b>		<b>4,768,488,873</b>	<b>344,972,978</b>	<b>314,622,557</b>	<b>5,428,084,408</b>
<b>Liabilities</b>					
Payable to Management Company	9	2,486,837	583,030	947,825	4,017,692
Payable to Trustee	10	277,253	23,756	21,042	322,051
Payable to Commission	11	330,288	34,488	34,836	399,612
Accrued expenses and other liabilities	12	1,059,592	143,253	378,979	1,581,824
<b>Total liabilities</b>		<b>4,153,970</b>	<b>784,527</b>	<b>1,382,682</b>	<b>6,321,179</b>
<b>Net assets</b>		<b>4,764,334,903</b>	<b>344,188,451</b>	<b>313,239,875</b>	<b>5,421,763,229</b>
<b>UNIT HOLDERS' FUND (as per Statement of movements in Unit holders' fund)</b>					
		<b>4,764,334,903</b>	<b>344,188,451</b>	<b>313,239,875</b>	
----- (Number of units) -----					
<b>Number of units in issue</b>		<b>47,566,347</b>	<b>3,436,468</b>	<b>3,127,590</b>	
----- (Rupees) -----					
<b>Net assets value per unit</b>		<b>100.1619</b>	<b>100.1576</b>	<b>100.1538</b>	
<b>Contingencies and commitments</b>	13				

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



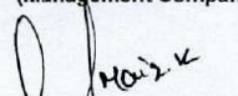
**PAK QATAR ISLAMIC INCOME FUND**  
**INCOME STATEMENT**  
**FOR THE PERIOD FROM OCTOBER 03, 2022 TO JUNE 30, 2023**


		For the period from October 03, 2022 to June 30, 2023			
	Note	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
( Rupees )					
<b>INCOME</b>					
Profit earned	14	302,121,591	31,267,550	31,555,550	364,944,691
Gain / (loss) on disposals of debt securities		475,100	(37,978)	(43,222)	393,900
Net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	5.4	10,216,997	447,356	176,880	10,841,233
<b>Total income</b>		<b>312,813,688</b>	<b>31,676,928</b>	<b>31,689,208</b>	<b>376,179,824</b>
<b>EXPENSES</b>					
Remuneration of Management Company	9.1	8,629,962	941,036	1,810,508	11,381,506
Sindh Sales tax on Management Company remuneration	9.2	1,121,895	122,335	235,366	1,479,596
Remuneration of trustee	10.1	1,238,576	129,331	130,635	1,498,542
Sindh sales tax on trustee remuneration	10.2	161,015	16,813	16,983	194,811
Annual fee of commission	11.1	330,287	34,488	34,836	399,611
Auditor's remuneration	15	99,440	99,440	99,440	298,320
Transaction charges		1,095,929	62,299	54,083	1,212,311
Legal and professional charges		50,001	50,001	100,000	200,002
Fund rating fee		26,578	26,578	26,578	79,734
Amortisation of preliminary expenses and floatation costs	8	41,310	41,310	41,310	123,930
Amortisation of premium on Sukuk certificates		780,271	47,007	57,583	884,861
Amortisation of premium on GoP Ijarah		6,766	1,838	438	9,042
Selling and marketing expense		-	783,374	802,195	1,585,569
Allocated expenses		1,720,266	242,148	243,903	2,206,317
Shariah advisory fee		133,333	133,333	133,333	399,999
Bank charges		1,255	996	1,368	3,619
<b>Total expenses</b>		<b>15,436,884</b>	<b>2,732,327</b>	<b>3,788,559</b>	<b>21,957,770</b>
<b>Net income for the period before taxation</b>		<b>297,376,804</b>	<b>28,944,601</b>	<b>27,900,649</b>	<b>354,222,054</b>
Taxation	17	-	-	-	-
<b>Net income for the period after taxation</b>		<b>297,376,804</b>	<b>28,944,601</b>	<b>27,900,649</b>	<b>354,222,054</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		297,376,804	28,944,601	27,900,649	354,222,054
Income already paid on units redeemed		(274,952,875)	(25,695,533)	(26,135,357)	(326,783,765)
		<b>22,423,929</b>	<b>3,249,068</b>	<b>1,765,292</b>	<b>27,438,289</b>
<b>Accounting income available for distribution</b>					
Relating to capital gains		10,692,097	409,378	133,658	11,235,133
Excluding capital gains		11,731,832	2,839,690	1,631,634	16,203,156
		<b>22,423,929</b>	<b>3,249,068</b>	<b>1,765,292</b>	<b>27,438,289</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

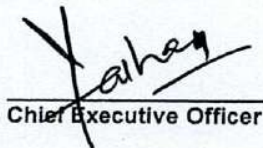
  
Director

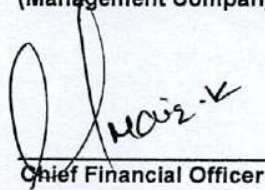
**PAK QATAR ISLAMIC INCOME FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM OCTOBER 03, 2022 TO JUNE 30, 2023**

For the period from October 03, 2022 to June 30, 2023				
	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
	(Rupees)			
Net income for the period after taxation	297,376,804	28,944,601	27,900,649	354,222,054
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	297,376,804	28,944,601	27,900,649	354,222,054

The annexed notes from 1 to 29 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 INCOME FUND  
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND  
FOR THE PERIOD FROM OCTOBER 03, 2022 TO JUNE 30, 2023

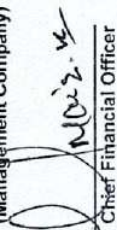
For the period from October 03, 2022 to June 30, 2023

	Pak Qatar Income Plan (PQIP)			Pak Qatar Monthly Income Plan (PQIMP)			Pak Qatar Khalis Bachat Plan (PQKBP)		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Rupees									
<b>Net assets at the beginning of the period</b>	-	-	-	-	-	-	-	-	-
Issuance of units PQIP: 90,697,931, PQIMP: 27,293,251, PQKBP: 8,142,162									
- Capital value	9,069,793,100	-	9,069,793,100	2,729,325,100	-	2,729,325,100	814,216,200	-	814,216,200
- Element of income	774,697,557	-	774,697,557	39,377,902	-	39,377,902	60,789,411	-	60,789,411
Total proceeds on issuance of units	9,844,490,657	-	9,844,490,657	2,768,703,002	-	2,768,703,002	875,005,611	-	875,005,611
Redemption of Units PQIP : 43,131,584, PQIMP : 23,856,783, PQKBP : 5,014,572									
- Capital value	(4,313,158,400)	-	(4,313,158,400)	(2,385,678,300)	-	(2,385,678,300)	(501,457,200)	-	(501,457,200)
- Element of income	(256,506,091)	(274,952,875)	(531,458,966)	(1,429,333)	(25,695,533)	(37,124,866)	(29,752,054)	(26,135,357)	(55,887,421)
Total payment on redemption of units	(4,569,664,491)	(274,952,875)	(4,844,617,366)	(2,397,107,633)	(25,695,533)	(2,422,803,166)	(531,209,254)	(26,135,357)	(557,344,621)
Total comprehensive income for the period	-	297,376,804	297,376,804	-	28,944,601	28,944,601	-	27,900,649	27,900,649
Distribution during the period (note 28)	(527,574,284)	(5,340,908)	(532,915,192)	(29,305,009)	(1,350,977)	(30,655,986)	(31,205,437)	(1,116,327)	(32,321,764)
Net assets at the end of the period	(527,574,284)	292,035,896	(235,538,388)	(29,305,009)	27,593,624	(1,711,385)	(31,205,437)	26,784,322	(4,421,115)
Undistributed income brought forward comprising of :	4,747,251,882	17,083,021	4,764,334,903	342,290,360	1,898,091	344,188,451	312,590,910	648,965	313,239,875
- Realised income	-	-	-	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-	-	-	-
Accounting income available for distribution	10,692,097	11,731,832	22,423,929	409,378	2,839,690	3,249,068	133,658	1,631,634	1,765,292
- Relating to capital gains	11,731,832	-	11,731,832	2,839,690	-	2,839,690	1,631,634	-	1,631,634
- Excluding capital gains	22,423,929	(5,340,908)	(5,340,908)	3,249,068	(1,350,977)	(1,350,977)	1,765,292	(1,116,327)	(1,116,327)
Distribution during the period (note 28)	(5,340,908)	(5,340,908)	(10,681,816)	(1,350,977)	(1,350,977)	(2,701,954)	(31,205,437)	(1,116,327)	(32,321,764)
Undistributed income carried forward	17,083,021	17,083,021	34,166,042	1,898,091	1,898,091	3,796,182	648,965	648,965	1,297,930
Undistributed income carried forward comprising of :	6,866,024	10,216,997	17,083,021	1,450,735	447,356	1,898,091	472,085	176,880	648,965
- Realised income	10,216,997	-	10,216,997	447,356	-	447,356	176,880	-	176,880
- Unrealised gain	6,866,024	17,083,021	23,949,045	1,898,091	1,898,091	3,796,182	648,965	648,965	1,297,930
Net assets value per unit at end of the period	100.1619	100.1619	200.3238	100.1576	100.1576	200.3152	100.1538	100.1538	200.3076

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



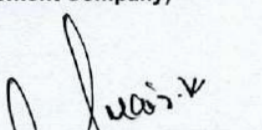
**PAK QATAR ISLAMIC INCOME FUND**  
**STATEMENT OF CASH FLOW**  
**FOR THE PERIOD FROM OCTOBER 03, 2022 TO JUNE 30, 2023**

For the period from October 03, 2022 to June 30, 2023				
Note	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Net income for the period before taxation</b>				
	297,376,804	28,944,601	27,900,649	354,222,054
<b>Adjustments for non cash and other items:</b>				
Amortisation of preliminary expenses and floatation costs	41,310	41,310	41,310	123,930
(Gain) / loss on disposals of debt securities	(475,100)	37,978	43,222	(393,900)
Net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	(10,216,997)	(447,356)	(176,880)	(10,841,233)
	286,726,017	28,576,533	27,808,301	343,110,851
<b>Increase in assets</b>				
Investments - net	(3,080,284,424)	(230,693,328)	(199,319,033)	(3,510,296,785)
Profit and dividend receivable	(138,014,140)	(11,257,939)	(9,024,688)	(158,296,767)
Deposits, advances and prepayments	(667,044)	(271,164)	(259,964)	(1,198,172)
Preliminary expenses and floatation costs	(279,231)	(279,231)	(279,231)	(837,693)
	(3,219,244,839)	(242,501,662)	(208,882,916)	(3,670,629,417)
<b>Increase in liabilities</b>				
Payable to Management Company	2,486,837	583,030	947,825	4,017,692
Payable to Trustee	277,253	23,756	21,042	322,051
Payable to commission	330,288	34,488	34,836	399,612
Accrued expenses and other liabilities	1,059,592	143,253	378,979	1,581,824
	4,153,970	784,527	1,382,682	6,321,179
<b>Net cash used in operating activities</b>	<b>(2,928,364,852)</b>	<b>(213,140,602)</b>	<b>(179,691,933)</b>	<b>(3,321,197,387)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net receipts from issuance of units	9,664,865,471	2,768,703,002	874,510,611	13,308,079,084
Payment against redemption of Units	(4,844,617,366)	(2,422,803,166)	(557,344,621)	(7,824,765,153)
Dividend distribution	(532,915,192)	(30,655,986)	(32,321,764)	(595,892,942)
<b>Net cash generated from financing activities</b>	<b>4,287,332,913</b>	<b>315,243,850</b>	<b>284,844,226</b>	<b>4,887,420,989</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,358,968,061</b>	<b>102,103,248</b>	<b>105,152,293</b>	<b>1,566,223,602</b>
Cash and cash equivalents at beginning of the period	-	-	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>1,358,968,061</b>	<b>102,103,248</b>	<b>105,152,293</b>	<b>1,566,223,602</b>

The annexed notes from 1 to 29 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 INCOME FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM OCTOBER 03, 2022 TO JUNE 30, 2023**

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

- 1.1 Pak Qatar Islamic income 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. 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 27, 2022 to October 03, 2022 (both days inclusive), and the Fund commenced operation from October 03, 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 October 03, 2022 and shall 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 Income Scheme 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 objective of the Fund is to generate superior, long term, risk-oriented returns in accordance with Shariah Compliant Islamic Income Category. The Fund is categorised as an open end Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009, issued by the Commission. Mufti Dr Muhammad Zubair Usmani 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 has been prepared from dates of launch of the fund. i.e from October 03, 2022 to June 30, 2023 (the period), therefore there are no corresponding numbers in these financial statements.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has maintained rating of Pak Qatar Income Plan (PQIP) and Pak Qatar Monthly Income Plan (PQMIP) as "A+(f)" and for Pak Qatar Khalis Bachat Plan (PQKBP) as "A(f)" as of June 30, 2023.
- 1.7 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements has 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 Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the 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 Securities and Exchange Commission of Pakistan:

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

## 2.4 Critical accounting estimates and judgements

The preparation of these 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	3.1.1.1
- Impairment of financial assets	3.1.1.4
- Classification and valuation of financial liabilities	3.1.2.1
- Taxation	3.4

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 these financial statements have been round off to the nearest thousand rupees, unless otherwise stated.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The below mentioned accounting policies have been adopted for the preparation of these financial statements:

### 3.1 Financial instruments

#### 3.1.1 Recognition and initial measurement of financial instruments

Financial assets and financial liabilities, with the exception of bank balances, 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. This includes regular way trades; purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

##### 3.1.1.1 Classification

#### Debt instruments

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

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

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

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





A debt instrument held for trading purposes or which does not meet the solely payments of principal and interest (SPPI) criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Business model assessment**

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as: the objectives for the portfolio; how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed etc.

#### **Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)**

As a second step of its classification process the Fund assesses the contractual terms of financial assets to identify whether they pass the SPPI criteria.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

### **3.1.1.2 Subsequent Measurement**

#### **Debt investments at FVTPL**

These assets are subsequently measured at fair value. Profit calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the income statement.

#### **Debt instruments at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit, foreign exchange gains and losses and impairment are recognised in the income statement.

### **3.1.1.3 Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where 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, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.





When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

#### 3.1.1.4 Impairment of financial assets

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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 Management Company 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 pertain 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.

#### 3.1.1.5 Determination of fair value

The fair value of financial assets are determined as follows:

##### i) Debt securities (other than Government securities)

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

##### ii) Debt securities (Government securities)

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

#### 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 expires. 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 and money market placements.

### 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

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.

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

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

Regulation 63 of NBFC regulations, requires the fund to distribute 90% of net accounting income other than capital gains of the unit holders

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

### 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any 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 Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units 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 gains / (losses) arising on remeasurement of investments are classified as 'fair value through profit or loss' is included in the income statement in the period in which it arises.
- Profit on bank deposits is recognised on time proportionate basis using effective yield method.
- Profit / mark-up on debt and government securities, term finance certificates and sukuk certificates is recognised on a time proportionate basis using effective interest method.

### 3.9 Expenses

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

### 3.10 Basis of allocation of expenses to each sub-fund

Remuneration to the Management Company, Trustee fee, annual fee to the commission and selling and marketing expense is allocated to each sub-fund on the basis of the net assets of the sub-fund

Expenses specifically incurred by a sub-fund, such as custody and settlement charges, fees and subscription and bank charges are charged to that sub-fund.

Auditors' remuneration and legal and professional charges are allocated equally among sub-funds.

### 3.11 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			
			Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
4.	BANK BALANCES	Note	( Rupees )			
	Savings accounts	4.1	1,283,968,061	92,103,248	90,152,293	1,466,223,602

4.1 The rate of return on savings accounts range between 14.5% to 21% per annum.

### 5. INVESTMENTS

		June 30, 2023			
		Pak-Qatar Income Plan	Pak-Qatar Monthly Income Plan	Pak-Qatar Khalis Bachat Plan	Total
		( Rupees )			
At fair value through profit or loss					
- Sukuk certificates	5.1.1 , 5.2.1 & 5.3.1	1,762,138,856	156,105,526	169,499,682	2,087,744,064
- GoP Ijarah sukuk certificates	5.1.2 , 5.2.2 & 5.3.2	1,328,837,665	74,997,180	29,953,009	1,433,787,854
		3,090,976,521	231,102,706	199,452,691	3,521,531,918
At amortised cost					
- Money market placements	5.1.3 , 5.2.3 & 5.3.3	75,000,000	10,000,000	15,000,000	100,000,000
		3,165,976,521	241,102,706	214,452,691	3,621,531,918



5.1 Pak Qatar Income Plan

5.1.1 Sukuk certificates

Name of security	As at October 03, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
(Number of certificates)									
(Rupees)									
Sukuk certificates									
Abhi (Pvt) Limited - Short Term Sukuk - I	-	120	-	120	120,000,000	120,000,000	-	2.52	3.79
K-Electric Limited Sukuk - V	-	119,000	26,000	93,000	401,915,771	402,495,333	579,562	8.45	12.71
K-Electric Limited Sukuk - VI	-	300	-	300	30,595,920	30,589,020	(6,900)	0.64	0.97
K-Electric Limited Sukuk - VII	-	350	-	350	35,000,000	35,784,980	784,980	0.75	1.13
K-Electric - Short Term Sukuk - XV	-	57	-	57	57,000,000	57,000,000	-	1.20	1.80
K-Electric - Short Term Sukuk - XVII	-	30	-	30	30,000,000	30,000,000	-	0.63	0.95
Pakistan Energy Sukuk - II	-	21,000	10,000	11,000	55,000,000	55,011,000	11,000	1.15	1.74
Al-Baraka Bank Tier - II	-	245	25	220	220,024,023	220,220,000	195,977	4.62	6.96
Al-Baraka Bank Tier - III	-	110	-	110	108,371,339	108,900,000	528,661	2.29	3.44
TPL Tracker Limited Sukuk - II	-	64	-	64	39,286,113	39,854,611	568,498	0.84	1.26
OBS AGP (Pvt) Limited Sukuk	-	1,156	-	1,156	94,353,205	94,131,962	(221,243)	1.98	2.97
Lucky Electric - Short Term Sukuk - IX	-	140	-	140	140,000,000	140,000,000	-	2.94	4.42
Hub Power Holding Limited	-	1,000	-	1,000	101,254,835	102,630,000	1,375,165	2.15	3.24
The Hub Power Company Limited Sukuk - IV	-	1,350	550	800	40,143,956	40,200,000	56,044	0.84	1.27
Hub Power - Short Term Sukuk - I	-	50	-	50	50,000,000	50,000,000	-	1.05	1.58
Dubai Islamic Bank Limited Sukuk Tier II	-	235	-	235	235,184,428	235,321,950	137,522	4.94	7.43
	-	145,207	36,575	108,632	1,758,129,590	1,762,138,856	4,009,266	36.99	55.66

5.1.1.1 Significant terms and conditions of sukuk certificates held as at June 30, 2023 are as follows:

Particulars	Issue date	Maturity date	Offered rate	Issue rating
Abhi (Pvt) Limited - Short Term Sukuk - I	May 11, 2023	November 13, 2023	6 months KIBOR+2.75%	AA-
K-Electric Limited Sukuk - V	August 03, 2020	August 03, 2027	3 months KIBOR+1.7%	AA+
K-Electric Limited Sukuk - VI	November 23, 2022	November 23, 2029	3 months KIBOR+1.7%	AA+
K-Electric Limited Sukuk - VII	November 01, 2022	November 01, 2029	3 months KIBOR+0.96%	AA+
K-Electric - Short Term Sukuk - XV	March 21, 2023	September 21, 2023	6 months KIBOR+0.50%	AA
K-Electric - Short Term Sukuk - XVII	May 18, 2023	November 18, 2023	6 months KIBOR+0.45%	AA
Pakistan Energy Sukuk - II	May 21, 2020	May 20, 2030	6 months KIBOR+0.1%	AAA
Al-Baraka Bank Tier - II	December 22, 2021	December 22, 2031	6 months KIBOR+1.5%	A
Al-Baraka Bank Tier - III	December 22, 2021	December 22, 2031	6 months KIBOR+1.5%	A
TPL Tracker Limited Sukuk - II	March 30, 2021	March 30, 2026	3 months KIBOR+3%	A+
OBS AGP (Pvt) Limited Sukuk	July 15, 2021	July 15, 2026	3 months KIBOR+1.55%	A+
Lucky Electric - Short Term Sukuk - IX	April 12, 2023	October 12, 2023	6 months KIBOR+0.30%	AA
Hub Power Holding Limited	November 12, 2020	November 12, 2025	6 months KIBOR+2.5%	AA+
The Hub Power Company Limited Sukuk - IV	March 19, 2020	March 19, 2024	1 year KIBOR+1.9%	AA+
Hub Power - Short Term Sukuk - I	May 18, 2023	November 17, 2023	6 months KIBOR+0.30%	AA
Dubai Islamic Bank Limited Sukuk Tier II	December 02, 2022	December 02, 2032	6 months KIBOR+0.7%	AA-



5.1.2 GOP Ijara Sukuk

Name of security	Rate of return per annum	As at October 03, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
	15.7 to 16.8	-	14,023	700	13,323	1,322,629,932	1,328,837,665	6,207,733	27.89	41.97

5.1.2.1 Significant terms and conditions of GOP Ijara sukuk certificates held as at June 30, 2023 are as follows:

Security Symbol	Issue Date	Remaining Days to Maturity
PK01S1704240	April 17, 2023	292
PK01S2205247	May 22, 2023	327
PK05S2406259	June 24, 2023	725
PK05S2704273	April 27, 2023	1397
PK05S2610272	October 26, 2022	1579

5.1.3 Money Market Placement

Counterparty Name	Profit Rate	Face Value			Issue Date	Maturity Date	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchased during the period	Sold/Maturity during the period					
Zarai Taraqiat Bank Ltd	20.10	-	75,000,000	-	26-Jun-23	7-Jul-23	-	0.02	0.02



5.2 Pak Qatar Monthly Income Plan

5.2.1 Sukuk certificates

Name of security	As at October 03, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		(Number of certificates)			(Rupees)	(Rupees)		(%)	(%)
K-Electric - Short Term Sukuk - V	-	4,100	-	4,100	17,673,706	17,744,418	70,712	5.16	7.36
Pakistan Energy Sukuk - II	-	6,000	-	6,000	30,000,000	30,006,000	6,000	8.72	12.45
Al-Baraka Bank (Pakistan) Limited Tier - II	-	35	-	35	35,000,000	35,035,000	35,000	10.18	14.53
TPL Trakker Limited Sukuk - I	-	13	-	13	7,980,410	8,095,828	115,418	2.35	3.36
Pak Electron Limited Sukuk - VI	-	25	25	-	-	-	-	-	-
K-Electric Limited Sukuk - VII	-	100	-	100	10,000,000	10,224,280	224,280	2.97	4.24
Lucky Electric Short Term Sukuk - V	-	15	15	-	-	-	-	-	-
Lucky Electric Short Term Sukuk - IX	-	20	-	20	20,000,000	20,000,000	-	5.81	8.30
K-Electric - Short Term Sukuk - XV	-	5	-	5	5,000,000	5,000,000	-	1.45	2.07
K-Electric - Short Term Sukuk - XVII	-	5	-	5	5,000,000	5,000,000	-	1.45	2.07
Abhi Private Limited - Short Term Sukuk - I	-	15	-	15	15,000,000	15,000,000	-	4.36	6.22
Hub Power - Short Term Sukuk - I	-	10	-	10	10,000,000	10,000,000	-	2.91	4.15
	-	10,343	40	10,303	155,654,116	156,105,526	451,410	45.36	64.75

5.2.1.1 Significant terms and conditions of sukuk certificates held as at June 30, 2023 are as follows:

Particulars	Issue date	Maturity date	Offered rate	Issue rating
K-Electric - Short Term Sukuk - V	August 03, 2020	August 03, 2027	3 months KIBOR+1.7%	AA
Pakistan Energy Sukuk - II	May 21, 2020	May 20, 2030	6 months KIBOR+0.1%	AAA
Al-Baraka Bank (Pakistan) Limited Tier - II	December 22, 2021	December 22, 2031	6 months KIBOR+1.5%	A
TPL Trakker Limited Sukuk - I	March 30, 2021	March 30, 2026	3 months KIBOR+3%	A+
Pak Electron Limited Sukuk - VI	November 15, 2021	February 15, 2023	3 months KIBOR+1.3%	A+
K-Electric Limited Sukuk - VII	November 01, 2022	November 01, 2029	3 months KIBOR+0.96%	AA+
Lucky Electric Short Term Sukuk - V	October 13, 2022	April 13, 2023	6 months KIBOR+1.50%	AA
Lucky Electric Short Term Sukuk - IX	April 12, 2023	October 12, 2023	6 months KIBOR+0.30%	AA
K-Electric - Short Term Sukuk - XV	March 21, 2023	September 21, 2023	6 months KIBOR+0.50%	AA
K-Electric - Short Term Sukuk - XVII	May 18, 2023	November 18, 2023	6 months KIBOR+0.45%	AA
Abhi Private - Short Term Sukuk - I	May 11, 2023	November 13, 2023	6 months KIBOR+2.75%	AA-
Hub Power - Short Term Sukuk - I	May 18, 2023	November 17, 2023	6 months KIBOR+0.30%	AA

5.2.2 GOP Ijara Sukuk

Name of security	Rate of return per annum	As at October 03, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
	(%)		(Number of certificates)			(Rupees)	(Rupees)		(%)	(%)
GOP Ijara Sukuk	15.7	-	750	-	750	75,001,234	74,997,180	(4,054)	21.79	31.11



5.2.2.1 Significant terms and conditions of GOP ijara sukuk certificates held as at June 30, 2023 are as follows:

Security Symbol	Issue Date	Remaining Days to Maturity
PK01S1704240	April 17, 2023	292
PK01S2205247	May 22, 2023	327
PK05S2610272	October 26, 2022	1579

5.2.3 Money Market Placement

Counterparty Name	Profit Rate	Face Value -----				Issue Date	Maturity Date	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchased during the period	Sold/Maturity during the period	As at 30 June 2023					
		----- (Rupees) -----								
	(%)							(Rupees)	(%)	
Zarai Taraqati Bank Ltd	20.10	-	10,000,000	-	10,000,000	26-Jun-23	7-Jul-23		0.03	0.04

5.3 Pak-Qatar Khalis Bachat Plan

5.3.1 Sukuk certificates

Name of security	As at October 03, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
Abhi Private Ltd - Short Term Sukuk - I	-	15	-	15	15,000,000	15,000,000	-	4.79	6.99
Al-Baraka Bank (Pvt) Limited Sukuk - Tier II	-	20	-	20	20,000,000	20,020,000	20,000	6.39	9.34
Al-Baraka Bank (Pvt) Limited Sukuk - Tier III	-	10	-	10	9,811,621	9,900,000	88,379	3.16	4.62
Crescent Steel & Allied Product Limited - Sukuk I	-	300	-	300	25,000,408	24,615,775	(384,633)	7.86	11.48
Hub Power - Short Term Sukuk - I	-	10	-	10	10,000,000	10,000,000	-	3.19	4.66
K-Electric Limited Sukuk - V	-	4,830	-	4,830	20,820,643	20,903,789	83,146	6.67	9.75
K-Electric Limited Sukuk - VII	-	100	-	100	10,000,000	10,224,280	224,280	3.26	4.77
K-Electric Short Term Sukuk - XV	-	5	-	5	5,000,000	5,000,000	-	1.60	2.33
K-Electric Short Term Sukuk - XVII	-	5	-	5	5,000,000	5,000,000	-	1.60	2.33
Lucky Electric - Short Term Sukuk - V	-	5	5	-	-	-	-	-	-
Lucky Electric - Short Term Sukuk - VI	-	10	10	-	-	-	-	-	-
Lucky Electric - Short Term Sukuk - IX	-	17	-	17	17,000,000	17,000,000	-	5.43	7.93
Pak Electron Limited - Sukuk - VI	-	10	10	-	-	-	-	-	-
Pakistan Energy Sukuk - II	-	4,000	-	4,000	20,000,000	20,004,000	4,000	6.39	9.33
TPL Trakker Limited Sukuk - II	-	19	-	19	11,563,150	11,831,838	168,688	3.78	5.52
	-	9,356	25	9,331	169,295,822	169,499,882	203,860	54.12	79.05



5.3.1.1 Significant terms and conditions of sukuk certificates held as at June 30, 2023 are as follows:

Particulars	Issue date	Maturity date	Offered rate	Issue rating
Abhi Private Ltd - Short Term Sukuk - I	May 11, 2023	November 13, 2023	6 months KIBOR+2.75%	AA-
Al-Baraka Bank (Pvt) Limited Sukuk - Tier II	December 22, 2021	December 22, 2031	6 months KIBOR+1.5%	A
Al-Baraka Bank (Pvt) Limited Sukuk - Tier III	December 22, 2021	December 22, 2031	6 months KIBOR+1.5%	A
Crescent Steel & Allied Product Limited - Sukuk I	October 11, 2022	October 11, 2025	6 months KIBOR+2%	A-
Hub Power - Short Term Sukuk - I	May 18, 2023	November 17, 2023	6 months KIBOR+0.30%	AA
K-Electric Limited Sukuk - V	August 03, 2020	August 03, 2027	3 months KIBOR+1.7%	AA+
K-Electric Limited Sukuk - VII	November 01, 2022	November 01, 2029	3 months KIBOR+0.96%	AA+
K-Electric Short Term Sukuk - XV	March 21, 2023	September 21, 2023	6 months KIBOR+0.50%	AA
K-Electric Short Term Sukuk - XVII	May 18, 2023	November 18, 2023	6 months KIBOR+0.45%	AA
Lucky Electric - Short Term Sukuk - V	October 13, 2022	April 13, 2023	6 months KIBOR+1.50%	AA
Lucky Electric - Short Term Sukuk - VI	December 14, 2022	June 14, 2023	6 months KIBOR+1.35%	AA
Lucky Electric - Short Term Sukuk - IX	April 12, 2023	October 12, 2023	6 months KIBOR+0.30%	AA
Pak Electron Limited - Sukuk - VI	November 15, 2021	February 15, 2023	3 months KIBOR+1.3%	A+
Pakistan Energy Sukuk - II	May 21, 2020	May 20, 2030	6 months KIBOR+0.1%	AAA
TPL Trakker Limited Sukuk - II	March 30, 2021	March 30, 2026	3 months KIBOR+3%	A+

5.3.2

GOP Ijara Sukuk

Name of security	Rate of return per annum (%)	As at October 03, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments (%)
GOP Ijara Sukuk	15.7	-	200	-	200	29,979,989	29,953,009	(26,980)	9.56	13.97

5.3.2.1 Significant terms and conditions of GOP ijara sukuk certificates held as at June 30, 2023 are as follows:

Security Symbol	Issue Date	Remaining Days to Maturity
PK01S2205247	May 22, 2023	327
PK05S2610272	October 26, 2022	1579

5.3.3

Money Market Placement

Counterparty Name	Profit Rate (%)	As at July 01, 2022	Purchased during the period	Sold/Maturity during the period	As at 30 June 2023	Issue Date	Maturity Date	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments (%)
Zarai Taraqati Bank Ltd	20.10	-	15,000,000	-	15,000,000	26-Jun-23	7-Jul-23	-	0.05	0.07



		June 30, 2023			
		Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
		(Rupees)			
5.4	Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss'				
	Market value of investments	3,090,976,520	231,102,706	199,452,692	3,521,531,918
	Carrying value of investments	3,080,759,523	230,655,350	199,275,812	3,510,690,685
		10,216,997	447,356	176,880	10,841,233
6.	PROFIT RECEIVABLE				
	Profit receivable from:				
	- Savings accounts	18,485,828	1,726,641	1,540,106	21,752,575
	- GoP Ijarah sukuk certificates	50,026,710	3,056,230	1,040,476	54,123,416
	- Sukuk certificates	69,295,095	6,447,534	6,402,805	82,145,434
	- Money market placements	206,507	27,534	41,301	275,342
		138,014,140	11,257,939	9,024,688	158,296,767
7.	DEPOSITS, ADVANCES AND PREPAYMENTS				
	Deposits with Trustee	100,000	100,000	100,000	300,000
	Advance tax	542,956	147,076	135,875	825,907
	Prepaid rating fee	24,088	24,088	24,089	72,265
		667,044	271,164	259,964	1,198,172
8.	PRELIMINARY EXPENSES AND FLOATATION COSTS				
	Cost	279,231	279,231	279,231	837,693
	Accumulated amortisation				
	Opening balance	-	-	-	-
	Amortisation during the period	41,310	41,310	41,310	123,930
	Closing balance	41,310	41,310	41,310	123,930
		237,921	237,921	237,921	713,763

8.1 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 the requirements set out in the Trust Deed Clause 15.3 of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

		June 30, 2023			
		Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
		(Rupees)			
9.	PAYABLE TO MANAGEMENT COMPANY				
	Remuneration of the Management Company	1,635,711	140,153	248,283	2,024,147
	Sindh sales tax on the Management fee	212,642	18,220	32,277	263,139
	Other payable to the Management Company	-	-	254,476	254,476
	Selling and marketing expenses	-	84,409	75,727	160,136
	Allocated expense payable	395,973	97,737	94,551	588,261
	Preliminary expenses and floatation costs payable	242,511	242,511	242,511	727,533
		2,486,837	583,030	947,825	4,017,692



- 9.1 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 1%, 1% and 1.5% of average annual net assets on PQIP, PQIMP and PQKBP respectively. The fee is payable monthly in arrears to the Management Company. The Management Company has charged management fee at the following rates:

**- Pak Qatar Income Plan**

From 03 October, 2022 to 27 November, 2022	1% on the average annual net assets of the Fund
From 28 November, 2022 to 30 June, 2023	0.5% on the average annual net assets of the Fund

**- Pak Qatar Monthly Income Plan**

From 03 October, 2022 to 27 November, 2022	1% on the average annual net assets of the Fund
From 28 November, 2022 to 30 June, 2023	0.5% on the average annual net assets of the Fund

**- Pak Qatar Khalis Bachat Plan**

From 03 October, 2022 to 27 November, 2022	1.5% on the average annual net assets of the Fund
From 28 November, 2022 to 30 June, 2023	1% on the average annual net assets of the Fund

- 9.2 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.

- 9.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds).

The asset management company can charge selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expenses. The Management Company has charged selling and marketing expenses at following rates:

**- Pak Qatar Income Plan**

From 28 November, 2022 to 30 June, 2023	Nil
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**- Pak Qatar Monthly Income Plan**

From 28 November, 2022 to 30 June, 2023	0.5% on the average annual net assets of the Fund
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**- Pak Qatar Khalis Bachat Plan**

From 28 November, 2022 to 30 June, 2023	0.5% on the average annual net assets of the Fund
-----------------------------------------	---------------------------------------------------

- 9.4 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 charged allocated expenses at the following rates:

**- Pak Qatar Income Plan**

From 03 October, 2022 to 30 June, 2023	0.10% on the average annual net assets of the Fund
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**- Pak Qatar Monthly Income Plan**

From 03 October, 2022 to 30 June, 2023	0.10% on the average annual net assets of the Fund
----------------------------------------	----------------------------------------------------

**- Pak Qatar Khalis Bachat Plan**

From 03 October, 2022 to 30 June, 2023	0.10% on the average annual net assets of the Fund
----------------------------------------	----------------------------------------------------



		June 30, 2023			
	Note	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
(Rupees)					
<b>10. PAYABLE TO TRUSTEE</b>					
Trustee fee	10.1	245,357	21,023	18,945	285,325
Sindh sales tax payable on Trustee fee	10.2	31,896	2,733	2,097	36,726
		<b>277,253</b>	<b>23,756</b>	<b>21,042</b>	<b>322,051</b>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% per annum of average net assets.

10.2 Sindh sales tax on services has been charged at 13% on gross value of Trustee fee levied through sales tax on Services Act, 2011.

		June 30, 2023			
	Note	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
(Rupees)					
<b>11. PAYABLE TO THE COMMISSION</b>					
Annual fee payable	11.1	330,288	34,488	34,836	399,612

11.1 Under the provision 60(3)(h) of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, all Collective Investment Schemes are required to pay an annual fee, to Commission at an amount equal to 0.02% of the average annual net assets of the scheme, revised as per SRO 685(1)/2019 dated 28th June 2019.

		June 30, 2023			
		Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
(Rupees)					
<b>12. ACCRUED AND OTHER LIABILITIES</b>					
Auditor's remuneration payable		63,800	63,800	63,800	191,400
Brokerage fee payable		196,823	1,949	1,408	200,180
Legal and professional charges payable		2,697	34,233	84,231	121,161
Withholding tax payable		796,191	42,766	223,458	1,062,415
Capital gain tax payable		81	505	6,082	6,668
		<b>1,059,592</b>	<b>143,253</b>	<b>378,979</b>	<b>1,581,824</b>

### 13. CONTINGENCIES AND COMMITMENTS

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

		For the period from October 03, 2022 to June 30, 2023			
	Note	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
(Rupees)					
<b>14. PROFIT EARNED</b>					
Profit earned on:					
- Savings accounts	4.1	98,407,123	12,152,612	11,167,144	121,726,879
- GoP Ijarah sukuk certificates	5.1.2, 5.2.2 & 5.3.2	88,885,784	2,639,598	2,145,569	93,670,951
- Income from Sukuk certificates	5.1.1, 5.2.1 & 5.3.1	114,622,177	16,447,806	18,201,536	149,271,519
- Profit on placement	5.1.3, 5.2.3 & 5.3.3	206,507	27,534	41,301	275,342
		<b>302,121,591</b>	<b>31,267,550</b>	<b>31,555,550</b>	<b>364,944,691</b>



For the period from October 03, 2022 to June 30, 2023

	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
	( Rupees )			
Audit fee	83,704	83,704	83,704	251,112
Out of Pocket	8,370	8,370	8,370	25,110
Sindh sales tax on services	7,366	7,366	7,366	22,098
	99,440	99,440	99,440	298,320

15. AUDITOR'S REMUNERATION

Audit fee  
Out of Pocket  
Sindh sales tax on services

16. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Pak-Qatar Income Plan, Pak-Qatar Monthly Income Plan, Pak-Qatar Khalis Bachat Plan as at June 30, 2023 is 0.69%, 1.17%, 1.61% which includes 0.08%, 0.08%, 0.12% respectively, representing government levies on the Fund such as sales taxes, annual fee to the Commission, etc.

17. 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 have distributed 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.

For the period from October 03, 2022 to June 30, 2023

	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
	( Rupees )			
Savings accounts	1,283,968,061	92,103,248	90,152,293	1,466,223,602
Money market placements	75,000,000	10,000,000	15,000,000	100,000,000
	1,358,968,061	102,103,248	105,152,293	1,566,223,602

18. CASH AND CASH EQUIVALENTS

Note

Savings accounts  
Money market placements

4  
5

19. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include Pak Qatar Asset Management Company (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the trustee of the Fund), other collective investment schemes, pension fund schemes managed by the Management Company, directors, key management personnel and other associated undertaking and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing of affairs of the Fund, other charges, sale and purchase of investments and distribution of payments of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of the business, at contracted rates and at 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 and notified entities regulations, 2008 and trust deed.

Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:



For the period from October 03, 2022 to June 30, 2023

	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total
	(Rupees)			
<b>19.1 Details of transaction with related parties / connected person during the period are as follows:</b>				
<b>Pak Qatar Asset Management Company Limited (Management Company)</b>				
Remuneration to the Management Company	8,629,962	941,036	1,810,508	11,381,506
Sindh sales tax on Management Remuneration	1,121,895	122,335	235,366	1,479,596
Preliminary expenses and floatation cost	279,231	279,231	279,231	837,693
Preliminary expenses and floatation cost repaid	36,720	36,720	36,720	110,160
Allocated expenses	1,720,266	242,148	243,903	2,206,317
<b>Central Depository Company of Pakistan Limited (Trustee)</b>				
Trustee remuneration	1,238,576	129,331	130,635	1,498,542
Sindh sales tax on Trustee remuneration	161,015	16,813	16,983	194,811
Security deposit	100,000	100,000	100,000	300,000
<b>19.2 Details of balances with related parties / connected persons at period end are as follows:</b>				
<b>Pak Qatar Asset Management Company Limited (Management Company)</b>				
Remuneration payable to the management company	1,635,711	140,153	248,283	2,024,147
Sindh sales tax on management remuneration	212,642	18,220	32,277	263,139
Other payable to Management Company	-	-	254,476	254,476
Selling and marketing expense	-	84,409	75,727	160,136
Allocated expense payable	395,973	97,737	94,551	588,261
Preliminary expenses and floatation costs payable	242,511	242,511	242,511	727,533
	2,486,837	583,030	947,825	4,017,692
<b>Central Depository Company of Pakistan Limited (Trustee)</b>				
Remuneration payable	245,357	21,023	18,945	285,325
Sindh sales tax on Trustee remuneration payable	31,896	2,733	2,097	36,726

19.3 Transactions during the period with related parties / connected persons in units of the Fund:

19.3.1 Pak Qatar Income Plan

For the period from October 03, 2022 to June 30, 2023

	As at July 01, 2022	Issued for cash	Distribution reinvested	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)				
<b>ASSOCIATED COMPANIES / UNDERTAKINGS:</b>										
Pak Qatar Individual Family Participant Investment Fund	-	70,055,722	-	32,949,598	37,106,124	-	7,580,890,080	-	3,710,612,386	3,716,619,881
Pak Qatar Investment Account	-	17,445,731	3,285	9,127,844	8,321,172	-	1,914,620,215	328,504	1,016,788,715	833,484,398
Qatar Group (Private) Limited	-	330,000	25,840	-	355,840	-	33,997,114	2,583,988	-	35,641,610
Pak Qatar Individual Family Participant Takaful Fund	-	984,903	107	714,121	270,889	-	107,057,094	10,694	79,035,042	27,132,757
AK Advisors LLP	-	1,500	132	-	1,632	-	150,102	13,165	-	163,464

19.3.2 Pak Qatar Monthly Income Plan

For the period from October 03, 2022 to 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)				
<b>ASSOCIATED COMPANIES / UNDERTAKINGS:</b>										
Pak Qatar Individual Family Participant Investment Fund	-	12,445,560	1,655	10,578,919	1,868,296	-	1,264,092,259	165,609	1,075,163,114	187,124,043
Pak Qatar Investment Account	-	14,821,213	9,715	13,267,384	1,563,544	-	1,501,951,355	971,620	1,346,584,003	156,600,815

19.3.3 Pak Qatar Khalis Bachat Plan

For the period from October 03, 2022 to 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)				
<b>ASSOCIATED COMPANIES / UNDERTAKINGS:</b>										
Pak Qatar Individual Family Participant Investment Fund	-	7,717,679	1,361	4,599,939	3,119,101	-	829,411,762	136,065	551,034,796	312,389,818
Directors, Key Management Persons and their close family members	-	18,729	896	4,604	15,021	-	1,954,168	89,573	500,000	1,504,410



## 20. 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 Commission. 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.

### 20.1 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 Commission, the NBFC regulations and the NBFC rules.

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

#### 20.1.1 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.

#### 20.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on balances held with banks, sukuks and money market placements. 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, details of Fund's profit bearing financial instruments were as follows:

June 30, 2023					
Note	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan	Total	
----- ( Rupees ) -----					
Variable rate instruments (financial asset)					
Balances with banks	4	1,283,968,061	92,103,248	90,152,293	1,466,223,602
Sukuk certificates	5	1,762,138,856	156,105,526	169,499,682	2,087,744,064
GoP Ijarah sukuk certificates	5	1,328,837,665	74,997,180	29,953,009	1,433,787,854
		<u>4,374,944,582</u>	<u>323,205,954</u>	<u>289,604,984</u>	<u>4,987,755,520</u>
Fixed rate instruments (financial assets)					
Money market placements	5	75,000,000	10,000,000	15,000,000	100,000,000

#### Sensitivity analysis for variable rate instruments

As at June 30, 2023, the Fund holds KIBOR based sukuks certificates, Government Ijara Sukuk and profit based balances with banks which expose the Fund to profit rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher/lower by Rs 49.878 million.



Yield 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.

a) Pak Qatar Income Plan

Particulars	As at June 30, 2023					Total
	Effective yield / rate	Exposed to yield risk			Not exposed to yield 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	14.5 - 21	1,283,968,061	-	-	-	1,283,968,061
Investments						
- Sukuk certificates	16.3 - 25.9	-	-	1,762,138,856	-	1,762,138,856
- GOP Ijarah sukuk certificates	15.7 - 16.8	-	-	1,328,837,665	-	1,328,837,665
- Money market placements	20.1	75,000,000	-	-	-	75,000,000
Profit receivable		-	-	-	138,014,140	138,014,140
Deposits with Trustee		-	-	-	100,000	100,000
Receivable against sale of units		-	-	-	179,625,186	179,625,186
Sub total		1,358,968,061	-	3,090,976,521	317,739,326	4,767,683,908
Financial liabilities						
Payable to the Management Company		-	-	-	2,486,837	2,486,837
Payable to the Trustee		-	-	-	277,253	277,253
Accrued expenses and other liabilities		-	-	-	263,320	263,320
Sub total		-	-	-	3,027,410	3,027,410
On-balance sheet gap		1,358,968,061	-	3,090,976,521	314,711,916	4,764,656,498
Total profit rate sensitivity gap		1,358,968,061	-	3,090,976,521	314,711,916	4,764,656,498
Cumulative profit rate sensitivity gap		1,358,968,061	1,358,968,061	4,449,944,582		

b) Pak Qatar Monthly Income Plan

Particulars	As at June 30, 2023					Total
	Effective yield / rate	Exposed to yield risk			Not exposed to yield 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	14.5 - 21	92,103,248	-	-	-	92,103,248
Investments						
- Sukuk certificates	16.3 - 25.9	-	-	156,105,526	-	156,105,526
- GOP Ijarah sukuk certificates	15.7	-	-	74,997,180	-	74,997,180
- Money market placements	20.1	10,000,000	-	-	-	10,000,000
Profit receivable		-	-	-	11,257,940	11,257,940
Deposits with Trustee		-	-	-	100,000	100,000
Receivable against sale of units		-	-	-	-	-
Sub total		102,103,248	-	231,102,706	11,357,940	344,563,894
Financial liabilities						
Payable to the Management Company		-	-	-	583,030	583,030
Payable to the Trustee		-	-	-	23,756	23,756
Accrued expenses and other liabilities		-	-	-	99,982	99,982
Sub total		-	-	-	706,768	706,768
On-balance sheet gap		102,103,248	-	231,102,706	10,651,172	343,857,126
Total profit rate sensitivity gap		102,103,248	-	231,102,706	10,651,172	343,857,126
Cumulative profit rate sensitivity gap		102,103,248	102,103,248	333,205,954		



**c) Pak-Qatar Khails Bachat Plan**

Particulars	As at June 30, 2023					Total
	Effective yield / rate	Exposed to yield risk			Not exposed to yield 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	14.5 - 21	90,152,293	-	-	-	90,152,293
Investments						
- Sukuk certificates	16.3 - 25.9	-	-	169,499,682	-	169,499,682
- GOP Ijarah sukuk certificates	15.7	-	-	29,953,009	-	29,953,009
- Money market placements	20.1	15,000,000	-	-	-	15,000,000
Profit receivable		-	-	-	9,024,688	9,024,688
Deposits with Trustee		-	-	-	100,000	100,000
Receivable against sale of units		-	-	-	495,000	495,000
Sub total		105,152,293	-	199,452,691	9,619,688	314,224,672
Financial liabilities						
Payable to the Management Company		-	-	-	947,825	947,825
Payable to the Trustee		-	-	-	21,042	21,042
Accrued expenses and other liabilities		-	-	-	149,439	149,439
Sub total		-	-	-	1,118,306	1,118,306
On-balance sheet gap		105,152,293	-	199,452,691	8,501,382	313,106,366
Total profit rate sensitivity gap		105,152,293	-	199,452,691	8,501,382	313,106,366
Cumulative profit rate sensitivity gap		105,152,293	105,152,293	304,604,984		

**20.1.3 Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (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. Since the Fund is not allowed to invest in equity securities, hence it is not exposed to equity price risk.

**20.2 Credit risk**

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on investment in sukuk certificates, money market placements, profit receivables, receivables against sale of units, security deposit and balances with banks. The credit risk for 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 of Directors of the management company. 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
	Pak Qatar Income Plan	Pak Qatar Monthly Income Plan	Pak Qatar Khalis Bachat Plan		
	(Rupees)				
Bank balances	1,283,968,061	92,103,248	90,152,293	1,466,223,602	1,466,223,602
Investments	3,165,976,521	241,102,706	214,452,691	3,621,531,918	2,187,744,064
Profit receivable	138,014,140	11,257,939	9,024,688	158,296,767	104,173,350
Deposits with Trustee	100,000	100,000	100,000	300,000	300,000
Receivable against sale of units	179,625,186	-	495,000	180,120,186	180,120,186
	<b>4,767,683,908</b>	<b>344,563,893</b>	<b>314,224,672</b>	<b>5,426,472,473</b>	<b>3,938,561,202</b>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities of Rs. 1,434 million including profit receivable on such government securities of Rs. 54.12 million is not exposed to credit risk.

The analysis below summarizes 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	(%)
A	118,985	0.01
AAA	373,591	0.03
A+	697,688,098	46.89
AA	789,795,502	53.08
	<b>1,487,976,176</b>	<b>100</b>

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

#### Security deposits

Deposits are placed with trustee. It is expected that all deposits with trustee will be clearly identified as being assets of the Fund, hence management believes that the Fund is not materially exposed to a credit risk with respect to such deposits.

#### 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.

### 20.3 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.

**a) Pak Qatar Income Plan**

June 30, 2023	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	(Rupees)					
<b>Financial assets</b>						
Bank balances	1,283,968,061					1,283,968,061
Investments and profit receivable thereon	79,544,909	96,546,264	668,572,319	1,975,234,391	465,606,950	3,285,504,833
Profit receivable on bank balances	18,485,828	-	-	-	-	18,485,828
Deposits with Trustee	100,000	-	-	-	-	100,000
Receivable against sale of units	179,625,186	-	-	-	-	179,625,186
	1,561,723,984	96,546,264	668,572,319	1,975,234,391	465,606,950	4,767,683,908
<b>Financial liabilities</b>						
Payable to Management Company	2,486,837	-	-	-	-	2,486,837
Payable to Trustee	277,253	-	-	-	-	277,253
Accrued expenses and other liabilities	263,320	-	-	-	-	263,320
	3,027,410	-	-	-	-	3,027,410
<b>Net assets</b>	1,558,696,574	96,546,264	668,572,319	1,975,234,391	465,606,950	4,764,656,498

**b) Pak Qatar Monthly Income Plan**

June 30, 2023	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	(Rupees)					
<b>Financial assets</b>						
Bank balances	92,103,248	-	-	-	-	92,103,248
Investments and profit receivable thereon	10,000,000	8,937,192	115,631,607	75,834,386	40,230,820	250,634,005
Profit receivable on bank balances	1,726,641	-	-	-	-	1,726,641
Deposits with trustee	100,000	-	-	-	-	100,000
	103,929,889	8,937,192	115,631,607	75,834,386	40,230,820	344,563,894
<b>Financial liabilities</b>						
Payable to Management Company	583,030	-	-	-	-	583,030
Payable to Trustee	23,756	-	-	-	-	23,756
Accrued expenses and other liabilities	99,982	-	-	-	-	99,982
	706,768	-	-	-	-	706,768
<b>Net assets</b>	103,223,121	8,937,192	115,631,607	75,834,386	40,230,820	343,857,126

**c) Pak-Qatar Khalis Bachat Plan**

June 30, 2023	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	(Rupees)					
<b>Financial assets</b>						
Bank balances	90,152,293	-	-	-	-	90,152,293
Investments and profit receivable thereon	15,066,533	10,880,838	58,544,211	97,317,200	40,128,491	221,937,273
Profit receivable on bank balances	1,540,106	-	-	-	-	1,540,106
Deposits with trustee	100,000	-	-	-	-	100,000
Receivable against sale of units	495,000	-	-	-	-	495,000
	107,353,932	10,880,838	58,544,211	97,317,200	40,128,491	314,224,672
<b>Financial liabilities</b>						
Payable to Management Company	947,825	-	-	-	-	947,825
Payable to Trustee	21,042	-	-	-	-	21,042
Accrued expenses and other liabilities	149,439	-	-	-	-	149,439
	1,118,306	-	-	-	-	1,118,306
<b>Net assets</b>	106,235,626	10,880,838	58,544,211	97,317,200	40,128,491	313,106,366



20.4. FINANCIAL INSTRUMENTS BY CATEGORY

-----As at June 30, 2023-----			
Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- (Rupees) -----			
<b>Pak Qatar Income Plan</b>			
<b>Financial Assets</b>			
Bank balances	1,283,968,061	-	1,283,968,061
Investments	75,000,000	3,090,976,521	3,165,976,521
Profit receivable	138,014,140	-	138,014,140
Deposits with Trustee	100,000	-	100,000
Receivable against sale of units	179,625,186	-	179,625,186
<b>1,676,707,387</b>	<b>3,090,976,521</b>	<b>-</b>	<b>4,767,683,908</b>
<b>Financial Liabilities</b>			
Payable to Management Company	2,486,837	-	2,486,837
Payable to Trustee	277,253	-	277,253
Accrued expenses and other liabilities	263,320	-	263,320
<b>3,027,410</b>	<b>-</b>	<b>-</b>	<b>3,027,410</b>
<b>Pak Qatar Monthly Income Plan</b>			
<b>Financial Assets</b>			
Bank balances	92,103,248	-	92,103,248
Investments	10,000,000	231,102,707	241,102,707
Profit receivable	11,257,939	-	11,257,939
Deposits with Trustee	100,000	-	100,000
<b>113,461,187</b>	<b>231,102,707</b>	<b>-</b>	<b>344,563,894</b>
<b>Financial Liabilities</b>			
Payable to Management Company	583,030	-	583,030
Payable to Trustee	23,756	-	23,756
Accrued expenses and other liabilities	99,982	-	99,982
<b>706,768</b>	<b>-</b>	<b>-</b>	<b>706,768</b>

30/11



	As at June 30, 2023			
	Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
<b>Pak Qatar Khalis Bachat Plan</b>	(Rupees)			
Bank balances	90,152,293	-	-	90,152,293
Investments	15,000,000	199,452,691	-	214,452,691
Profit receivable	9,024,688	-	-	9,024,688
Deposits with Trustee	100,000	-	-	100,000
Receivable against sale of units	495,000	-	-	495,000
	114,771,981	199,452,691	-	314,224,672
<b>Financial Liabilities</b>				
Payable to Management Company	947,825	-	-	947,825
Payable to Trustee	21,042	-	-	21,042
Accrued expenses and other liabilities	149,439	-	-	149,439
	1,118,306	-	-	1,118,306

## 21. 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.

**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).

The following table show the carrying amount and fair values of financial assets and financial liabilities including the levels in the fair value hierarchy.

		June 30, 2023			
		Fair value			
		Carrying amount			
		Fair value			
		through other comprehensive income			
		Amortised cost			
		Total			
		Level 1			
		Level 2			
		Level 3			
		Total			
		(Rupees)			
a) Pak Qatar Income Plan					
Financial assets measured at fair value					
Sukuk certificates	1,762,138,856	-	1,762,138,856	-	1,762,138,856
Government securities - GoP Ijara sukuks	1,328,837,665	-	1,328,837,665	-	1,328,837,665
	3,090,976,521	-	3,090,976,521	-	3,090,976,521
Financial assets not measured at fair value					
Bank balances	-	1,283,968,061	1,283,968,061		
Term Deposit Receipts	-	75,000,000	75,000,000		
Profit receivable	-	138,014,140	138,014,140		
Deposits with Trustee	-	100,000	100,000		
Receivable against sale of units	-	179,625,186	179,625,186		
	-	1,676,707,387	1,676,707,387		
Financial liabilities not measured at fair value					
Payable to Management Company	-	2,486,837	2,486,837		
Payable to Trustee	-	277,253	277,253		
Accrued expenses and other liabilities	-	263,320	263,320		
	-	3,027,410	3,027,410		
b) Pak Qatar Monthly Income Plan					
Financial assets measured at fair value					
Sukuk certificates	156,105,526	-	156,105,526	-	156,105,526
Government securities - GoP Ijara sukuks	74,997,180	-	74,997,180	-	74,997,180
	231,102,706	-	231,102,706	-	231,102,706
Financial assets not measured at fair value					
Bank balances	-	92,103,248	92,103,248		
Term Deposit Receipts	-	10,000,000	10,000,000		
Profit receivable	-	11,257,940	11,257,940		
Deposits with Trustee	-	100,000	100,000		
	-	113,461,188	113,461,188		



June 30, 2023

Carrying amount			Fair value				
Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)							
-	-	583,030	583,030				
-	-	23,756	23,756				
-	-	99,982	99,982				
-	-	706,768	706,768				
169,499,682	-	-	169,499,682	-	169,499,682	-	169,499,682
29,953,009	-	-	29,953,009	-	29,953,009	-	29,953,009
199,452,691	-	-	199,452,691	-	199,452,691	-	199,452,691
-	-	90,152,293	90,152,293				
-	-	15,000,000	15,000,000				
-	-	9,024,688	9,024,688				
-	-	495,000	495,000				
-	-	100,000	100,000				
-	-	114,771,981	114,771,981				
-	-	947,825	947,825				
-	-	21,042	21,042				
-	-	149,439	149,439				
-	-	1,118,306	1,118,306				

## 22 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.

## 23 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
Farhan Shaukat	Chief Executive Officer	FCA, PGD in Islamic Finance	24
Meraj Uddin Mazhar	Chief Investment Officer	CFA, FRM, MBA	12
Syed Usman Arshad	Fund Manager	CIMA, ACMA	6
Muhammad Farhan Javaid	Head of Risk and Research	ACMA, CFA Level 1	14

23.1 Mr. Syed Usman Arshad is a fund manager who also manages following fund:

- Pak-Qatar Islamic Cash Fund

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

June 30,  
2023

----- (%) -----

### a) Pak Qatar Income Plan

1	Next Capital Limited	84.34
2	Continental Exchange (Pvt.) Limited	11.87
3	Summit Capital (Private) Limited	2.26
4	Alfalah CLSA Securities (Private) Limited	1.53

### b) Pak Qatar Monthly Income Plan

1	Next Capital Limited	82.82
2	Continental Exchange (Pvt.) Limited	9.37
3	Summit Capital (Private) Limited	5.36
4	Alfalah CLSA Securities (Private) Limited	2.45

### c) Pak Qatar Khalis Bachat Plan

1	Next Capital Limited	93.73
2	Summit Capital (Private) Limited	5.38
3	Continental Exchange (Pvt.) Limited	0.89



25. PATTERN OF UNIT HOLDING

PATTERN OF UNIT HOLDING

	As at June 30, 2023			
	Number of unit holders	Number of units	Investment Amount	Percentage investment
			----(Rupees)----	----- (%) -----
a) Pak Qatar Income Plan				
Individual	1	40,777	4,084,295	-
Associated companies	5	47,157,743	4,723,408,367	99
Retirement fund	1	367,827	36,842,241	1
	7	47,566,347	4,764,334,903	100
b) Pak Qatar Monthly Income Plan				
Individual	1	4,628	463,485	-
Associated companies	2	3,431,840	343,724,966	100
	3	3,436,468	344,188,451	100
c) Pak Qatar Khalis Bachat Plan				
Individual	90	364,490	36,505,041	12
Associated companies	1	2,763,100	276,734,834	88
	91	3,127,590	313,239,875	100

26. 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.

S.No.	Name of persons attending the meetings	Designation	Number of Meetings Held	Number of meetings		Meetings Not Attended
				Attendance required	Attended	
----- (Numbers) -----						
1	Said Gul	Chairman	5	5	5	-
2	Muhammad Owais Ansari	Director	5	5	5	-
3	Syed Asad Ali Shah Jilani	Director	5	5	5	-
4	Muhammad Kamran Saleem	Director	5	5	5	-
5	Sameera Said	Director	5	5	5	-
6	Farhan Shaukat	Chief Excecutive Officer	5	5	5	-

27. GENERAL

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

28. DISTRIBUTIONS FOR THE PERIOD

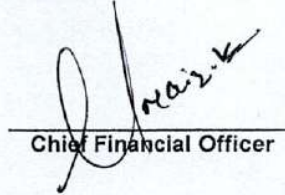
	Pak Qatar Income Plan		Pak Qatar Monthly Income Plan		Pak Qatar Khalis Bachat Plan	
	Date	Per unit	Date	Per unit	Date	Per unit
Distributions for the period	Jun 27, 2023	12.6148	Oct 06, 2022	0.8808	27/06/2023	11.5163
			Nov 28, 2022	0.9711		
			Dec 28, 2023	1.0194		
			Jan 30, 2023	1.3667		
			Feb 24, 2023	0.7080		
			Mar 28, 2023	1.6614		
			Apr 27, 2023	1.3636		
			May 26, 2023	1.7824		
			Jun 27, 2023	2.0110		

29. 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



# **Pak-Qatar Islamic Cash Fund**

## Financial Statements 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, Shahrah-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, Shahrah-e-Faisal, Karachi.	
<b>Bankers to the Fund:</b>	Dubai Islamic Bank Pakistan Limited Meezan bank 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>	Dr. Mufti Muhammad Zubair Usmani
<b>Transfer Agent:</b>	ITMinds Limited

# REPORT OF THE FUND MANAGER

## Pak-Qatar Islamic Cash Fund

### Type of Fund

Pak-Qatar Islamic Cash Fund, investing primarily in Shariah compliant money market instruments, Sukuks etc.

### Objective

To focus on generating competitive return while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments in accordance with Shariah Compliant Islamic Money Market Category.

### Investment Policy and Strategy

The fund provides investors with the opportunity to park their excess liquidity in secure high-quality instruments. To minimize the impact of interest rate volatility, the investment policy limits the investment avenues to short term tenors. As per its investment policy, Pak-Qatar Islamic Cash Funds can invest or place funds in instruments/avenues with a credit rating of at least 'double A' (AA). The weighted average maturity (WAM) of net assets invested in the plan shall not exceed ninety (90) days; where securities issued by federal govt. shall be excluded from ascertaining WAM.

### Performance Review

Pak-Qatar Islamic Cash Fund provided a return of 15.92% in Pak-Qatar Asan Munafa Plan, 17.07% in Pak-Qatar Cash Plan and 17.59% Pak-Qatar Daily Dividend Plan to its investors for the year ended June 30, 2022 as compared to its benchmark of 6.23%.

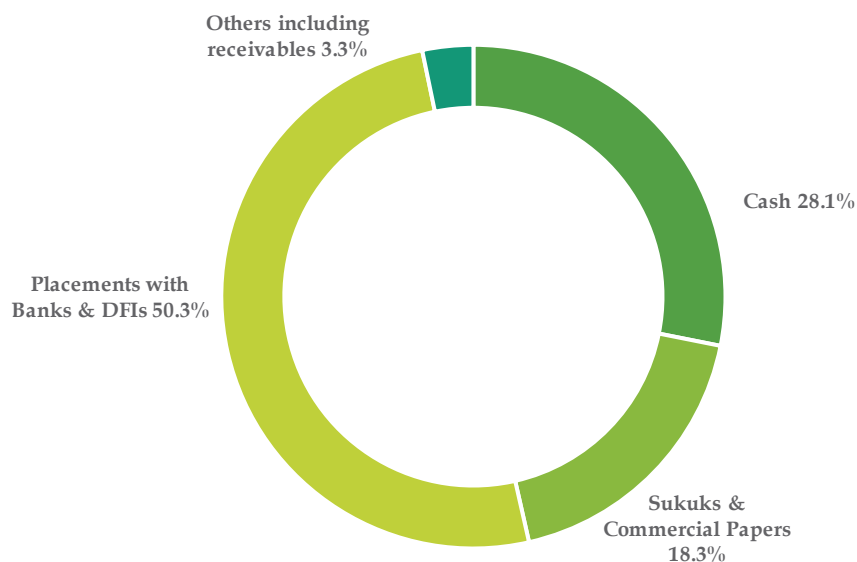
The Fund earned a gross income of PKR. 328 million this year, which was primarily due to profit on bank deposits, placements and Sukuks. The fund also incurred expenses totaling to PKR. 14 million which brought the net income figure to PKR. 314 million. The net assets of the Fund as at June 30, 2022 were PKR. 203.55 million (Pak-Qatar Asan Munafa Plan), PKR 2,865.64 million (Pak-Qatar Cash Plan) and PKR 2,158.53 million (Pak-Qatar Daily Dividend Plan).

### Fund Stability Rating

PACRA Credit Rating Company has assigned Stability Rating of AA(f) to all plans of Pak-Qatar Islamic Cash Funds.

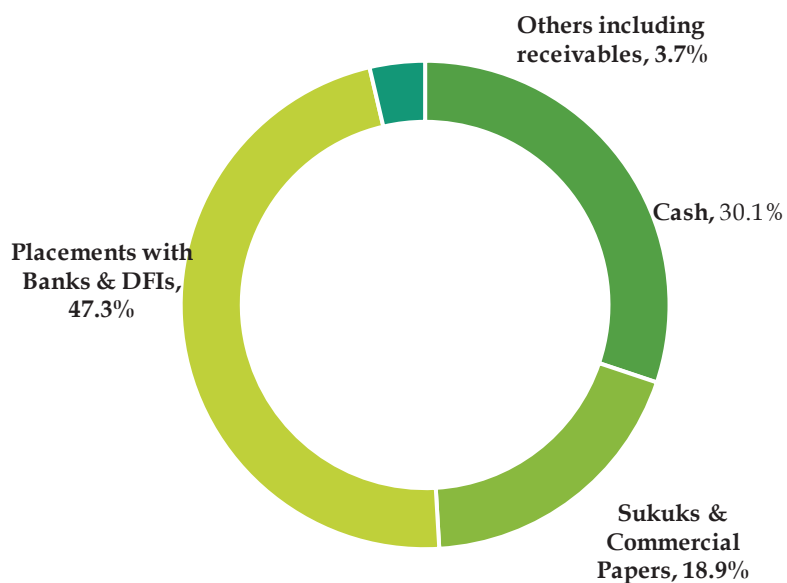


## Asset Allocation



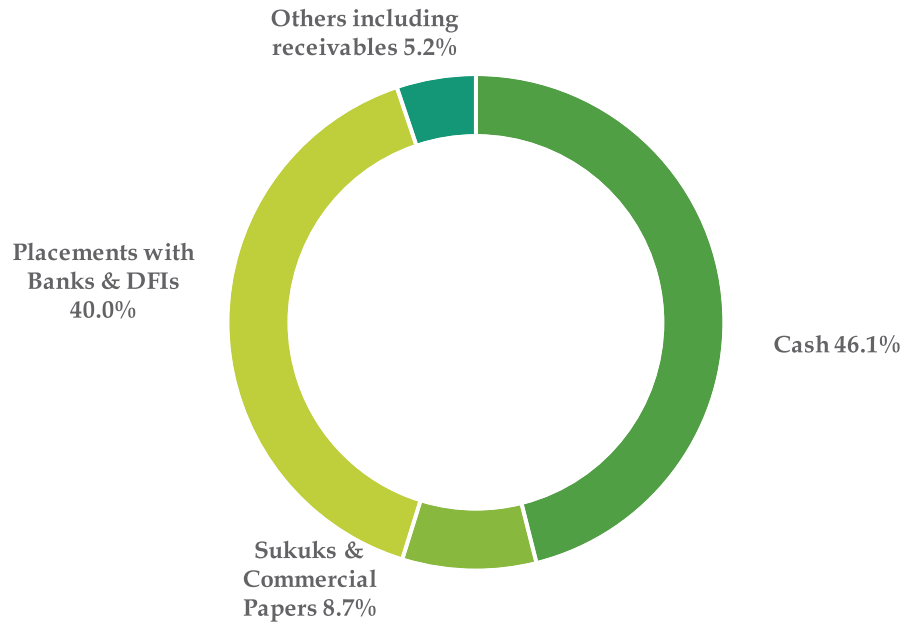
## PAK QATAR CASH PLAN

## Asset Allocation



## PAK QATAR ASAN MUNAFA PLAN

### Asset Allocation



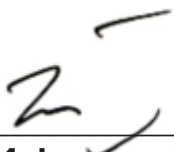


## Report of the Shari'ah Advisor – Pak-Qatar Islamic Cash Fund

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 Cash Fund** and I certify that:

- 1) I have reviewed and approved the modes of investments of **Pak-Qatar Islamic Cash Fund** in light of the Shari'ah guidelines.
- 2) All the provisions of the fund and investments made on account of **Pak-Qatar Islamic Cash 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 Cash Fund** for the year ended June 30, 2023 have been in compliance with Shari'ah principles.



**Dr. Mufti Muhammad Zubair Usmani**  
Shariah Advisor

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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

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

Fax: (92-21) 34326021 - 23

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

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



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**PAK-QATAR ISLAMIC CASH FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Pak-Qatar Islamic Cash 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 October 03, 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 Cash Fund

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

##### Opinion

We have audited the financial statements of **Pak Qatar Islamic Cash 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 unitholders' funds and cash flow statement for the period from October 03, 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: AR202310057B5JxR8t3m



## **Pak Qatar Islamic Cash Fund**

Financial Statements for the  
period from October 03, 2022  
to June 30, 2023

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

		June 30, 2023			
		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
Note		(Rupees)			
<b>Assets</b>					
Bank balances	4	116,344,580	1,691,930,705	1,296,488,762	3,104,764,047
Investments	5	83,000,000	995,000,000	830,000,000	1,908,000,000
Profit receivable	6	4,448,595	45,973,055	39,055,631	89,477,281
Receivable against sale of units		200,000	150,000,000	-	150,200,000
Advances, deposits and prepayments	7	289,187	1,261,369	734,546	2,285,102
Preliminary expenses and floatation cost	8	237,921	238,380	237,921	714,222
<b>Total assets</b>		<b>204,520,283</b>	<b>2,884,403,509</b>	<b>2,166,516,860</b>	<b>5,255,440,652</b>
<b>Liabilities</b>					
Payable to Management Company	9	541,273	1,124,073	979,292	2,644,638
Payable against redemption of units		-	12,500,000	5,040,000	17,540,000
Payable to Trustee	10	10,274	113,437	91,106	214,817
Payable to Commission	11	24,566	205,249	140,042	369,857
Accrued expenses and other liabilities	12	377,608	4,820,793	2,109,355	7,307,756
Dividend payable		13,265	-	-	13,265
<b>Total liabilities</b>		<b>966,986</b>	<b>18,763,552</b>	<b>8,359,795</b>	<b>28,090,333</b>
<b>Net assets</b>		<b>203,553,297</b>	<b>2,865,639,957</b>	<b>2,158,157,065</b>	<b>5,227,350,319</b>
<b>UNIT HOLDERS' FUND</b>					
(as per Statement of movements in Unit holders' fund)		<b>203,553,297</b>	<b>2,865,639,957</b>	<b>2,158,157,065</b>	
----- (Number of units) -----					
Number of units in issue		<b>2,032,498</b>	<b>28,614,509</b>	<b>21,581,572</b>	
----- (Rupees) -----					
Net assets value per unit		<b>100.1493</b>	<b>100.1464</b>	<b>100.0000</b>	
<b>Contingencies and commitments</b>					

The annexed notes from 1 to 29 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 CASH FUND  
INCOME STATEMENT  
FOR THE PERIOD FROM OCTOBER 03, 2022 TO JUNE 30, 2023**

For the period from October 03, 2022 to June 30, 2023					
		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
INCOME	Note	(Rupees)			
Profit earned	14	20,859,964	181,739,686	125,615,694	328,215,344
<b>Total income</b>		<b>20,859,964</b>	<b>181,739,686</b>	<b>125,615,694</b>	<b>328,215,344</b>
<b>EXPENSES</b>					
Remuneration of Management Company	9.1	972,170	2,907,358	1,938,292	5,817,820
Sindh sales tax on Management Company remuneration	9.2	126,382	377,957	251,978	756,317
Remuneration of Trustee	10.1	67,555	564,435	386,608	1,018,598
Sindh sales tax on Trustee remuneration	10.2	8,783	73,377	50,259	132,419
Annual fee of Commission	11.1	24,566	205,249	140,585	370,400
Auditor's remuneration	15	99,440	99,440	99,440	298,320
Transaction charges		7,105	18,105	39,628	64,838
Legal and professional charges		100,000	50,000	50,000	200,000
Amortisation of preliminary expenses and floatation costs	8	41,310	40,851	41,310	123,471
Fund rating fee		26,578	28,987	26,578	82,143
Shariah advisory fee		133,333	133,333	133,333	399,999
Back office fee		192,550	284,632	199,008	676,190
Selling and Marketing Fee		-	2,419,405	1,718,560	4,137,965
Bank charges		454	2,711	6,178	9,343
<b>Total expenses</b>		<b>1,800,226</b>	<b>7,205,840</b>	<b>5,081,757</b>	<b>14,087,823</b>
<b>Net income for the period before taxation</b>		<b>19,059,738</b>	<b>174,533,846</b>	<b>120,533,937</b>	<b>314,127,521</b>
Taxation	17	-	-	-	-
<b>Net income for the period after taxation</b>		<b>19,059,738</b>	<b>174,533,846</b>	<b>120,533,937</b>	<b>314,127,521</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		19,059,738	174,533,846	120,533,937	314,127,521
Income already paid on units redeemed		(17,962,130)	(153,272,199)	-	(171,234,329)
		<b>1,097,608</b>	<b>21,261,647</b>	<b>120,533,937</b>	<b>142,893,192</b>
<b>Accounting income available for distribution</b>					
Relating to capital gains		-	-	-	-
Excluding capital gains		1,097,608	21,261,647	120,533,937	142,893,192
		<b>1,097,608</b>	<b>21,261,647</b>	<b>120,533,937</b>	<b>142,893,192</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

For Pak Qatar Asset Management Company Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

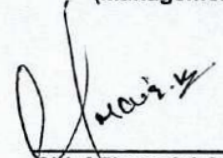
**PAK QATAR ISLAMIC CASH FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM OCTOBER 03, 2022 TO JUNE 30, 2023**


	For the period from October 03, 2022 to June 30, 2023			Total
	Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	
	(Rupees)			
Net income for the period after taxation	19,059,738	174,533,846	120,533,937	314,127,521
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	19,059,738	174,533,846	120,533,937	314,127,521

The annexed notes from 1 to 29 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 CASH FUND  
STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS  
FOR THE PERIOD FROM OCTOBER 03, 2022 TO JUNE 30, 2023

For the period from October 03, 2022 to June 30, 2023

	Pak-Qatar Asan Munafa Plan (PQAMP)		Pak-Qatar Cash Plan (PQCP)		Pak-Qatar Daily Dividend Plan (PQDDP)	
	Capital value	Undistributed Income	Total	Capital value	Undistributed Income	Total
Net assets at the beginning of the period	-	-	-	-	-	-
Issuance of units PQAMP: 5,688,192 , PQCP: 94,632,825, PQDDP: 28,708,920						
- Capital value	568,819,200	-	568,819,200	9,463,282,500	-	9,463,282,500
- Element of income	42,286,663	-	42,286,663	819,098,410	-	819,098,410
Total proceeds from issuance of units	611,105,863	-	611,105,863	10,282,380,910	-	10,282,380,910
Redemption of Units PQAMP: 3,655,694, PQCP: 66,018,316, PQDDP: 7,127,348						
- Capital value	(365,669,500)	-	(365,669,500)	(6,601,831,600)	-	(6,601,831,600)
- Element of income	(21,903,522)	(17,962,130)	(39,865,652)	(618,835,204)	(153,272,199)	(772,107,403)
Total payments on redemption of units	(387,473,022)	(17,962,130)	(405,435,152)	(7,120,666,804)	(153,272,199)	(7,273,939,003)
Total comprehensive income for the period	-	19,059,738	19,059,738	-	174,533,846	174,533,846
Distributions during the period (note 28)	(20,383,060)	(794,092)	(21,177,152)	(301,259,308)	(16,076,488)	(317,335,796)
	(20,383,060)	18,265,646	(2,117,414)	(301,259,308)	158,457,358	(142,801,950)
Net assets at the end of the period	203,249,781	303,516	203,553,297	2,860,454,798	5,185,159	2,865,639,957
				2,158,157,065	-	2,158,157,065

Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

Dividend Distribution

Undistributed income carried forward

Undistributed income carried forward comprising of :

- Realised income
- Unrealised gain / (loss)

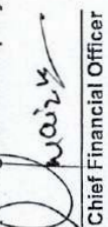
Net assets value per unit at end of the period

1,097,508	21,261,647	-
1,097,508	21,261,647	120,533,937
(794,092)	(16,076,488)	120,533,937
303,516	5,185,159	-
303,516	5,185,159	-
100,1493	100,1464	100,0000

The annexed notes from 1 to 29 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 CASH FUND**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD FROM OCTOBER 03, 2022 TO JUNE 30, 2023**

For the period from October 03, 2022 to June 30, 2023				
	Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
Note	(Rupees)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	19,059,738	174,533,846	120,533,937	314,127,521
<b>Adjustments for non cash and other items:</b>				
Amortisation of preliminary expenses and floatation costs	41,310	40,851	41,310	123,471
Profit earned	(20,859,964)	(181,739,686)	(125,615,694)	(328,215,344)
	(1,758,916)	(7,164,989)	(5,040,447)	(13,964,352)
<b>(Increase) in assets</b>				
Investments	(33,000,000)	(395,000,000)	(280,000,000)	(708,000,000)
Advances, deposits and prepayments	(289,187)	(1,261,369)	(734,546)	(2,285,102)
Preliminary expenses and floatation costs	(279,231)	(279,231)	(279,231)	(837,693)
	(33,568,418)	(396,540,600)	(281,013,777)	(711,122,795)
<b>Increase in liabilities</b>				
Payable to Management Company	541,273	1,124,073	979,292	2,644,638
Payable to Trustee	10,274	113,437	91,106	214,817
Payable to Commission	24,566	205,249	140,042	369,857
Accrued expenses and other liabilities	377,608	4,820,793	2,109,355	7,307,756
Dividend payable	13,265	-	-	13,265
	966,986	6,263,552	3,319,795	10,550,333
<b>Net cash used in operating activities</b>	<b>(34,360,348)</b>	<b>(397,442,037)</b>	<b>(282,734,429)</b>	<b>(714,536,814)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net receipts from issuance of units	610,905,863	10,132,380,910	2,870,891,818	13,614,178,591
Net payment against redemption of units	(405,435,152)	(7,261,439,003)	(707,694,753)	(8,374,568,908)
Profit received	16,411,369	135,766,631	86,560,063	238,738,063
Dividend distribution	(21,177,152)	(317,335,796)	(120,533,937)	(459,046,885)
<b>Net cash generated from financing activities</b>	<b>200,704,928</b>	<b>2,689,372,742</b>	<b>2,129,223,191</b>	<b>5,019,300,861</b>
<b>Net increase in cash and cash equivalents</b>	<b>166,344,580</b>	<b>2,291,930,705</b>	<b>1,846,488,762</b>	<b>4,304,764,047</b>
Cash and cash equivalents at beginning of the period	-	-	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>166,344,580</b>	<b>2,291,930,705</b>	<b>1,846,488,762</b>	<b>4,304,764,047</b>

The annexed notes from 1 to 29 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 CASH FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2023**

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

- 1.1** Pak Qatar Islamic Cash 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. The Fund was authorised by the Securities and Exchange Commission of Pakistan (the Commission) as a unit trust scheme on September, 05 2022. The initial public offering (IPO) of the Fund was made on Initial Offering Period from September 27, 2022 to October 03, 2022 (both days inclusive), and the Fund commenced operation from October 03, 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 October 03, 2022 and shall ending on June 30, 2023 of the succeeding calendar year. Pak-Qatar Islamic Cash Fund has been established through a Trust Deed (the Deed) dated June 28, 2022, under the Sindh Trusts (Amendment) Act, 2021.
- 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 objective of the Fund is to generate competitive return while seeking maximum possible preservation of capital by investing in low risk and liquid Shariah Compliant instruments in accordance with Shariah Compliant Money Market category. The Fund is categorised as an open end Shariah Compliant (Islamic) Money Market Scheme in accordance with Circular 7 of 2009, issued by the Securities and Exchange Commission of Pakistan (SECP). Mufti Dr. Muhammad Zubair Usmani acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.5** The fund has been given stability rating of "AA(f)" by PACRA on December 02, 2022.
- 1.6** These financial statements have been prepared from date of launch of the Fund. i.e. from October 03, 2022 to June 30, 2023 (the period), therefore these are the first set of financial statements of the Fund, and there are no corresponding numbers in this financial statements.
- 1.7** The title to the assets of the Fund is held in the name of the Trustee of the Fund.

**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 Non-Banking Finance Companies Rules (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 from January 01, 2022:

The following standards, amendments and interpretations are effective for the period from January 01, 2022. 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 these 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	3.1.1.1
- Impairment of financial assets	3.1.1.4
- Classification and valuation of financial liabilities	3.1.2.1
- Taxation	3.4

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 these financial statements have been round off to the nearest thousand rupees, unless otherwise stated.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The below mentioned accounting policies have been adopted for the preparation of these financial statements:

### 3.1 Financial instruments

#### 3.1.1 Recognition and initial measurement of financial instruments

Financial assets and financial liabilities, with the exception of bank balances, 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. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

##### 3.1.1.1 Classification

#### Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

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

A debt instrument is measured at fair value through other comprehensive income (FVOCI) only if it meets both of the following conditions and is not designated as at FVTPL:

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





A debt instrument held for trading purposes or which does not meet the solely payments of principal and interest (SPPI) criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Business model assessment**

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as: the objectives for the portfolio; how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed etc.

#### **Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)**

As a second step of its classification process the Fund assesses the contractual terms of financial assets to identify whether they pass the SPPI criteria.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

#### **3.1.1.2 Subsequent Measurement**

##### **Debt investments at FVTPL**

These assets are subsequently measured at fair value. profit calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the income statement.

##### **Debt instruments at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit, foreign exchange gains and losses and impairment are recognised in the income statement.

#### **3.1.1.3 Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where 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, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.





When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

#### 3.1.1.4 Impairment of financial assets

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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 Management Company 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 pertain 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.

#### 3.1.1.5 Determination of fair value

The fair value of financial assets are determined as follows:

##### i) Debt securities (other than Government securities)

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

##### ii) Debt securities (Government securities)

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

#### 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, 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 and money market placements.

### 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 the obligation can be made. Provisions, if any, 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 ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders.

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

### 3.5 Distribution and appropriations

Distribution and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on the 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 Directors 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, of units 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 gain / loss 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.
- Income / profit from investments in sukuks, government securities, certificate of musharka, bai mujaal and commercial paper is recognised on a time proportionate basis using effective interest rate method.
- 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, Trustee fee, annual fee of the Commission and selling and marketing expense are recognised in the Income statement on an accrual basis.

### 3.10 Basis of allocation of expenses to each sub-fund

- Remuneration to the Management Company, Trustee, annual fee to the commission and selling and marketing expense is allocated to each sub-fund on the basis of the net assets of the sub-fund.
- Expenses specifically incurred by a sub-fund, such as custody and settlement charges, fees and subscription and bank charges are charged to that sub-fund.
- Auditors' remuneration and legal and professional charges are allocated equally among sub-funds.

### 3.11 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			
		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
Note		(Rupees)			
4.	<b>BANK BALANCES</b>				
	Savings accounts	4.1	116,344,580	1,691,930,705	1,296,488,762 3,104,764,047

4.1 The rate of return on these savings accounts ranges from 11% to 19.25% per annum.

		June 30, 2023				
		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total	
Note		----- (Rupees) -----				
5.	INVESTMENTS					
	At fair value through profit or loss					
	-Sukuk certificates - Listed	5.1	33,000,000	395,000,000	280,000,000	708,000,000
	At amortised cost					
	-Money Market Placements	5.2	50,000,000	600,000,000	550,000,000	1,200,000,000
			83,000,000	995,000,000	830,000,000	1,908,000,000



## 5.1 Sukuk certificates

### 5.1.1 Pak-Qatar Asan Munafa Plan

Name of investee company	As at October 03, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
<b>Sukuk certificates - listed</b>									
K-Electric Short Term Sukuk - XI	-	20	20	-	-	-	-	-	-
Lucky Electric Short Term Sukuk - V	-	15	15	-	-	-	-	-	-
Lucky Electric Short Term Sukuk - VII	-	15	-	15	15,000,000	15,000,000	-	7.37	18.07
Lucky Electric Short Term Sukuk - X	-	5	-	5	5,000,000	5,000,000	-	2.46	6.02
Nishat Mills Short Term Sukuk - II	-	10	-	10	10,000,000	10,000,000	-	4.91	12.05
Hub Power Short Term Sukuk - I	-	3	-	3	3,000,000	3,000,000	-	1.47	3.61
	-	68	35	33	33,000,000	33,000,000	-	16.21	39.75

5.1.1.1 Significant terms and conditions of sukuk certificates held as at June 30, 2023 are as follows:

Particulars	Issue date	Maturity date	Offered rate	Issue rating
K-Electric Short Term Sukuk - XI	October 26, 2022	April 26, 2023	6 months KIBOR + 1.45%	AA
Lucky Electric Short Term Sukuk - V	October 13, 2022	April 13, 2023	6 months KIBOR + 1.5%	AA
Lucky Electric Short Term Sukuk - VII	February 14, 2023	August 15, 2023	6 months KIBOR + 0.65%	AA
Lucky Electric Short Term Sukuk - X	April 28, 2023	October 30, 2023	6 months KIBOR + 0.3%	AA
Nishat Mills Short Term Sukuk - II	May 09, 2023	November 09, 2023	3 months KIBOR + 0.25%	AA
Hub Power Short Term Sukuk - I	May 18, 2023	November 17, 2023	6 months KIBOR + 0.30%	AA

### 5.1.2 Pak-Qatar Cash Plan

Name of investee company	As at October 03, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution) as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
<b>(Number of certificates)</b>									
<b>(Rupees)</b>									
Lucky Electric - Short Term Sukuk - V	-	150	150	-	-	-	-	-	-
Lucky Electric - Short Term Sukuk - VII	-	50	-	50	50,000,000	50,000,000	-	1.74	5.03
Lucky Electric - Short Term Sukuk - X	-	125	-	125	125,000,000	125,000,000	-	4.36	12.56
K-Electric - Short Term Sukuk - XI	-	130	130	-	-	-	-	-	-
K-Electric - Short Term Sukuk - XIII	-	50	-	50	50,000,000	50,000,000	-	1.74	5.03
K-Electric - Short Term Sukuk - XVII	-	40	-	40	40,000,000	40,000,000	-	1.40	4.02
Hub Power - Short Term Sukuk - I	-	75	-	75	75,000,000	75,000,000	-	2.62	7.54
China Power - Short Term Sukuk - II	-	30	30	-	-	-	-	-	-
Nishat Mills - Short Term Sukuk - II	-	55	-	55	55,000,000	55,000,000	-	1.92	5.53
	-	705	310	395	395,000,000	395,000,000	-	13.78	39.71

*(Signature)*



5.1.2.1 Significant terms and conditions of sukuk certificates held as at June 30, 2023 are as follows:

Particulars	Issue date	Maturity date	Offered rate	Issue rating
Lucky Electric - Short Term Sukuk - VII	February 14, 2023	August 15, 2023	6 months KIBOR+0.65%	AA
Lucky Electric - Short Term Sukuk - X	April 28, 2023	October 30, 2023	6 months KIBOR+0.30%	AA
K-Electric - Short Term Sukuk - XIII	February 09, 2023	August 09, 2023	6 months KIBOR+1.00%	AA
K-Electric - Short Term Sukuk - XVII	May 18, 2023	November 18, 2023	6 months KIBOR+0.45%	AA
Hub Power - Short Term Sukuk - I	May 18, 2023	November 17, 2023	6 months KIBOR+0.30%	AA
Nishat Mills - Short Term Sukuk - II	May 09, 2023	November 09, 2023	6 months KIBOR+0.25%	AA

Name of investee company	(Number of certificates)			(Rupees)			Market value as a percentage of total investments	
	As at October 03, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
Lucky Electric - Short Term Sukuk - V	-	155	155	-	-	-	-	-
Lucky Electric - Short Term Sukuk - VII	-	50	-	50	50,000,000	50,000,000	2.32	6.02
Lucky Electric - Short Term Sukuk - X	-	50	-	50	50,000,000	50,000,000	2.32	6.02
K-Electric - Short Term Sukuk - XIII	-	70	-	70	70,000,000	70,000,000	3.24	8.43
K-Electric - Short Term Sukuk - XVII	-	20	-	20	20,000,000	20,000,000	0.93	2.41
Hub Power - Short Term Sukuk - I	-	35	-	35	35,000,000	35,000,000	1.62	4.22
Nishat Mills - Short Term Sukuk - II	-	55	-	55	55,000,000	55,000,000	2.55	6.63
	-	435	155	280	280,000,000	280,000,000	12.98	33.73

5.1.2.1 Significant terms and conditions of sukuk certificates held as at June 30, 2023 are as follows:

Particulars	Issue date	Maturity date	Offered rate	Issue rating
Lucky Electric - Short Term Sukuk - V	October 13, 2022	April 13, 2023	6 months KIBOR+1.50%	AA
Lucky Electric - Short Term Sukuk - VII	February 14, 2023	August 15, 2023	6 months KIBOR+0.65%	AA
Lucky Electric - Short Term Sukuk - X	April 28, 2023	October 30, 2023	6 months KIBOR+0.30%	AA
K-Electric - Short Term Sukuk - XIII	February 09, 2023	August 09, 2023	6 months KIBOR+1.00%	AA
K-Electric - Short Term Sukuk - XVII	May 18, 2023	November 18, 2023	6 months KIBOR+0.45%	AA
Hub Power - Short Term Sukuk - I	May 18, 2023	November 17, 2023	6 months KIBOR+0.30%	AA
Nishat Mills - Short Term Sukuk - II	May 09, 2023	November 09, 2023	6 months KIBOR+0.25%	AA

Counterparty Name	Profit Rate	Face Value			Issue Date	Maturity Date	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchased during the period	Sold/Maturity during the period				
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	20.10%	-	25,000,000	-	25,000,000	26-Jun-23	12.28	30.12
UBL Ameen Islamic Banking - Certificate of Mudaraba	20.50%	-	25,000,000	-	25,000,000	27-Jun-23	12.28	30.12
		-	50,000,000	-	50,000,000		24.56	60.24

5.2 Money Market Placements

5.2.1 Pak-Qatar Asan Munafa Plan



5.2.2 Pak-Qatar Cash Plan

Particulars	Profit Rate	Face Value				Issue Date	Maturity Date	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchased during the period	Sold/Maturity during the period	As at 30 June 2023				
									(%)
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	19.65%	-	200,000,000	200,000,000	-	13-Jun-23	23-Jun-23	-	-
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	19.75%	-	100,000,000	100,000,000	-	19-Jun-23	23-Jun-23	-	-
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	19.50%	-	150,000,000	150,000,000	-	22-May-23	26-May-23	-	-
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	19.75%	-	200,000,000	200,000,000	-	29-May-23	5-Jun-23	-	-
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	20.10%	-	300,000,000	-	300,000,000	26-Jun-23	7-Jul-23	10.47	30.15
UBL Ameen Islamic Banking - Certificate of Mudaraba	20.50%	-	300,000,000	-	300,000,000	27-Jun-23	11-Aug-23	10.47	30.15
		-	1,250,000,000	650,000,000	600,000,000			20.94	60.30

5.2.3 Pak-Qatar Daily Dividend Plan

Particulars	Profit Rate	Face Value				Issue Date	Maturity Date	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchased during the period	Sold/Maturity during the period	As at 30 June 2023				
									(%)
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	19.75%	-	150,000,000	150,000,000	-	19-Jun-23	23-Jun-23	-	-
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	19.50%	-	100,000,000	100,000,000	-	22-May-23	26-May-23	-	-
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	19.65%	-	150,000,000	150,000,000	-	13-Jun-23	23-Jun-23	-	-
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	19.75%	-	100,000,000	100,000,000	-	29-May-23	5-Jun-23	-	-
Zarai Taraqati Bank Ltd - Certificate of Mudaraba	20.10%	-	275,000,000	-	275,000,000	26-Jun-23	7-Jul-23	12.74	33.13
UBL Ameen Islamic Banking - Certificate of Mudaraba	20.50%	-	275,000,000	-	275,000,000	27-Jun-23	11-Aug-23	12.74	33.13
		-	1,050,000,000	500,000,000	550,000,000			25.48	66.26



June 30, 2023

		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
	Note	(Rupees)			
<b>6. PROFIT RECEIVABLE</b>					
Profit receivable from:					
-Savings account		2,487,211	26,229,600	22,310,651	51,027,462
-Placements		125,000	1,500,000	1,375,000	3,000,000
-Sukuk certificates		1,836,384	18,243,455	15,369,980	35,449,819
		<u>4,448,595</u>	<u>45,973,055</u>	<u>39,055,631</u>	<u>89,477,281</u>

**7. ADVANCES, DEPOSITS AND PREPAYMENTS**

Deposits with Trustee	100,000	100,000	100,000	300,000
Advance tax	165,099	1,137,281	610,458	1,912,838
Prepaid rating fee	24,088	24,088	24,088	72,264
	<u>289,187</u>	<u>1,261,369</u>	<u>734,546</u>	<u>2,285,102</u>

**8. PRELIMINARY EXPENSES AND FLOATATION COST**

Cost	279,231	279,231	279,231	837,693
Accumulated amortisation				
Opening balance	-	-	-	-
Amortisation during the period	8.1 41,310	40,851	41,310	123,471
Closing balance	41,310	40,851	41,310	123,471
	<u>237,921</u>	<u>238,380</u>	<u>237,921</u>	<u>714,222</u>

8.1 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

		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
	Note	(Rupees)			
<b>9. PAYABLE TO MANAGEMENT COMPANY</b>					
Management fee	9.1	123,982	456,304	366,479	946,765
Sindh sales tax on of the Management fee	9.2	16,117	59,320	47,642	123,079
Other payable to Management Company		72,409	14,561	-	86,970
Selling and marketing expense	9.3	-	281,654	252,937	534,591
Back office fee payable	9.4	86,254	69,723	69,723	225,700
Preliminary expenses and floatation costs payable		242,511	242,511	242,511	727,533
		<u>541,273</u>	<u>1,124,073</u>	<u>979,292</u>	<u>2,644,638</u>





- 9.1 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 1%, 0.5% and 0.5% of Average annual Net Assets on PQAMP, PQCP and PQDDP respectively. The fee is payable monthly in arrears to the Management Company. The Management Company has charged management fee at the following rates:

Pak Qatar Asan Munafa Plan		Pak Qatar Cash Plan		Pak Qatar Daily Dividend Plan	
From 03 October, 2022 to 27 November, 2022	From 28 November, 2022 to 30 June, 2023	From 03 October, 2022 to 27 November, 2022	From 28 November, 2022 to 30 June, 2023	From 03 October, 2022 to 27 November, 2022	From 28 November, 2022 to 30 June, 2023
1.00% on the average annual net assets of the Fund	0.75% on the average annual net assets of the Fund	0.50% on the average annual net assets of the Fund	0.25% on the average annual net assets of the Fund	0.50% on the average annual net assets of the Fund	0.25% on the average annual net assets of the Fund

The fee is payable monthly in arrears to the Management Company.

- 9.2 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.
- 9.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds).

The asset management company can charge selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expenses.

The Management Company has charged selling and marketing expenses at following rates:

Pak Qatar Asan Munafa Plan	Pak Qatar Cash Plan		Pak Qatar Daily Dividend Plan	
From 28 November, 2022 to 30 June, 2023	From 28 November, 2022 to 31 December, 2022	From 01 January, 2023 to 30 June, 2023	From 28 November, 2022 to 31 December, 2022	From 01 January, 2023 to 30 June, 2023
Nil	0.50% on the average annual net assets of the Fund	0.25% on the average annual net assets of the Fund	0.50% on the average annual net assets of the Fund	0.25% on the average annual net assets of the Fund

- 9.4 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. The Management Company has charged allocated expenses at the following rates:

Pak Qatar Asan Munafa Plan	Pak Qatar Cash Plan		Pak Qatar Daily Dividend Plan	
From 03 October, 2022 to 30 June, 2023	From 03 October, 2022 to 31 December, 2022	From 01 January, 2023 to 30 June, 2023	From 03 October, 2022 to 31 December, 2022	From 01 January, 2023 to 31 March, 2023
0.10% on the average annual net assets of the Fund	0.10% on the average annual net assets of the Fund	Nil	0.10% on the average annual net assets of the Fund	Nil





		June 30, 2023			
		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
		(Rupees)			
<b>10. PAYABLE TO TRUSTEE</b>	<b>Note</b>				
Trustee fee	10.1	9,092	100,387	80,625	190,104
Sindh sales tax payable on remuneration of the Trustee	10.2	1,182	13,050	10,481	24,713
		<u>10,274</u>	<u>113,437</u>	<u>91,106</u>	<u>214,817</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.055% per annum of average net assets.

10.2 Sales tax on trustee remuneration has been charged at the rate of 13%.

		June 30, 2023			
		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
		(Rupees)			
<b>11. PAYABLE TO THE COMMISSION</b>	<b>Note</b>				
Annual fee payable	11.1	<u>24,566</u>	<u>205,249</u>	<u>140,042</u>	<u>369,857</u>

11.1 Under the provisions 60(3)(h) of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, all Collective Investment Schemes are required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02% of the average annual net assets of the scheme.

		June 30, 2023			
		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
		(Rupees)			
<b>12. ACCRUED AND OTHER LIABILITIES</b>					
Commission Payable		325	7,558	10,877	18,760
Legal and professional charges payable		84,232	18,464	18,464	121,160
Auditor's remuneration payable		63,800	63,800	63,800	191,400
Withholding tax payable		199,669	909,187	2,016,214	3,125,070
Capital gain tax payable		29,582	3,821,784	-	3,851,366
		<u>377,608</u>	<u>4,820,793</u>	<u>2,109,355</u>	<u>7,307,756</u>

#### 13. CONTINGENCIES AND COMMITMENTS

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

		For the period from October 03, 2022 to June 30, 2023			
		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
		(Rupees)			
<b>14. PROFIT EARNED</b>					
Profit earned on:					
Savings accounts		16,148,309	139,858,250	96,288,220	252,294,779
Profit on Placements		125,000	3,956,233	3,414,658	7,495,891
Profit from Sukuk certificates		4,586,655	37,925,203	25,912,816	68,424,674
		<u>20,859,964</u>	<u>181,739,686</u>	<u>125,615,694</u>	<u>328,215,344</u>



15. AUDITOR'S REMUNERATION

For the period from October 03, 2022 to June 30, 2023			
Pak-Qatar Asan Munafa	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend	Total
(Rupees)			
Audit fee	83,704	83,704	251,112
Out of Pocket	8,370	8,370	25,110
Sindh sales tax on services	7,366	7,366	22,098
	99,440	99,440	298,320

16. TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Asan Munafa Plan, Cash Plan and Daily Dividend Plan as at June 30, 2023 is 1.08%, 0.52% and 0.53% among which 0.09%, 0.05% and 0.04% respectively represents government levies on the Fund such as sales tax and annual fees to the commission.

17. 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 have distributed 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.

18. CASH AND CASH EQUIVALENTS

For the period from October 03, 2022 to June 30, 2023			
Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
( Rupees )			
116,344,580	1,691,930,705	1,296,488,762	3,104,764,047
50,000,000	600,000,000	550,000,000	1,200,000,000
166,344,580	2,291,930,705	1,846,488,762	4,304,764,047

19. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include Pak Qatar Asset Management Company (being the "Management Company") and its related entities, the Central Depository Company of Pakistan Limited (being the trustee of the Fund), other collective investment schemes, pension fund schemes managed by the Management Company, directors, key management personnel and other associated undertaking and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing of affairs of the Fund, other charges, sale and purchase of investments and distribution of payments of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of the business, at contracted rates and at 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 and notified entities regulations, 2008 and trust deed.





Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	For the period from October 03, 2022 to June 30, 2023			
	Pak-Qatar Asan Munafa Plan (PQAMP)	Pak-Qatar Cash Plan (PQCP)	Pak-Qatar Daily Dividend Plan (PQDDP)	Total
<b>Pak Qatar Asset Management Company Limited (Management Company)</b>				
Remuneration to Management Company	972,170	2,907,358	1,938,292	5,817,820
Sindh sales tax on remuneration of the Management Company	126,382	377,957	251,978	756,317
Preliminary expenses and floatation cost	279,231	279,231	279,231	837,693
Preliminary expenses and floatation cost repaid / adjusted	36,720	36,720	36,720	110,160
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration of the Trustee	67,555	564,435	386,608	1,018,598
Sindh sales tax on remuneration of the Trustee	8,783	73,377	50,259	132,419
Security deposit	100,000	100,000	100,000	300,000

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

	For the period from October 03, 2022 to June 30, 2023			
	Pak-Qatar Asan Munafa Plan (PQAMP)	Pak-Qatar Cash Plan (PQCP)	Pak-Qatar Daily Dividend Plan (PQDDP)	Total
<b>With Management Company</b>				
Remuneration payable	123,982	456,304	366,479	946,765
Sindh sales tax payable on remuneration of the management company	16,117	59,320	47,642	123,079
Other payable to Management Company	72,409	14,561	-	86,970
Selling and marketing expense	-	281,654	252,937	534,591
Back office fee payable	86,254	69,723	69,723	225,700
Preliminary expenses and floatation costs payable	242,511	242,511	242,511	727,533
<b>With Trustee</b>				
Remuneration of the Trustee	9,092	100,387	80,625	190,104
Sindh sales tax payable on remuneration of the Trustee	1,182	13,050	10,481	24,713



19.2 Transactions during the period with connected persons / related parties in units of the Fund:

19.2.1 Pak-Qatar Asan Munafa Plan

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
(Number of Units)				(Rupees)			

ASSOCIATED COMPANIES / UNDERTAKINGS:

Pak Qatar Individual Family Participant Investment Fund	-	1,557,810	238	1,000,000	558,048	-	167,067,300	23,800	111,286,300	55,888,117
Pak Qatar Investment Account	-	2,716,836	386	1,811,364	905,858	-	290,031,058	38,633	200,646,973	90,721,045
Pak Qatar Individual Family Participant Takaful Fund	-	728,351	111	467,548	260,914	-	79,734,578	11,127	52,031,683	26,130,354
Directors, Key Management Persons and their close family members	-	3,062	11	2,826	247	-	316,739	1,104	300,000	24,737

19.2.2 Pak-Qatar Cash Plan

ASSOCIATED COMPANIES / UNDERTAKINGS:

Pak Qatar Asset Management Company Limited (Management Company)	-	335,235	-	335,235	-	-	35,069,364	-	35,537,778	-
Pak Qatar Individual Family Participant Investment Fund	-	35,826,679	-	28,050,844	7,776,035	-	3,864,433,949	-	3,088,224,079	778,741,898
Pak Qatar Investment Account	-	14,490,851	-	10,212,016	4,278,835	-	1,594,607,218	-	1,132,169,438	428,509,951
Pak Qatar Individual Family Participant Takaful Fund	-	3,444,055	-	2,443,489	1,000,566	-	350,056,581	-	246,900,440	100,203,064
Pak Qatar Family Takaful Limited	-	11,059,798	-	8,289,369	2,770,429	-	1,218,101,518	-	922,096,026	277,448,479
Pak Qatar General Takaful Limited	-	6,145,323	810	4,460,347	1,685,786	-	668,507,909	81,037	489,294,614	168,825,411.04

19.2.3 Pak-Qatar Daily Dividend Plan

ASSOCIATED COMPANIES / UNDERTAKINGS:

Pak Qatar Asset Management Company Limited (Management Company)	-	747,788	26,934	370,000	404,722	-	74,778,765	2,693,424	37,000,000	40,472,190
Pak Qatar Investment (Private) Limited	-	488,500	27,866	-	496,366	-	46,850,000	2,786,639	-	49,636,639
Pak Qatar Investment Account	-	5,500,000	571,884	1,400,000	4,671,884	-	550,000,000	57,188,444	140,000,000	467,188,444
Razi Sons (Private) Limited	-	8,900,000	105,602	4,200,000	4,805,602	-	890,000,000	10,560,214	420,000,000	480,560,214
Directors, Key Management Persons and their close family members	-	35,000	1,299	17,080	19,219	-	3,500,000	129,936	1,708,000	1,921,936



## 20. 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 Commission. 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.

### 20.1 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 commission, the NBFC regulations and the NBFC rules.

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

#### 20.1.1 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.

#### 20.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on balances held with banks, Sukuks and Money market placements. 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 profit bearing financial instruments were as follows:

		June 30, 2023			
		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
Note		( Rupees )			
Variable rate instrument (financial asset)					
Bank balances	4	116,344,580	1,691,930,705	1,296,488,762	3,104,764,047
Sukuk certificates	5.1	33,000,000	395,000,000	280,000,000	708,000,000
		149,344,580	2,086,930,705	1,576,488,762	3,812,764,047
		June 30, 2023			
		Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Total
		( Rupees )			
Fixed rate instrument (financial asset)					
Money Market Placements	5.2	50,000,000	600,000,000	550,000,000	1,200,000,000

### Sensitivity analysis for variable rate instruments

As at June 30, 2023, the Fund holds KIBOR based sukuks certificates and profit based balances with banks which expose the Fund to profit rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher/lower by Rs 38.128 million.

Yield 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.

#### a) Pak Qatar Asan Munafa Plan

Particulars	As at June 30, 2023					
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		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	14.5 - 19.25	116,344,580	-	-	-	116,344,580
Investments						
- Sukuk certificates	16.3 - 25.9	-	-	33,000,000	-	33,000,000
- Money market placements	20.5	50,000,000	-	-	-	50,000,000
Profit receivable		-	-	-	4,448,595	4,448,595
Deposit with trustee		-	-	-	100,000	100,000
Receivable against sale of units		-	-	-	200,000	200,000
Sub total		166,344,580	-	33,000,000	4,748,595	204,093,175
Financial liabilities						
Payable to the Management Company		-	-	-	541,273	541,273
Payable to the Trustee		-	-	-	10,274	10,274
Dividend payable		-	-	-	13,265	13,265
Accrued expenses and other liabilities		-	-	-	148,357	148,357
Sub total		-	-	-	713,169	713,169
On-balance sheet gap		166,344,580	-	33,000,000	4,035,426	203,380,006
Total profit rate sensitivity gap		166,344,580	-	33,000,000	4,035,426	203,380,006
Cumulative profit rate sensitivity gap		166,344,580	166,344,580	199,344,580		





### 20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (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. Since the Fund is not allowed to invest in equity securities, hence it is not exposed to equity price risk.

### 20.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on investment in sukuk certificates, money market placements, profit receivables, receivable against sale of units, security deposit and balances with banks. The credit risk for 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 of Directors of the management company. 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				
	Pak-Qatar Asan Munafa Plan	Pak-Qatar Cash Plan	Pak-Qatar Daily Dividend Plan	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)				
Bank balances	116,344,580	1,691,930,705	1,296,488,762	3,104,764,047	3,104,764,047
Investments	83,000,000	995,000,000	830,000,000	1,908,000,000	1,908,000,000
Profit receivable	4,448,595	45,973,055	39,055,631	89,477,281	89,477,281
Deposits with trustee	100,000	100,000	100,000	300,000	300,000
Receivable against sale of units	200,000	150,000,000	-	150,200,000	150,200,000
	204,093,175	2,883,003,760	2,165,644,393	5,252,741,328	5,252,741,328

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	3,136,859,880	99
AAA	18,931,629	1
	3,155,791,509	100

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 deposits

Deposits are placed with Trustee It is expected that all deposits with trustee will be clearly identified as being assets of the Fund, hence management believes that the Fund is not materially exposed to a credit risk with respect to such deposits.



b) Pak Qatar Cash Plan

Particulars	As at June 30, 2023					
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		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	15 - 19.25	1,691,930,705	-	-	-	1,691,930,705
Investments						
- Sukuk certificates	16.3 - 25.9	-	-	395,000,000	-	395,000,000
- Money market placements	20.5	600,000,000	-	-	-	600,000,000
Profit receivable		-	-	-	45,973,055	45,973,055
Deposit with trustee		-	-	-	100,000	100,000
Receivable against sale of units		-	-	-	150,000,000	150,000,000
Sub total		2,291,930,705	-	395,000,000	196,073,055	2,883,003,760
Financial liabilities						
Payable to the Management Company		-	-	-	1,124,073	1,124,073
Payable to the Trustee		-	-	-	113,437	113,437
Payable against redemption of units		-	-	-	12,500,000	12,500,000
Accrued expenses and other liabilities		-	-	-	89,822	89,822
Sub total		-	-	-	13,827,332	13,827,332
On-balance sheet gap		2,291,930,705	-	395,000,000	182,245,723	2,869,176,428
Total profit rate sensitivity gap		2,291,930,705	-	395,000,000	182,245,723	2,869,176,428
Cumulative profit rate sensitivity gap		2,291,930,705	2,291,930,705	2,686,930,705		

c) Pak-Qatar Daily Dividend Plan

Particulars	As at June 30, 2023					
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		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	15 - 19.25	1,296,488,762	-	-	-	1,296,488,762
Investments						
- Sukuk certificates	16.3 - 25.9	-	-	280,000,000	-	280,000,000
- Money market placements	20.5	550,000,000	-	-	-	550,000,000
Profit receivable		-	-	-	39,055,631	39,055,631
Deposit with trustee		-	-	-	100,000	100,000
Sub total		1,846,488,762	-	280,000,000	39,155,631	2,165,644,393
Financial liabilities						
Payable to the Management Company		-	-	-	979,292	979,292
Payable to the Trustee		-	-	-	91,106	91,106
Payable against redemption of units		-	-	-	5,040,000	5,040,000
Accrued expenses and other liabilities		-	-	-	93,141	93,141
Sub total		-	-	-	6,203,539	6,203,539
On-balance sheet gap		1,846,488,762	-	280,000,000	32,952,092	2,159,440,854
Total profit rate sensitivity gap		1,846,488,762	-	280,000,000	32,952,092	2,159,440,854
Cumulative profit rate sensitivity gap		1,846,488,762	1,846,488,762	2,126,488,762		

*(Signature)*



### 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.

## 20.3 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.

#### a) Pak Qatar Asan Munafa Plan

June 30, 2023	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	(Rupees)					
<b>Financial assets</b>						
Bank balances	116,344,580	-	-	-	-	116,344,580
Investments and profit receivable thereon	25,125,000	41,836,384	18,000,000	-	-	84,961,384
Profit receivable on bank balances	2,487,211	-	-	-	-	2,487,211
Deposits with trustee	-	-	-	-	100,000	100,000
Receivable against sale of units	200,000	-	-	-	-	200,000
	144,156,791	41,836,384	18,000,000	-	100,000	204,093,175
<b>Financial liabilities</b>						
Payable to Management Company	298,762	-	-	-	242,511	541,273
Payable to Trustee	10,274	-	-	-	-	10,274
Dividend payable	13,265	-	-	-	-	13,265
Accrued expenses and other liabilities	148,357	-	-	-	-	148,357
	470,658	-	-	-	242,511	713,169
<b>Net assets</b>	<b>143,686,133</b>	<b>41,836,384</b>	<b>18,000,000</b>	<b>-</b>	<b>(142,511)</b>	<b>203,380,006</b>



**b) Pak-Qatar Cash Plan**

June 30, 2023	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	(Rupees)					
Financial assets						
Bank balances	1,691,930,705	-	-	-	-	1,691,930,705
Investments and profit receivable thereon	301,500,000	418,243,455	295,000,000	-	-	1,014,743,455
Profit receivable on bank balances	26,229,600	-	-	-	-	26,229,600
Deposits with trustee	-	-	-	-	100,000	100,000
Receivable against sale of units	150,000,000	-	-	-	-	150,000,000
	2,169,660,305	418,243,455	295,000,000	-	100,000	2,883,003,760
Financial liabilities						
Payable to Management Company	881,562	-	-	-	242,511	1,124,073
Payable to Trustee	113,437	-	-	-	-	113,437
Payable against redemption of units	12,500,000	-	-	-	-	12,500,000
Accrued expenses and other liabilities	89,822	-	-	-	-	89,822
	13,584,821	-	-	-	242,511	13,827,332
Net assets	2,156,075,484	418,243,455	295,000,000	-	(142,511)	2,869,176,428

**c) Pak-Qatar Daily Dividend Plan**

June 30, 2023	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	(Rupees)					
Financial assets						
Bank balances	1,296,488,762	-	-	-	-	1,296,488,762
Investments and profit receivable thereon	276,375,000	410,369,980	160,000,000	-	-	846,744,980
Profit receivable on bank balances	22,310,651	-	-	-	-	22,310,651
Deposits with trustee	-	-	-	-	100,000	100,000
	1,595,174,413	410,369,980	160,000,000	-	100,000	2,165,644,393
Financial liabilities						
Payable to Management Company	736,781	-	-	-	242,511	979,292
Payable to Trustee	91,106	-	-	-	-	91,106
Payable against redemption of units	5,040,000	-	-	-	-	5,040,000
Accrued expenses and other liabilities	93,141	-	-	-	-	93,141
	5,961,028	-	-	-	242,511	6,203,539
Net assets	1,589,213,385	410,369,980	160,000,000	-	(142,511)	2,159,440,854





#### 20.4. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2023			
Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
(Rupees)			
<b>Pak-Qatar Asan Munafa Plan</b>			
<b>Financial Assets</b>			
Bank balances	116,344,580	-	116,344,580
Investments	50,000,000	33,000,000	83,000,000
Profit receivable	4,448,595	-	4,448,595
Deposits with Trustee	100,000	-	100,000
Receivable against sale of units	200,000	-	200,000
	<u>171,093,175</u>	<u>33,000,000</u>	<u>204,093,175</u>
<b>Financial Liabilities</b>			
Payable to Management Company	541,273	-	541,273
Payable to Trustee	10,274	-	10,274
Dividend payable	13,265	-	13,265
Accrued expenses and other liabilities	148,357	-	148,357
	<u>713,169</u>	<u>-</u>	<u>713,169</u>
<b>Pak-Qatar Cash Plan</b>			
<b>Financial Assets</b>			
Bank balances	1,691,930,705	-	1,691,930,705
Investments	600,000,000	395,000,000	995,000,000
Profit receivable	45,973,055	-	45,973,055
Receivable against sale of units	150,000,000	-	150,000,000
Deposits with Trustee	100,000	-	100,000
	<u>2,488,003,760</u>	<u>395,000,000</u>	<u>2,883,003,760</u>
<b>Financial Liabilities</b>			
Payable to Management Company	1,124,073	-	1,124,073
Payable to Trustee	113,437	-	113,437
Payable against redemption of units	12,500,000	-	12,500,000
Accrued expenses and other liabilities	89,822	-	89,822
	<u>13,827,332</u>	<u>-</u>	<u>13,827,332</u>
<b>Pak-Qatar Daily Dividend Plan</b>			
<b>Financial Assets</b>			
Bank balances	1,296,488,762	-	1,296,488,762
Investments	550,000,000	280,000,000	830,000,000
Profit receivable	39,055,631	-	39,055,631
Deposits with Trustee	100,000	-	100,000
	<u>1,885,644,393</u>	<u>280,000,000</u>	<u>2,165,644,393</u>
<b>Financial Liabilities</b>			
Payable to Management Company	979,292	-	979,292
Payable to Trustee	91,106	-	91,106
Payable against redemption of units	5,040,000	-	5,040,000
Accrued expenses and other liabilities	93,141	-	93,141
	<u>6,203,539</u>	<u>-</u>	<u>6,203,539</u>



## 21. 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).

The following table show the carrying amount and fair values of financial assets and financial liabilities including the levels in the fair value hierarchy.

	June 30, 2023						
	Carrying amount	Fair value					
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)							
Pak-Qatar Asan Munafa Plan							
Financial assets measured at fair value							
Sukuk certificates	33,000,000	-	33,000,000	-	33,000,000	-	33,000,000
Financial assets not measured at fair value							
Bank balances	-	116,344,580	116,344,580				
Money market placements	-	50,000,000	50,000,000				
Profit receivable	-	4,448,595	4,448,595				
Receivable against sale of units	-	200,000	200,000				
Deposits with trustee	-	100,000	100,000				
	-	171,093,175	171,093,175				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	541,273	541,273				
Payable to the Trustee	-	10,274	10,274				
Dividend payable	-	13,265	13,265				
Accrued expenses and other liabilities	-	148,357	148,357				
	-	713,169	713,169				





June 30, 2023

June 30, 2020						
Carrying amount			Fair value			
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)						
395,000,000	-	395,000,000	-	395,000,000	-	395,000,000

**Financial assets not measured at fair value**

Bank balances	-	1,691,930,705	1,691,930,705				
Money market placements	-	600,000,000	600,000,000				
Profit receivable	-	45,973,055	45,973,055				
Receivable against sale of units	-	150,000,000	150,000,000				
Deposits with trustee	-	100,000	100,000				
	-	2,488,003,760	2,488,003,760				

**Financial liabilities not measured at fair value**

Payable to the Management Company	-	1,124,073	1,124,073				
Payable to the Trustee	-	113,437	113,437				
Payable against redemption of units	-	12,500,000	12,500,000				
Accrued expenses and other liabilities	-	89,822	89,822				
	-	13,827,332	13,827,332				

**Pak-Qatar Daily Dividend Plan**

<b>Financial assets measured at fair value</b>							
Sukuk certificates	280,000,000	-	280,000,000	-	280,000,000	-	280,000,000

**Financial assets not measured at fair value**

Bank balances	-	1,296,488,762	1,296,488,762				
Money market placements	-	550,000,000	550,000,000				
Profit receivable	-	39,055,631	39,055,631				
Deposits with trustee	-	100,000	100,000				
	-	1,885,644,393	1,885,644,393				

**Financial liabilities not measured at fair value**

Payable to the Management Company	-	979,292	979,292				
Payable to the Trustee	-	91,106	91,106				
Payable against redemption of units	-	5,040,000	5,040,000				
Accrued expenses and other liabilities	-	93,141	93,141				
	-	6,203,539	6,203,539				



## 22. 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.

## 23. 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
Farhan Shaukat	Chief Executive Officer	FCA, PGD in Islamic Finance	24
Meraj-Uddin Mazhar	Chief Investment Officer	CFA, FRM, MBA	12
Syed Usman Arshad	Fund Manager	CIMA, ACMA	6
Muhammad Farhan Javaid	Head of Risk and Research	ACMA, CFA Level-I	14

23.1 Mr. Syed Usman Arshad is a fund manager who also manages following fund:

- Pak-Qatar Islamic Income Fund

## 24. TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

June 30,  
2023  
(Percentage)

Pak-Qatar Cash Plan	
Next Capital Limited	100
Pak-Qatar Daily Dividend Plan	
Next Capital Limited	100

## 25. PATTERN OF UNIT HOLDING

	As at June 30, 2023			
	Number of unit holders	Number of units	Investment Amount	Percentage investment
a) Pak Qatar Asan Munafa Plan			-----(Rupees)----	---(%)---
Individual	78	144,546	14,476,225	7
Associated companies	3	1,724,822	172,739,677	85
Retirement fund	1	163,130	16,337,395	8
	82	2,032,498	203,553,297	100
b) Pak Qatar Cash Plan				
Individual	32	6,886,105	689,618,634	24
Associated companies	4	16,601,294	1,662,559,778	58
Retirement fund	7	5,127,110	513,461,545	18
	43	28,614,509	2,865,639,957	100



c) Pak-Qatar Daily Dividend Plan

	Number of unit holders	Number of units	As at June 30, 2023	
			Investment Amount	Percentage investment
			------(Rupees)-----	---(%)---
Individual	14	2,625,469	262,546,860	12
Associated companies	3	5,587,794	558,779,441	26
Other corporate	7	12,889,190	1,288,918,845	60
Retirement fund	2	479,119	47,911,919	2
	26	21,581,572	2,158,157,065	100

26. 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	
(Numbers)					
Said Gul	Chairman	5	5	5	-
Muhammad Owais Ansari	Director	5	5	5	-
Syed Asad Ali Shah 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	-

27. GENERAL

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

28. DISTRIBUTIONS FOR THE PERIOD

	Pak-Qatar Asan Munafa Plan		Pak-Qatar Cash Plan	
	Date	Per unit	Date	Per unit
Distributions for the year	27/06/2023	11.618	27/06/2023	12.469

Pak-Qatar Daily Dividend Plan:

The cumulative distribution for the period from October 03, 2022 to June 30, 2023 amounts to Rs. 12.594.

29. 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



**PAK-QATAR**  
ASSET MANAGEMENT

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