



# **Pak-Qatar Islamic Asset Allocation Fund**

## **Financial Statements for the Period Ended December 31, 2023**

## FUND'S INFORMATION

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

<b>Auditors:</b>	Grant Thornton Anjum Rahman Modern Motors House, Beaumont Road, 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

**Head Office:**

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

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

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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**PAK-QATAR ISLAMIC ASSET ALLOCATION FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Pak-Qatar Islamic Asset Allocation 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 during the period from August 18, 2023 to December 31, 2023 in accordance with the provisions of the following:

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

For the purpose of information, we would like to draw unitholders' attention towards the requirement of Offering Document wherein Pak Qatar Asset Allocation Plan IA and Pak Qatar Asset Allocation Plan IIA are required to invest minimum 30% & 40% in Shariah compliant Fixed and Floating rate Income/Money market instruments respectively issued by Financial Institutions or Other corporates. In this regard, the exposure of Pak Qatar Asset Allocation Plan IA and Pak Qatar Asset Allocation Plan IIA was in between 12.96% to 17.75% and 18.28% to 28.62% of the respective net assets since August 18, 2023 till reporting date.

The said non-compliance has also been reported to Securities & Exchange Commission of Pakistan.

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 27, 2024



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**Grant Thornton Anjum  
Rahman**

1st & 3rd Floor,  
Modern Motors House,  
Beaumont Road,  
Karachi, Pakistan.

**INDEPENDENT AUDITOR'S REVIEW REPORT****T +92 21 35672951-56****To the unit holder of Pak-Qatar Islamic Asset Allocation Fund****Report on review of condensed interim financial statements****Introduction**

We have reviewed the accompanying condensed interim statement of asset and liabilities of **Pak-Qatar Islamic Asset Allocation Fund** (the Fund) as at 31 December 2023, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholder's fund, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the period from 18 August 2023 to 31 December 2023 (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the engagement resulting in this independent auditors' review report is **Khurram Jameel**.




Chartered Accountants  
Place: Karachi  
Date: 28 February 2024  
UDIN: RR202310093p1xv9MHdA

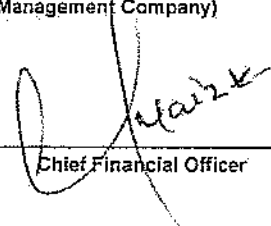
PAK QATAR ISLAMIC ASSET ALLOCATION FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 31 DECEMBER 2023

	Note	Pak-Qatar Asset Allocation Plan IA	Pak-Qatar Asset Allocation Plan IIA	Pak Qatar Stable Return Plan I	Total
(Rupees)					
<b>ASSETS</b>					
Bank balances	5	677,649,033	565,693,549	65,325,979	1,308,668,561
Investments	6	1,826,889,620	1,218,361,543	498,189,500	3,543,440,663
Profit receivable		68,974,231	66,234,691	28,067,507	163,276,429
Deposits, advances and prepayments		7,254,566	5,075,884	316,740	12,647,190
Preliminary expenses and floatation cost		210,433	210,433	-	420,866
<b>Total assets</b>		<b>2,580,977,883</b>	<b>1,855,576,100</b>	<b>591,899,726</b>	<b>5,028,453,709</b>
<b>LIABILITIES</b>					
Payable to Management Company	7	1,248,336	1,010,323	366,868	2,625,527
Payable to Trustee	8	173,296	130,491	43,210	346,997
Payable to SECP	9	190,741	144,095	47,246	382,082
Accrued expenses and other liabilities		307,267	292,460	34,507	634,234
<b>Total liabilities</b>		<b>1,919,640</b>	<b>1,577,369</b>	<b>491,831</b>	<b>3,988,840</b>
<b>Net assets</b>		<b>2,579,058,243</b>	<b>1,853,998,731</b>	<b>591,407,895</b>	<b>5,024,464,869</b>
<b>UNIT HOLDERS' FUND</b>					
(as per Statement of movements in Unit holders' fund)		<b>2,579,058,243</b>	<b>1,853,998,731</b>	<b>591,407,895</b>	
(Number of units)					
<b>NUMBER OF UNITS IN ISSUE</b>		<b>24,684,979</b>	<b>17,441,969</b>	<b>5,609,000</b>	
(Rupees)					
<b>NET ASSETS VALUE PER UNIT</b>		<b>104.4789</b>	<b>106.2953</b>	<b>105.4391</b>	

The annexed notes from 1 to 14 form an integral part of this condensed financial information.

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

PAK QATAR ISLAMIC ASSET ALLOCATION FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE PERIOD FROM 18 AUGUST 2023 TO 31 DECEMBER 2023

	Note	Pak-Qatar Asset Allocation Plan IA	Pak-Qatar Asset Allocation Plan IIA	Pak Qatar Stable Return Plan I	Total
(Rupees)					
<b>INCOME</b>					
Profit on:					
- bank balances		39,482,906	30,963,911	4,113,919	74,560,736
- investments in sukuks		66,259,453	41,817,105	18,084,346	126,140,904
		105,742,359	72,781,016	22,178,265	200,701,640
Gain on sale of investments		2,902,000	593,500	3,945,000	7,440,500
Net unrealised (diminution)/ appreciation on re-measurement of investments at FVTPL	6.3	(17,657,634)	(11,186)	5,211,000	(12,457,820)
<b>Total income</b>		<b>90,986,725</b>	<b>73,363,330</b>	<b>31,334,265</b>	<b>195,684,320</b>
<b>EXPENSES</b>					
Remuneration of Management Company	7.1	2,546,373	1,533,536	520,943	4,600,852
Sindh Sales tax on Management Company remuneration	7.2	331,028	199,360	67,723	598,111
Remuneration of Trustee	8.1	424,395	255,589	78,141	758,125
Sindh sales tax on Trustee remuneration	8.2	55,171	33,227	10,158	98,556
SECP fee	9	537,568	323,747	98,979	960,294
Auditor's remuneration		38,106	38,106	-	76,212
Transaction charges		207,544	192,737	24,960	425,241
Legal and professional charges		2,710	2,710	-	5,420
Fund rating fee		-	-	22,948	22,948
Amortisation of preliminary expenses and floatation costs		16,944	16,944	-	33,888
Shariah advisory fee		64,151	64,151	-	128,302
Bank charges		2,832	2,832	2,518	8,182
<b>Total expenses</b>		<b>4,226,822</b>	<b>2,662,939</b>	<b>826,370</b>	<b>7,716,131</b>
<b>Net income for the period before taxation</b>		<b>86,759,903</b>	<b>70,700,391</b>	<b>30,507,895</b>	<b>187,968,189</b>
Taxation	11	-	-	-	-
<b>Net income for the period after taxation</b>		<b>86,759,903</b>	<b>70,700,391</b>	<b>30,507,895</b>	<b>187,968,189</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		86,759,903	70,700,391	30,507,895	187,968,189
Income already paid on units redeemed		(2,132,183)	(2,358,241)	-	(4,490,424)
		84,627,720	68,342,150	30,507,895	183,477,765
<b>Accounting income available for distribution</b>					
Relating to capital gains		-	582,314	9,156,000	582,314
Excluding capital gains		84,627,720	67,759,836	21,351,895	182,895,451
		84,627,720	68,342,150	30,507,895	183,477,765

The annexed notes from 1 to 14 form an integral part of this condensed financial information.

For Pak Qatar Asset Management Company Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

PAK QATAR ISLAMIC ASSET ALLOCATION FUND  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE PERIOD FROM 18 AUGUST 2023 TO 31 DECEMBER 2023


	Pak-Qatar Asset Allocation Plan IA	Pak-Qatar Asset Allocation Plan IIA	Pak Qatar Stable Return Plan I	Total
	(Rupees)			
Net income for the period after taxation	86,759,903	70,700,391	30,507,895	187,968,189
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>86,759,903</u>	<u>70,700,391</u>	<u>30,507,895</u>	<u>187,968,189</u>

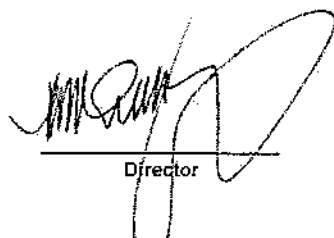
The annexed notes from 1 to 14 form an integral part of this condensed financial information.

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For Pak Qatar Asset Management Company Limited  
 (Management Company)

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director



PAK QATAR ISLAMIC ASSET ALLOCATION FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)  
FOR THE PERIOD FROM 18 AUGUST 2023 TO 31 DECEMBER 2023


	Pak-Qatar Asset Allocation Plan IA (PQAAF - IA)			Pak-Qatar Asset Allocation Plan IIA (PQAAF - IIA)			Pak Qatar Stable Return Plan I (PQSRP - I)			
	Capital value	Undistributed Income	Total	Capital value	Undistributed Income	Total	Capital value	Undistributed Income	Total	Total
	(Rupees)									
Issuance of units PQAAF-IA: 27,460,486.13, PQAAF-IIA: 20,034,395.83 & PQSRP-I: 5,609,000										
- Capital value	2,746,048,613	-	2,746,048,613	2,003,439,583	-	2,003,439,583	560,900,000	-	560,900,000	5,310,388,196
- Element of income	27,594,127	-	27,594,127	43,203,157	-	43,203,157	-	-	-	70,797,284
Total proceeds on issuance of units	2,773,642,740	-	2,773,642,740	2,046,642,740	-	2,046,642,740	560,900,000	-	560,900,000	5,381,185,480
Redemption of Units PQAAF-IA: 2,775,507.19 & PQAAF-IIA: 2,592,426.60										
- Capital value	(277,550,719)	-	(277,550,719)	(259,242,660)	-	(259,242,660)	-	-	-	(536,793,379)
- Element of income	(317,098)	(2,132,183)	(2,449,281)	(398,099)	(2,358,241)	(2,757,340)	-	-	-	(5,206,621)
Total payment on redemption of units	(277,867,817)	(2,132,183)	(280,000,000)	(259,641,759)	(2,358,241)	(262,000,000)	-	-	-	(542,000,000)
Total comprehensive income for the period	-	86,759,903	86,759,903	-	70,700,391	70,700,391	-	30,507,895	30,507,895	187,968,189
Dividend distribution	-	(1,344,400)	(1,344,400)	-	(1,344,400)	(1,344,400)	-	-	-	(2,688,800)
Net assets at the end of the period	2,495,774,923	83,283,320	2,579,058,243	1,787,000,981	66,997,750	1,853,998,731	560,900,000	30,507,895	591,407,895	5,024,464,859
Accounting income available for distribution										
- Relating to capital gains	-			582,314			9,156,000			
- Excluding capital gains	84,627,720			67,759,836			21,351,895			
Dividend distribution	84,627,720			68,342,150			30,507,895			
	(1,344,400)			(1,344,400)			-			
	83,283,320			66,997,750			30,507,895			
Undistributed income carried forward comprising of:										
- Realised income	100,940,954			67,008,936			25,296,895			
- Unrealised (loss) income	(17,657,634)			(11,186)			5,211,000			
	83,283,320			66,997,750			30,507,895			
Net assets value per unit at end of the period	104.4789			106.2953			106.4391			

The annexed notes from 1 to 14 form an integral part of this condensed financial information.

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

PAK QATAR ISLAMIC ASSET ALLOCATION FUND  
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)  
FOR THE PERIOD FROM 18 AUGUST 2023 TO 31 DECEMBER 2023

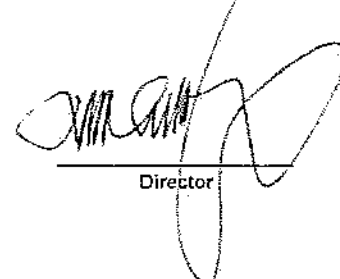
	Pak-Qatar Asset Allocation Plan IA (PQAAF - IA)	Pak-Qatar Asset Allocation Plan IIA (PQAAF - IIA)	Pak Qatar Stable Return Plan I	Total
	(Rupees)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	86,759,903	70,700,391	30,507,895	187,968,189
Adjustments for non cash and other items:				
Amortisation of preliminary expenses and floatation costs	16,944	16,944	-	33,888
Gain on sale of investments	(2,902,000)	(593,500)	(3,945,000)	(7,440,500)
Net unrealised diminution/ (appreciation) on re-measurement of investments at FVTPL				
	17,657,634	11,166	(5,211,000)	12,457,820
	101,532,481	70,135,021	21,351,895	193,019,397
<b>Increase in assets</b>				
Investments	(1,841,646,254)	(1,217,779,229)	(489,033,500)	(3,548,457,983)
Profit receivable	(68,974,231)	(66,234,691)	(28,067,507)	(163,276,429)
Deposits, advances and prepayments	(7,254,566)	(5,075,884)	(316,740)	(12,647,190)
Preliminary expenses and floatation costs	(227,377)	(227,377)	-	(454,754)
	(1,918,101,428)	(1,289,317,181)	(517,417,747)	(3,724,836,356)
<b>Increase in liabilities</b>				
Payable to Management Company	1,248,336	1,010,323	366,868	2,625,527
Payable to Trustee	173,296	130,491	43,210	346,997
Payable to SECP	190,741	144,095	47,246	382,082
Accrued expenses and other liabilities	307,267	292,460	34,507	634,234
	1,919,640	1,577,369	491,831	3,988,840
<b>Net cash used in operating activities</b>	<b>(1,814,649,307)</b>	<b>(1,217,604,791)</b>	<b>(495,574,021)</b>	<b>(3,527,828,119)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts from issuance of units	2,773,642,740	2,046,642,740	560,900,000	5,381,185,480
Payment against redemption of Units	(280,000,000)	(262,000,000)	-	(542,000,000)
Dividend distribution	(1,344,400)	(1,344,400)	-	(2,688,800)
<b>Net cash generated from financing activities</b>	<b>2,492,298,340</b>	<b>1,783,298,340</b>	<b>560,900,000</b>	<b>4,836,496,680</b>
<b>Cash and cash equivalents at end of the period</b>	<b>677,649,033</b>	<b>565,693,549</b>	<b>65,325,979</b>	<b>1,308,668,561</b>

The annexed notes from 1 to 14 form an integral part of this condensed financial information.

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

92  
  
Director

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pak Qatar Islamic Asset Allocation Fund (the Fund) constituted under a Trust Deed entered into on 03 April 2023 between Pak Qatar Asset Management Company Limited 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 (SECP) as a unit trust scheme on 20 April 2023. The initial public offering (IPO) of the Fund was made on 18 August 2023 and the Fund commenced operations from 18 August 2023. The Fund offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. According to the Trust Deed, the objective of the Fund is to generate returns by investing in Shariah Compliant debt, money market and equity-related instruments. The Fund is categorised as an open end Shariah Compliant (Islamic) Asset Allocation Scheme in accordance with Circular 7 of 2009, issued by SECP.
- 1.2 The Management Company is registered as Non-Banking Finance Company (NBFC) under NBFC Rules, 2003 and has obtained the requisite license from SECP 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, Karachi.
- 1.3 The title to the assets of the Fund is held in the name of the CDC as 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 Accounting Standard (IAS) 34, 'Interim Financial reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, 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 Rules, the Regulations and requirements of the Trust Deed differ from the (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the Rules, the Regulation and requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the IAS-34 and does not include all the information and disclosures required in a full set of financial statements.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with the Schedule V of the Regulations, the directors of the Management Company declare that these condensed interim financial statements give true and fair view of the state of affairs of the Fund as at December 31, 2023.

### 2.2 Basis of measurement

These condensed interim financial statements is prepared under the historical cost convention except for certain investments that are carried at fair value.

### 2.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees, which is the functional and presentation currency of the Fund.

## 3 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the Fund's accounting policies. Estimates and judgement are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimates is revised and in any future years effective. Significant accounting estimates and judgements are disclosed to the relevant notes to the financial statements.

#### 4 MATERIAL ACCOUNTING POLICIES

##### 4.1 i) Financial assets

###### Initial recognition and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at amortised cost, Fair Value through Other Comprehensive Income (FVTOCI) or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

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

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

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

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

###### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as follow:

- Financial assets at amortised cost: The Fund does not have any financial assets at amortised cost during the period and as of the reporting date.
- Financial assets at FVTOCI: The Fund does not have any financial assets at FVTOCI during the period and as of the reporting date.
- Financial asset at FVTPL (Investments) are carried in the statement of assets and liabilities at fair value with net changes in fair value recognised in the income statement.

###### 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 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 either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, Fund continues to recognise the transferred asset to the extent of its continuing involvement. In that case, Fund also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Fund has retained.

###### Impairment

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Any impairment loss on financial assets including financial assets carried at amortised cost are recognised in statement of profit or loss.

###### Impairment of debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

**ii) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified as follows:

- Financial liabilities at FVTPL. The Company has not designated any financial liability as at fair value through profit or loss.
- Financial liabilities at amortised cost. These are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the income statement.

**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.

**iii) 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.

**4.2 Cash and cash equivalents**

These are carried at cost.

**4.3 Amortization of formation cost**

Formation cost is amortized over a period of not less than five years or within the maturity of the fund whichever is lower.

**4.4 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.

**4.5 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.

**4.6 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 regulation, 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.

#### 4.7 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.

#### 4.8 Net asset value per unit

The net asset value per unit is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

#### 4.9 Revenue recognition

- Profit on bank balances and investments is recognised on a time proportionate basis using effective interest method.
- Unrealised gains / (losses) arising on remeasurement of investments at FVTPL is included in the income statement in the period in which it arises.
- Gain or loss on sale of investments is accounted for in the income statement in the period in which it arises.

#### 4.10 Expenses

All expenses chargeable to the Fund recognised in the income statement on an accrual basis.

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

Remuneration of the Management Company, Trustee fee and SECP fee 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.

Other expenses generally incurred are allocated equally among sub-funds.

#### 4.12 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.

#### 5 BANK BALANCES - Saving accounts

These carry profit rates ranging from 18.5% to 20.25% per annum

		31 December 2023				
		Pak-Qatar Asset Allocation Plan IA (PQAAF - IA)	Pak-Qatar Asset Allocation Plan IIA (PQAAF - IIA)	Pak Qatar Stable Return Plan I	Total	
		(Rupees)				
6	INVESTMENTS					
	At FVTPL					
	- GoP Ijarah sukuk certificates	6.1	1,406,889,420	688,723,143	498,189,500	2,593,802,063
	- Sukuk certificates	6.2	420,000,200	529,638,400	-	949,638,600
			1,826,889,620	1,218,361,543	498,189,500	3,543,440,663



PAK QATAR ISLAMIC ASSET ALLOCATION FUND  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM 18 AUGUST 2023 TO 31 DECEMBER 2023

6.1 GOP (Jara Sukuk certificates:

Pak-Qatar Asset Allocation Plan I (PQAAP IA)

Name of security	Rate of return per annum	Face Value of certificates			Balances as at December 31 2023			Market Value as percentage of	
		Purchased during the period	Sold / matured during the period	As at 31 December 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	total investments
	----- (%) -----				----- (Rupees) -----			----- (%) -----	
GOISF-17-04-2024	21.25	41,000,000	41,000,000	-	-	-	-	0.00%	0.00%
GOISV-04-12-2028	21.23	150,000,000	-	150,000,000	151,500,000	149,940,000	(1,560,000)	5.81%	8.21%
GOISV-09-10-2024	22.49	50,000,000	-	50,000,000	50,500,000	50,515,000	15,000	1.96%	2.77%
GOISV-07-08-2024	23.71	225,000,000	50,000,000	175,000,000	177,275,000	177,397,500	122,500	6.88%	9.71%
GOISV-17-04-2024	22.68	150,000,000	150,000,000	-	-	-	-	0.00%	0.00%
GOISV-22-05-2024	22.21	256,300,000	200,000,000	56,300,000	56,525,200	56,711,216	186,016	2.20%	3.10%
GOISF-04-12-2026	16.19	350,000,000	-	350,000,000	351,039,400	351,225,000	185,600	13.62%	19.23%
GOISV-27-04-2027	21.94	140,000,000	-	140,000,000	129,360,000	124,362,000	(4,998,000)	4.82%	6.81%
GOISV-26-10-2027	22.39	150,000,000	150,000,000	-	-	-	-	0.00%	0.00%
GOISF-29-07-2025	8.37	325,000,000	-	325,000,000	278,667,500	272,317,500	(6,370,000)	10.56%	14.91%
GOISF-15-12-2026	12.49	190,000,000	-	190,000,000	171,380,000	165,482,000	(5,928,000)	6.42%	9.06%
P01GIS091224		69,625,000	-	69,625,000	58,279,954	58,989,204	689,250	2.29%	3.23%
		2,096,925,000	591,000,000	1,505,925,000	1,424,547,054	1,406,889,420	(17,657,634)		

Pak-Qatar Asset Allocation Plan II (PQAAP IIA)

Name of security	Rate of return per annum	Purchased during the period	Sold / matured during the period	As at 31 December 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	total investments
	----- (%) -----				----- (Rupees) -----			----- (%) -----	
GOISV-07-08-2024	23.71	294,000,000	-	294,000,000.00	296,188,800	298,027,800	1,839,000	16.07%	24.46%
GOISV-09-10-2024	22.49	100,000,000	50,000,000	50,000,000.00	50,500,000	50,515,000	15,000	2.72%	4.15%
GOISV-04-12-2028	21.23	150,000,000	-	150,000,000.00	151,875,000	149,940,000	(1,935,000)	8.09%	12.31%
GOISF-09-10-2024	22.49	150,000,000	-	150,000,000.00	152,550,000	152,445,000	(105,000)	8.22%	12.51%
GOISV-22-05-2024	22.21	150,000,000	150,000,000	-	-	-	-	0.00%	0.00%
GOISV-17-04-2024	22.68	111,000,000	111,000,000	-	-	-	-	0.00%	0.00%
P01GIS091224		37,353,579	-	37,353,579.00	37,353,579	37,795,343	441,764	2.04%	3.10%
		992,353,579	311,000,000	681,353,579	688,467,379	688,723,143	255,764		

PAK QATAR ISLAMIC ASSET ALLOCATION FUND  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM 18 AUGUST 2023 TO 31 DECEMBER 2023

Pak Qatar Stable Return Plan I (PQSRP - I)

Name of security	Rate of return per annum	Face Value of certificates			Balances as at December 31 2023			Market Value as percentage of	
		Purchased during the period	Sold / matured during the period	As at 31 December 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	total investments
	----- (%) -----							----- (%) -----	
GOPIV-07-08-2024	23.71	75,000,000	-	75,000,000	76,117,500	76,027,500	(90,000)	12.86%	15.26%
GOPIV-28-10-2027	22.39	415,000,000	150,000,000	265,000,000	264,311,000	269,717,000	5,406,000	45.61%	54.14%
GOPIV-09-10-2024	22.49	150,000,000	-	150,000,000	152,550,000	152,445,000	(105,000)	25.78%	30.80%
		<b>640,000,000</b>	<b>150,000,000</b>	<b>490,000,000</b>	<b>492,978,500</b>	<b>498,189,500</b>	<b>5,211,000</b>		

6.2 Corporate Sukuk certificates

Pak-Qatar Asset Allocation Plan I (PQAAP IA)

Name of Security	Rate of return per annum	Purchased during the period	Sold / matured during the period	As at 31 December 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	total investments
	----- (%) -----							----- (%) -----	
Meezan Bank Ltd Tier-I Sukuk	24.96	330,000,000	-	330,000,000	330,000,000	330,000,000	-	12.80%	18.06%
Dubai Islamic Bank Tier-I Sukuk	24.96	50,000,000	-	50,000,000	50,000,000	50,000,000	-	1.94%	2.74%
Crescent Steel & Allied Sukuk	24.78	40,000,200	-	40,000,200	40,000,200	40,000,200	-	1.55%	2.19%
		<b>420,000,200</b>	<b>-</b>	<b>420,000,200</b>	<b>420,000,200</b>	<b>420,000,200</b>	<b>-</b>		

Pak-Qatar Asset Allocation Plan II (PQAAP IIA)

Name of Security	Rate of return per annum	Purchased during the period	Sold / matured during the period	As at 31 December 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	net assets	total investments
	----- (%) -----							----- (%) -----	
Meezan Bank Ltd Tier-I Sukuk	24.96	205,000,000	-	205,000,000	205,105,000	205,000,000	(105,000)	11.08%	16.83%
Meezan Bank Ltd Tier-II 16-Dec-21 Issue	21.80	50,000,000	-	50,000,000	49,250,000	49,213,050	(36,950)	2.65%	4.04%
Dubai Islamic Bank Tier-I Sukuk	24.96	135,000,000	-	135,000,000	135,000,000	135,000,000	-	7.28%	11.08%
Crescent Steel & Allied Sukuk	24.78	40,000,200	-	40,000,200	40,000,200	40,000,200	-	2.16%	3.28%
Al Baraka Bank (Pakistan) Limited	23.64	50,000,000	-	50,000,000	50,250,000	50,250,000	-	2.71%	4.12%
Al Baraka Bank (Pakistan) Limited Tier 2	23.91	25,000,000	-	25,000,000	25,125,000	25,000,000	(125,000)	1.35%	2.05%
OBS Pharma Sukuk	23.94	25,025,000	-	25,025,000	25,175,150	25,175,150	-	1.36%	2.07%
		<b>530,025,200</b>	<b>-</b>	<b>530,025,200</b>	<b>529,905,350</b>	<b>529,638,400</b>	<b>(266,950)</b>		

**PAK-QATAR ISLAMIC ASSET ALLOCATION FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD FROM 18 AUGUST 2023 TO 31 DECEMBER 2023**

		31 December 2023			
Note		Pak-Qatar Asset Allocation Plan IA (PQAAP - IA)	Pak-Qatar Asset Allocation Plan IIA (PQAAP - IIA)	Pak Qatar Stable Return Plan I	Total
		(Rupees)			
6.3	Net unrealised appreciation / (diminution) on re-measurement of investments at FVTPL				
	Market value of investments	1,826,889,620	1,218,361,543	498,189,500	3,543,440,663
	Carrying value of investments	1,844,547,254	1,218,372,729	492,978,500	3,555,898,483
		<u>(17,657,634)</u>	<u>(11,186)</u>	<u>5,211,000</u>	<u>(12,457,820)</u>
7	<b>PAYABLE TO MANAGEMENT COMPANY</b>				
	Remuneration of the Management Company	7.1 903,504	682,553	248,661	1,834,718
	Sindh sales tax on the Management remuneration	7.2 117,455	100,393	32,327	250,175
	Allocated expense payable	-	-	85,880	85,880
	Preliminary expenses and floatation	227,377	227,377	-	454,754
		<u>1,248,336</u>	<u>1,010,323</u>	<u>366,868</u>	<u>2,625,527</u>
7.1	As per regulation 61 of the Regulation, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee disclosed in the Offering Document subject to the total expense ratio limit. The Management Company has charged a management fee of 0.45% on the average annual net assets of 'Pak-Qatar Asset Allocation Plan IA and IIA', and 0.50% on the average annual net assets of 'Pak Qatar Stable Return Plan I'. The fee is payable monthly in arrears to the Management Company.				
7.2	Sindh sales tax on services at the rate of 13% on gross value of management fee is charged under the provisions of Sindh sales tax on Services Act, 2011.				
8	<b>PAYABLE TO TRUSTEE</b>				
8.1	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 for each plan as disclosed in Offering Document.				
8.2	Sindh sales tax on services has been charged at 13% on gross value of Trustee fee levied through sales tax on Services Act, 2011.				
9	<b>PAYABLE TO SECP</b>				
	In accordance with the Regulations, a Collective Investment Scheme (CIS) is required to pay a monthly fee to the SECP at the rate of 0.095% per annum of the daily net assets of the Fund.				
10	<b>TOTAL EXPENSE RATIO</b>				
	The Total Expense Ratio (TER) of the Pak-Qatar Asset Allocation Plan I (PQAAP IA), Pak-Qatar Asset Allocation Plan II (PQAAP IIA) & Pak Qatar Stable Return Plan I (PQSRP - I) as at December 31, 2023 is 0.65%, 0.68% & 0.66% which includes 0.14%, 0.14% & 0.13% respectively, representing government levies on the Fund such as sales taxes, monthly fee to SECP, etc. The prescribed limit for the ratio is 4.5% (excluding government levies) under the regulation for a collective investment scheme categorised as an " Shariah Compliant Islamic Asset Allocation" Scheme.				
11	<b>TAXATION</b>				
	As disclosed in note 4.4 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 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.				

**PAK QATAR ISLAMIC ASSET ALLOCATION FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD FROM 18 AUGUST 2023 TO 31 DECEMBER 2023**

**12 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

- 12.1** 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.
- 12.2** 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.
- 12.3** The details of transactions carried out by the Fund with related parties / connected persons and balances with them are as follows:

	For the period from 18 August 2023 to 31 December 2023			
	Pak-Qatar Asset Allocation Plan IA (PQAAF - IA)	Pak-Qatar Asset Allocation Plan IIA (PQAAF - IIA)	Pak Qatar Stable Return Plan I (PQSRP - I)	Total
<b>Transactions during the period</b>	<b>(Rupees)</b>			
<b>Pak Qatar Asset Management Company Limited (Management Company):</b>				
Remuneration to the Management Company	2,546,373	1,533,536	520,943	4,600,852
Sindh sales tax on Management Remuneration	331,028	199,360	67,723	598,111
Preliminary expenses and floatation cost	227,377	227,377	-	454,754
Amortisation of preliminary expenses and floatation cost	16,944	16,944	-	33,888
<b>Central Depository Company of Pakistan Limited (Trustee)</b>				
Trustee remuneration	424,395	255,589	78,141	758,125
Sindh sales tax on Trustee remuneration	55,171	33,227	10,158	98,556
Security deposit	100,000	100,000	100,000	300,000
<b>Pak Qatar Individual Family Participant Investment Fund</b>				
Issuance of units PQAAF-IA: 17,220,952; PQAAF-IIA: 20,022,969 & PQSRP-I: 2,850,000 units	1,742,251,175	2,045,500,000	285,000,000	4,072,751,175
Dividend Reinvest of PQAAF-IA: 11,427, PQAAF-IIA: 11,427 units	1,142,740	1,142,740	-	2,285,480
Redemption of Units PQAAF-IA: 1,734,335 & PQAAF-IIA: 2,592,427	(175,000,000)	(262,000,000)	-	(437,000,000)
<b>Pak Qatar Investment Account</b>				
Issue of PQAAF-IA: 10,228,107 & PQSRP-I: 1,600,000 units	1,030,248,825	-	160,000,000	1,190,248,825
Redemption of Units PQAAF-IA: 1,041,172 units	(105,000,000)	-	-	(105,000,000)
<b>Pak Qatar Family Takaful Limited</b>				
Issuance of units PQSRP-I: 159,000	-	-	15,900,000	15,900,000
<b>Razi Sons (Private) Limited</b>				
Issuance of units PQSRP-I: 1,000,000	-	-	100,000,000	100,000,000

PAK QATAR ISLAMIC ASSET ALLOCATION FUND  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD FROM 18 AUGUST 2023 TO 31 DECEMBER 2023

31 December 2023				
	Pak-Qatar Asset Allocation Plan IA (PQAAF - IA)	Pak-Qatar Asset Allocation Plan IIA (PQAAF - IIA)	Pak Qatar Stable Return Plan I (PQSRP - I)	Total
(Rupees)				
<b>12.4 Balances as at 31 December 2023</b>				
<b>Pak Qatar Asset Management Company Limited (Management Company)</b>				
Remuneration payable to the management company	903,504	682,553	248,661	1,834,718
Sindh sales tax on management remuneration	117,455	100,393	32,327	250,175
Preliminary expenses and floatation costs payable	227,377	227,377	-	454,754
<b>Central Depository Company of Pakistan Limited (Trustee)</b>				
Remuneration payable	150,584	113,759	37,299	301,642
Sindh sales tax on Trustee remuneration payable	22,712	16,732	5,911	45,355
<b>Pak Qatar Individual Family Participant Investment Fund</b>				
Units held of PQAAF-IA: 15,498,044, PQAAF-IIA: 17,441,969 & PQSRP-I: 2,850,000 units	1,619,217,828	1,853,998,731	300,501,426	3,773,717,985
<b>Pak Qatar Investment Account</b>				
Units held of PQAAF-IA: 9,186,935 & PQSRP-I: 1,600,000 units	959,840,415	-	168,702,555	1,128,542,970
<b>Pak Qatar Family Takaful Limited</b>				
Units held of PQSRP-I: 159,000	-	-	16,764,816	16,764,816
<b>Razi Sons (Private) Limited</b>				
Units held of PQSRP-I: 1,000,000	-	-	105,439,097	105,439,097

**13 GENERAL**

Being the first accounting period of the Fund, there are no corresponding figures to report.


**14 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on 24 FEB 2024 by the Board of Directors of the Management Company.

92

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director