



**Pak-Qatar Islamic Stock Fund**  
**Accounts for the Period Ended**  
**September 30, 2022**

## 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.	
<b>Board of Directors:</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>Audit Committee:</b>	Mr. Syed Asad Ali Shah Jilani Mr. Muhammad Owais Ansari Mr. Muhammad Kamran Saleem	Chairman Member Non-Executive Director
<b>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>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. Shoaib Akhtar	
<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>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, KCHSU, Shahrah-e-Faisal Karachi	
<b>Legal Advisor:</b>	<b>AHM &amp; Co</b> 415, Eden Heights, Jail Road, Lahore, Pakistan	
<b>Registrar:</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.	

**PAK QATAR ISLAMIC STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT 30 SEPTEMBER 2022**

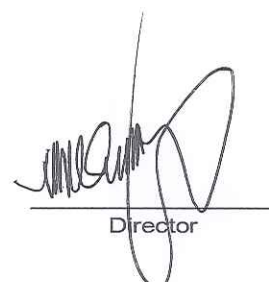
		30 September 2022	
	Note	-----Rupees-----	
<b>ASSETS</b>			
Bank balances	4	33,256,220	
Investments	5	169,298,643	
Profit receivable on bank balances		542,559	
Deferred formation cost	6	833,561	
<b>Total assets</b>		<b>203,930,983</b>	
<b>LIABILITIES</b>			
Payable to Pak-Qatar Asset Management Limited - Management Company	7	104,855	
Payable to Central Depository Company of Pakistan Limited - Trustee	8	10,041	
Payable to the Securities and Exchange Commission of Pakistan	9	889	
Accrued expenses and other liabilities	10	868,010	
<b>Total liabilities</b>		<b>983,795</b>	
<b>NET ASSETS</b>		<b>202,947,188</b>	
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>202,947,188</b>	
<b>CONTINGENCIES AND COMMITMENTS</b>			
		---Number of units---	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>2,021,660</b>	
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>100.3864</b>	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

  
 Chief Financial Officer

For Pak Qatar Asset Management Company Limited  
 (Management Company)

  
 Chief Executive Officer

  
 Director

**PAK QATAR ISLAMIC STOCK FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

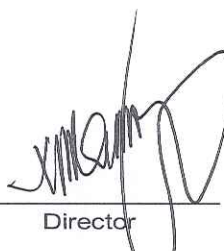
	For the Period From 23 September 2022 to 30 September 2022	Note ----- Rupees -----
<b>INCOME</b>		
Profit on bank balances	542,559	
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	674,990	
<b>Total income for the period</b>	<b>1,217,549</b>	
<b>EXPENSES</b>		
Remuneration of Pak-Qatar Asset Management Limited - Management Company	7.1 88,860	
Sindh Sales Tax on remuneration of the Management Company	7.2 11,552	
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1 8,886	
Sindh Sales Tax on remuneration of the Trustee	8.2 1,155	
Annual fee to the Securities and Exchange Commission of Pakistan	9.1 889	
Accounting and operational charges	7.3 4,443	
Shariah advisory fee	14,362	
Auditors' remuneration	13 6,383	
Annual listing fee	-	
Securities transaction cost	285,703	
Printing and postage charges	6,383	
Legal and professional charges	3,191	
Amortization of formation cost	4,131	
Bank charges	424	
<b>Total expenses</b>	<b>436,363</b>	
<b>Net income for the period before taxation</b>	<b>781,187</b>	
<b>Taxation</b>	3.10 -	
<b>Net income for the period after taxation</b>	<b>781,187</b>	
<b>Earnings per unit</b>	3.12	
<b>Allocation of net income for the year</b>		
- Net income for the period after taxation	781,187	
- Income already paid on units redeemed	-	
	<b>781,187</b>	
<b>Accounting income available for distribution:</b>		
-Relating to capital gains	674,990	
-Excluding capital gains	106,196	
	<b>781,187</b>	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Director

**PAK QATAR ISLAMIC STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

For the Period  
From  
23 September  
2022 to  
30 September  
2022  
----- Rupees -----

Net income for the period after taxation

781,187

Other comprehensive income

-

Total comprehensive income for the period

781,187

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Executive Officer

  
Director

**PAK QATAR ISLAMIC STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

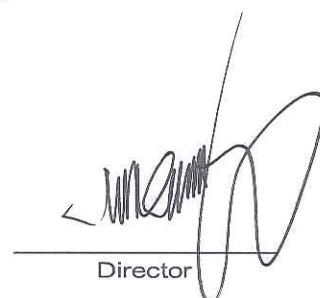
	30 September 2022		
	Capital value	Undistributed income	Total
	-----Rupees-----		
Issue of 2,021,660 units	202,166,001	-	202,166,001
Redemption of Nil units	-	-	-
Total comprehensive income for the period	-	781,187	781,187
Shariah non-compliant income set-aside for charity	-	-	-
Net assets at end of the period	<u>202,166,001</u>	<u>781,187</u>	<u>202,947,188</u>
Undistributed income carried forward			
- Realised gain		-	
- Unrealised gain		<u>781,187</u>	
		<u>781,187</u>	
Net assets value per unit at end of the period			<u>(Rupees)</u> <u>100.3864</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

  
 Chief Financial Officer

For Pak Qatar Asset Management Company Limited  
 (Management Company)

  
 Chief Executive Officer

  
 Director

**PAK QATAR ISLAMIC STOCK FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

For the Period  
From  
23 September  
2022 to  
30 September  
2022

Note ----- Rupees -----

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period before taxation

781,187

**Adjustments for:**

Mark-up on bank deposits with banks

(542,559)

Net unrealised appreciation on re-measurement of investments classified  
as 'financial assets at fair value through profit or loss'

(674,990)

Amortization of formation cost

4,131

(1,213,418)

**(Increase) / Decrease in assets**

Investments

(168,623,653)

Deferred formation cost

(837,692)

(169,461,345)

**(Decrease) / Increase in liabilities**

Payable to Pak-Qatar Asset Management Limited - Management Company

104,855

Payable to the Central Depository Company of Pakistan Limited - Trustee

10,041

Payable to the Securities and Exchange Commission of Pakistan

889

Accrued expenses and other liabilities

868,010

983,795

Net cash used in operating activities

(168,909,781)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net receipts from issuance of units

202,166,001

Net cash generated from financing activities

202,166,001

Net increase in cash and cash equivalents

33,256,220

Cash and cash equivalents at the beginning of the period

-

Cash and cash equivalents at the end of the period

4 33,256,220

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Pak Qatar Asset Management Company Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

## **PAK QATAR ISLAMIC STOCK FUND**

### **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

#### **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 28 June 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 investment activities and administration of the Fund are managed by PQAMCL whose registered office is situated at Ground Floor, Business Arcade, PECHS, Shahrah-e-Faisal, Karachi. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on 07 July 2022.
- 1.2 The Fund is an open-ended Shariah compliant fund. The units of the Fund were initially offered to public (IPO) on 22 September 2022. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.3 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..
- 1.4 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act 2020.

#### **2 BASIS OF PREPERATION**

##### **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 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust

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

##### **2.2 New / Revised Standards, Interpretations and Amendments**

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

### 2.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction ' Amendments to IAS	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	January 01, 2023

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

### 2.4 Critical accounting estimates and judgements

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

### 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except where investments that are required to be carried at fair value.

### 2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out as below.

### 3.1 Financial instruments

#### a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. 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.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

## b) Classification

### Equity instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

### 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.

## c) Subsequent Measurement

### Debt investments at FVTPL

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

### Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. The Fund has not used this classification for its investment portfolio.

#### **Equity investments at FVTPL**

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

#### **Equity instruments at FVOCI**

Upon initial recognition, the Fund can elect to irrevocably classify an equity investment as FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

#### **Financial liabilities**

##### **Financial liabilities measured at amortised cost**

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

#### **d) 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

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.

#### **e) Reclassification of financial assets and liabilities**

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

#### **f) Regular way contracts**

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

#### **g) 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 recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

#### **h) Offsetting of financial assets and liabilities**

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.

#### i) Determination of fair value

The fair value of financial assets are determined as follows:

##### a) 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.

##### b) 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.

##### c) Equity securities

The equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange

### 3.2 Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

### 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 Unit holder's Fund

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

### 3.5 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 the Management Company / Distributors as processing fee.

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.

### 3.6 Distribution to unit holders

Distribution to unit holders is recognised upon declaring and approval by the Management under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director of the Management Company.

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.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, 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 revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be 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 will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net

### 3.8 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank balances, placements and deposits is recognised on an accrual basis.
- Gains/losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised gain / (loss) in the value of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

### 3.9 Expenses

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

### 3.10 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 capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intends to distribute such income at the year end in order to avail this tax exemption. Accordingly, no provision is made for current and deferred taxation in these condensed interim financial statements.

### 3.11 Net asset value per unit

The net asset value per unit 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 / period end.

### 3.12 Earnings per unit

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

### 3.13 Preliminary Expense and floatation cost

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years.

#### 4 BANK BALANCES

- Profit and loss sharing accounts

4.1 The rate of return on these accounts range between 14.00% to 15% per annum.

Note

30 September  
2022  
Un-audited  
---Rupees---

4.1 33,256,220

#### 5 INVESTMENTS

Financial assets at fair value through profit or loss account

- Listed equity securities

5.1 169,298,643

#### 5.1 At fair value through profit or loss - Listed equity securities

Shares of listed companies - fully paid up ordinary shares with a face value of Rs 10 each unless stated otherwise.

Name of Investee Company	As at 01 July 2022	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 September 2022	Average cost as at 30 September 2022	Market value as at 30 September 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
	Number of shares				Rupees		Percentage			
<b>Banks</b>										
Meezan Bank Limited (Note 5.3)	-	95,000	-	-	95,000	10,794,850	10,426,250	6.16	5.14	0
	-	95,000	-	-	95,000	10,794,850	10,426,250	6.16	5.14	0
<b>Textile Composite</b>										
Nishat Mills Limited	-	37,428	-	-	37,428	2,513,195	2,549,595	1.51	1.26	0
	-	37,428	-	-	37,428	2,513,195	2,549,595	1.51	1.26	0
<b>Cement</b>										
Cherat Cement Company Limited	-	22,500	-	-	22,500	2,603,700	2,600,325	1.54	1.28	0
D.G. Khan Cement Company Limited	-	52,000	-	-	52,000	2,989,750	3,152,240	1.86	1.55	0
Lucky Cement Limited	-	28,000	-	-	28,000	13,606,040	13,903,680	8.21	6.85	0
Maple Leaf Cement Factory Limited	-	124,000	-	-	124,000	3,475,720	3,454,640	2.04	1.70	0
Pioneer Cement Limited	-	26,000	-	-	26,000	1,755,635	1,761,760	1.04	0.87	0
	-	252,500	-	-	252,500	24,430,845	24,872,645	14.69	12.26	0
<b>Power Generation &amp; Distribution</b>										
The Hub Power Company Limited	-	130,000	-	-	130,000	8,834,800	9,088,300	5.37	4.48	0
	-	130,000	-	-	130,000	8,834,800	9,088,300	5.37	4.48	0
<b>Oil &amp; Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	-	52,500	-	-	52,500	8,614,725	8,527,575	5.04	4.20	0
Sui Northern Gas Pipelines Limited	-	75,000	-	-	75,000	2,338,440	2,521,500	1.49	1.24	0
	-	127,500	-	-	127,500	10,953,165	11,049,075	6.53	5.44	0
<b>Oil &amp; Gas Exploration Companies</b>										
Mari Petroleum Company Limited	-	6,500	-	-	6,500	10,451,285	10,171,265	6.01	5.01	0
Oil & Gas Development Company Limited (Note 5)	-	161,500	-	-	161,500	11,899,320	12,228,780	7.22	6.03	0
Pakistan Oilfields Limited	-	37,000	-	-	37,000	12,922,827	12,917,440	7.63	6.36	0
Pakistan Petroleum Limited (Note 5.3)	-	172,000	-	-	172,000	10,079,200	10,569,400	6.24	5.21	0
	-	377,000	-	-	377,000	45,352,632	45,886,885	27.10	22.61	0
<b>Engineering</b>										
Amreli Steels Limited	-	69,000	-	-	69,000	1,813,884	1,860,240	1.10	0.92	0
International Industries Limited	-	27,000	-	-	27,000	2,763,682	2,717,280	1.61	1.34	0
International Steels Limited	-	40,000	-	-	40,000	2,203,365	2,205,200	1.30	1.09	0
Mughal Iron And Steel Industries Ltd	-	40,000	-	-	40,000	2,664,000	2,607,200	1.54	1.28	0
	-	176,000	-	-	176,000	9,444,931	9,389,920	5.55	4.63	0
<b>Automobile Assembler</b>										
Millat Tractors Limited	-	5,200	-	-	5,200	4,344,602	4,285,008	2.53	2.11	0
	-	5,200	-	-	5,200	4,344,602	4,285,008	2.53	2.11	0
<b>Technology &amp; Communications</b>										
Avanceon Limited	-	43,000	-	-	43,000	3,289,750	3,200,920	1.89	1.58	0.01
Systems Limited	-	31,500	-	-	31,500	12,112,714	11,890,620	7.02	5.86	0.01
	-	74,500	-	-	74,500	15,402,464	15,091,540	8.91	7.44	0
<b>Fertilizer</b>										
Engro Fertilizers Limited	-	142,500	-	-	142,500	11,042,391	11,117,850	6.57	5.48	0.01
Engro Corporation Limited (Note 5.3)	-	65,500	-	-	65,500	15,288,055	15,164,560	8.96	7.47	0.01
	-	208,000	-	-	208,000	26,330,445	26,282,410	15.52	12.95	0
<b>Pharmaceuticals</b>										
The Searle Company Limited	-	28,000	-	-	28,000	2,767,745	2,846,480	1.68	1.40	0.01
	-	28,000	-	-	28,000	2,767,745	2,846,480	1.68	1.40	0
<b>Chemicals</b>										
Engro Polymer & Chemicals Limited	-	31,000	-	-	31,000	1,717,807	1,699,730	1.00	0.84	0.00
	-	31,000	-	-	31,000	1,717,807	1,699,730	1.00	0.84	0
<b>Foods &amp; Personal Care Products</b>										
Unity Foods Limited	-	140,000	-	-	140,000	3,078,647	3,158,400	1.87	1.56	0.01
	-	140,000	-	-	140,000	3,078,647	3,158,400	1.87	1.56	0
<b>Inv. Bank/Inv. Companies/Securities Co.</b>										
Dawood Hercules Corporation Limited	-	29,500	-	-	29,500	2,657,526	2,672,405	1.58	1.32	0.01
	-	29,500	-	-	29,500	2,657,526	2,672,405	1.58	1.32	0
<b>Total as at 30 September 2022</b>						168,623,652.98	169,298,643.36	100.00	83.42	

5.2 The cost of listed equity securities as at 30 September 2022 is Rs 168,623,652.98

		30 September 2022 Un-audited ---Rupees---
6	<b>Preliminary and floatation costs</b>	
	Preliminary and floatation costs	<u>833,561</u>
6.1	Formation cost represents expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over a period of five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations.	
		30 September 2022 Un-audited ---Rupees---
7	<b>PAYABLE TO PAK-QATAR ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)</b>	
	Remuneration of the Management Company	7.1 88,860
	Sindh Sales Tax payable on remuneration of the Management Company	7.2 11,552
	Accounting and operational charges	7.3 <u>4,443</u>
		<u>104,855</u>
7.1	As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 2.00% on average annual net assets. The fee is payable to the Management Company monthly in arrears.	
7.2	During the period, an amount of Rs. 11,552 was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011.	
7.3	The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations, and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019. Keeping in view, Management Company has accordingly charged expenses at the rate of 0.10% of the average annual net assets of the Fund for allocation of such expenses to the Fund.	
		30 September 2022 Un-audited -----Rupees-----
8	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY</b>	
	Remuneration of the Trustee	8.1 8,886
	Sindh sales tax on remuneration of the Trustee	8.2 <u>1,155</u>
		<u>10,041</u>
8.1	The Trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.2% p.a of average net assets.	
8.2	Sindh Sales Tax has been charged at 13% on trustee fee levied through Sales Tax on Services Act, 2011 during the period resulting in an amount of Rs. 1,155.	
		30 September 2022 Un-audited -----Rupees-----
9	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>	
	Annual fee payable	9.1 <u>889</u>
9.1	In accordance with the NBFO Regulations, 2008, a collective investment scheme classified as an equity scheme is required to pay the Securities and Exchange Commission of Pakistan an amount equal to 0.02% of the average annual net assets of the Fund as annual fee.	
		30 September 2022 Un-audited ---Rupees---
10	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	
	Auditors' remuneration payable	6,383
	Printing charges payable	6,383
	Preliminary expenses and floatation costs payable	837,692
	Legal and professional charges payable	3,191
	Payable to Shariah Advisor	<u>14,361</u>
		<u>868,010</u>

# 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2022.

## 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2022 is 6.74% which includes 0.21% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.

## 13 AUDITORS' REMUNERATION

30 September  
2022

Un-audited

--- Rupees ---

Audit fee	5,910
Sindh sales tax on services	473
	<u>6,383</u>

## 14 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

14.1 Connected persons include Pak-Qatar Asset Management Limited being the Management Company, the Central Depository Company Limited being 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.

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

14.3 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.

14.4 The details of transactions carried out by the Fund with connected persons during the period and balances with them at the period end are as follows:

30 September  
2022

Un-audited

--- Rupees ---

### 14.5 Transactions during the period

#### Pak Qatar Asset Management Company Limited (Management Company)

Remuneration of the Management Company	88,860
Sindh Sales Tax on remuneration of the Management Company	11,552
Amortization of formation cost	4,131
Accounting and operational charges	4,443
Issue of 20,000 units	2,000,000

#### Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	8,886
Sindh Sales Tax on remuneration of the Trustee	1,155

#### Pak Qatar Individual Family Participant Investment Fund (Group Company) \*

Issue of 2,000,000 units	200,000,000
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#### Key Management Personnel of Management Company

Issue of 1,660 units	166,000
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### 14.6 Balances as at period end

#### Pak Qatar Asset Management Company Limited (Management Company)

Remuneration payable to the Management Company	88,860
Sindh Sales Tax payable on remuneration of the management company	11,552
Accounting and operational charges payable	4,443
Units held 20,000	2,007,728

#### Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	8,886
Sindh sales tax payable on remuneration of the Trustee	1,155

#### Pak Qatar Individual Family Participant Investment Fund (Group Company) \*

Units held 2,000,000	200,772,800
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#### Key Management Personnel of Management Company

Units held 1,660	166,641
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\* This represents that the related party also holds more than 10% of the outstanding units.

15 FINANCIAL INSTRUMENTS BY CATEGORY

-----As at 30 September 2022-----			
	Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income
	(Rupees)		
Financial Assets			
Bank balances	33,256,220	-	-
Investments	-	169,298,643	-
Profit receivable on bank balances	542,559	-	-
Deferred formation cost	833,561	-	-
	<u>34,632,340</u>	<u>169,298,643</u>	<u>-</u>
			<u>203,930,983</u>

-----As at 30 September 2022-----			
	At fair value through profit or loss	At fair value through other comprehensive income	Total
	(Rupees)		
Financial Liabilities			
Payable to Pak-Qatar Asset Management Limited- Management Company	104,855	-	104,855
Payable to Central Depository Company of Pakistan Limited - Trustee	10,041	-	10,041
Accrued expenses and other liabilities	868,010	-	868,010
	<u>982,906</u>	<u>-</u>	<u>982,906</u>

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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

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

16.1 Fair value hierarchy

Following hierarchy is used in determining and disclosing the fair value of the following financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Fund recognises equity securities at fair value which is determined using the rate at which they are quoted on Pakistan Stock Exchange Limited (Level 1). Fair value of remaining financial assets is not significantly different from their carrying value.

17 GENERAL

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

18 DATE OF AUTHORISATION FOR ISSUE

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

28 OCT 2022

For Pak Qatar Asset Management Company Limited  
(Management Company)

  
Chief Financial Officer

  
Chief Executive Officer

  
Director