



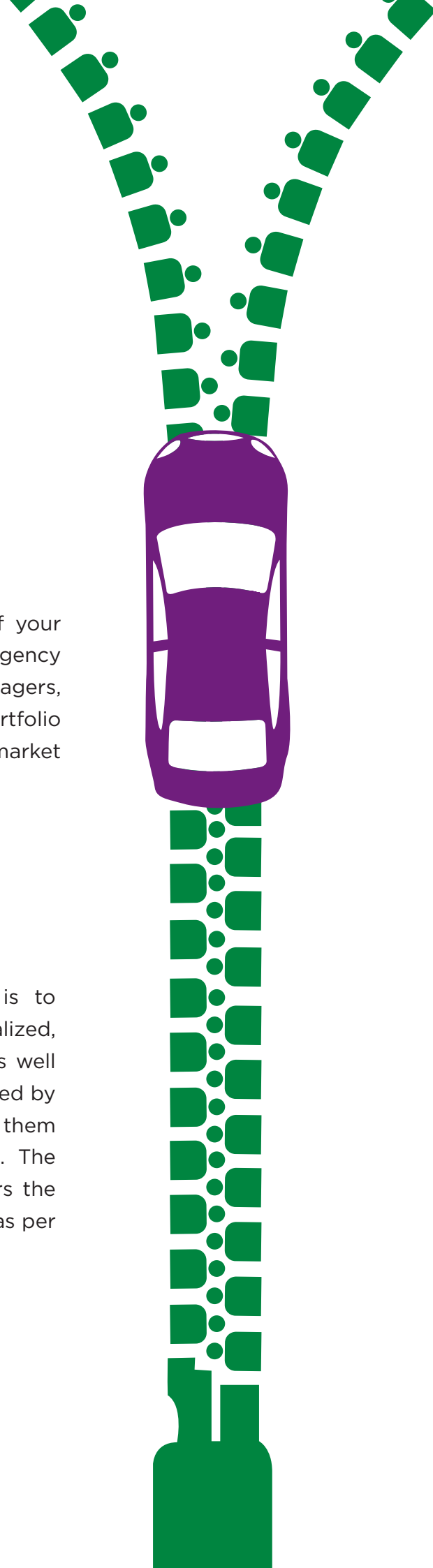
# IMPLEMENTING ROBUST CONTINGENCY PLANS

At Al Meezan, we prioritize the safety of your investments by implementing strong contingency plans. Guided by our experienced fund managers, we are dedicated to safeguarding your portfolio and ensuring it remains resilient against market volatility and unforeseen challenges.

## Meezan GOKP Pension Fund



The investment objective of the Fund is to provide Employees with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the allocation scheme empowers the Employees to invest their pension savings as per their desired asset allocations.



# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Irfan Siddiqui	Chairman
Mr. Ahmed Iqbal Rajani	Non-Executive Nominee Director- PKIC
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Mr. Imtiaz Gadar	Chief Executive Officer
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Syed Amir Ali	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj*	Non-Executive Nominee Director- MBL
Syed Imran Ali Shah**	Non-Executive Nominee Director- MBL

\* Mr. Tariq Mairaj resigned from the Board on September 10, 2024.

\*\* Syed Imran Ali Shah appointed as Director on September 18, 2024.

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Syed Haseeb Ahmed Shah

## BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Ahmed Iqbal Rajani	Member
Syed Imran Ali Shah*	Member

\* Syed Imran Ali Shah appointed as Member on September 18, 2024.

## BOARD RISK MANAGEMENT COMMITTEE

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

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

## BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
Mr. Imtiaz Gadar	Member
Mr. Faiz Ur Rehman	Subject Matter Expert

## TRUSTEE

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

## AUDITORS

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

## SHARIAH ADVISER

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

## BANKERS TO THE FUND

Faysal Bank Limited - Islamic Banking  
Meezan Bank Limited  
UBL Ameen - Islamic Banking

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

## REPORT OF THE FUND MANAGER Meezan GOKP Pension Fund (MGOKPPF)

### Type of Fund

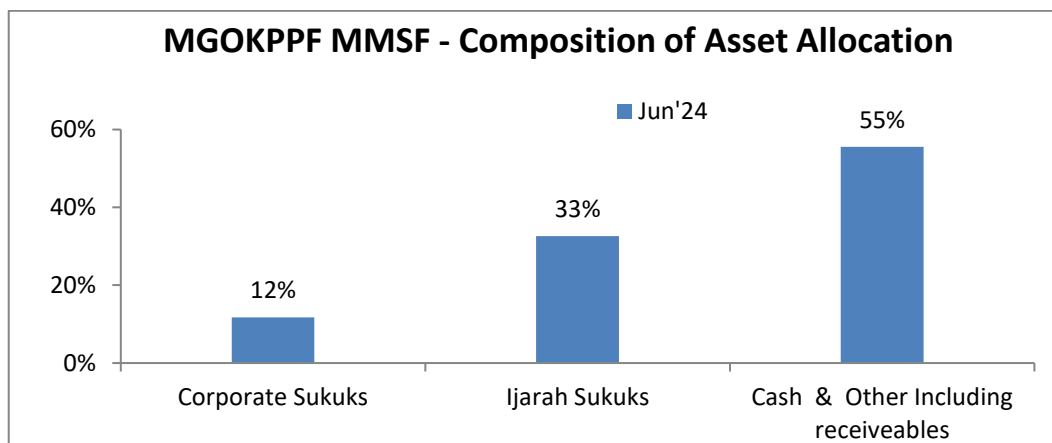
Open end pension fund investing primarily in Shariah compliant stocks and debt instruments (Sukuks).

### Objective

The objective of the Fund is to provide Employees with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the allocation scheme empowers the Employees to invest their pension savings as per their desired asset allocations.

### Investment Policy and Strategy

The Pension Fund Manager shall design investment strategy to optimize returns on investments within the parameters of Investment Policy specified by the Commission subject to such relaxations as may be granted in relation to specific sub fund(s). The same can be summarized in the table below:



### Performance Review

For the period under review, the money market sub-fund returned 21.95%.

Launched date December 14, 2023

	MGOKPPF MMSF
Net Asset Value (NAV) as on December 14, 2023 -Rs.	100.00
Net Asset Value (NAV) as on June 30, 2024 -Rs.	111.97
Change (Points)	11.97
Return During the Period	21.95%

### Money Market Sub Fund

The sub fund earned a gross income of Rs. 8.6 million during the period. Total income was primarily due to profit on Sukuks certificates amounting to Rs. 2.4 million and profit on saving accounts at Islamic banks amounting to Rs. 5.6 million. Unrealised gain and realised gain in the sub fund was Rs. 0.13 million and Rs. 0.38 million respectively. The fund also incurred expenses totalling Rs. 0.4 million which brought the net



**Pure. Profit.**



income figure to Rs. 8.2 million. The net assets of the Fund as at June 30, 2024 were Rs. 110 million. The net asset value per unit as at June 30, 2024 was Rs. 111.9656 as compared to Rs. 100.0000 per unit as on December 14, 2023.

**SWWF Disclosure**

Not Applicable

**Breakdown of unit holdings by size**

(As on June 30, 2024)

Range (Units)	No. of investors
1 - 9,999	2,327
10,000 - 49,999	0
50,000 - 99,999	0
100,000 - 499,999	1
500,000 and above	0
<b>Total</b>	<b>2,328</b>

# Dr. Muhammad Imran Usmani

**Jamia Darul Uloom Karachi**

Korangi Industrial Area Karachi, Pakistan

Postal Code 75180

Tel: +92 21 35123225

Fax: +92 21 5040234

Email: miu786@gmail.com

## **Report of the Shariah Advisor – Meezan GOKP Pension Fund (MGOKPPF)**

July 23, 2024/Muharram 16, 1446 AH

**Alhamdulillah**, the period from July 1, 2023 to June 30, 2024 was the **First** year of operations of **Meezan GOKP Pension Fund** (the “MGOKPPF” or the “Fund”) under management of Al Meezan Investment Management Limited (the “Al Meezan” or the “Management Company”). I, Dr. Muhammad Imran Ashraf Usmani, am the Shariah Advisor of the Fund and issuing the Shariah Advisor Report (the “Report”) in accordance with the Trust Deed of the Fund. The scope of the Report is to express an opinion on the Shariah compliance of the Fund’s activity.

It is the responsibility of the Management Company of the Fund to establish and maintain a system of internal controls to ensure Shariah compliance with the Shariah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the prescribed criteria.

We have reviewed and approved the modes of investments of the Fund in light of Shariah requirements. On the basis of information provided by the Management Company, all operations of the Fund for the year ended June 30, 2024 have been in compliance with the Shariah principles.

In light of the above, we hereby certify that all the provisions of the scheme and investments made on account of the Fund under management of Al Meezan are Shariah-compliant and in accordance with the criteria established by us.

We further confirm that earnings realized through prohibited sources were transferred to the charity account (where applicable).

May Allah bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

And Allah knows the best.



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**Dr. Muhammad Imran Ashraf Usmani**

Shariah Advisor

## **INDEPENDENT AUDITOR'S REPORT**

### **To the participants of Meezan GoKP Pension Fund**

#### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Meezan GoKP Pension Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement and statement of other comprehensive income, the statement of cash flows, the statement of movement in participants' sub funds, the statement of contribution table, and the statement of number of units in issue for the period then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the period then ended in accordance with accounting and reporting standards as applicable in Pakistan.

#### **Basis for opinion**

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

#### **Information other than the financial statements and auditor's report thereon**

Pension Fund Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

#### **Responsibilities of Pension Fund Manager and Those Charged with Governance for the financial statements**

Pension Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Pension Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Pension Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Pension Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Pension Fund Manager are responsible for overseeing the Fund's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pension Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Pension Fund Manager.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of Pension Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal and regulatory requirements**

Based on our audit, we further report that in our opinion:

- a) the financial statements prepared for the period ended June 30, 2024 have been properly prepared in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- c) a true and fair view is given of the disposition of the pension fund at the end of the period and of the transactions of the pension fund of the period then ended; and
- d) the cost and expenses debited to the Fund are as specified in the constitutive documents of the Fund.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.



**Chartered Accountants**

**Place:** Karachi

**Date:** September 13, 2024

**UDIN:** AR202410091ymVkbCK3w



**MEEZAN GOKP PENSION FUND  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2024**

As at June 30, 2024

	Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
(Rupees in '000)					
<b>ASSETS</b>					
Bank balances	55,106	500	500	500	56,606
Investments	49,120	-	-	-	49,120
Formation Cost	201	-	-	-	201
Deposits, prepayments and other receivables	6,180	-	-	-	6,180
<b>Total assets</b>	<b>110,607</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>112,107</b>
<b>LIABILITIES</b>					
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	36	-	-	-	36
Payable to Central Depository Company of Pakistan Limited - Trustee	28	-	-	-	28
Payable to Securities and Exchange Commission of Pakistan	18	-	-	-	18
Accrued expenses and other liabilities	772	-	-	-	772
Payable to auditors	68	-	-	-	68
<b>Total liabilities</b>	<b>922</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>922</b>
<b>NET ASSETS</b>	<b>109,685</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>111,185</b>
Contingencies and commitments					
<b>PARTICIPANTS' SUB - FUNDS</b> (as per statement attached)	<b>109,685</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>111,185</b>
(Number of units)					
Number of units in issue (as per statement attached)	979,633	5,000	5,000	5,000	
(Rupees)					
Net assets value per unit	111.9656	100.0000	100.0000	100.0000	

The annexed notes from 1 to 20 form an integral part of these financial statements.

For Al Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



**MEEZAN GOKP PENSION FUND**  
**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM DECEMBER 14, 2023 TO JUNE 30, 2024**

For the period from December 14, 2023 to June 30, 2024					
	Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
Note ----- (Rupees in '000) -----					
<b>INCOME</b>					
Profit from sukuk certificates	2,443	-	-	-	2,443
Profit on saving accounts with banks	5,644	-	-	-	5,644
Net realised income on sale of sukuk certificates	381	-	-	-	381
Unrealised appreciation on 're-measurement of investments at 'fair value through profit or loss'	128	-	-	-	128
<b>Total Income</b>	<b>8,596</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,596</b>
<b>EXPENSES</b>					
Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager	119	-	-	-	119
Sindh Sales Tax on remuneration of the Pension Fund Manager	15	-	-	-	15
Remuneration of Central Depository Company of Pakistan Limited - Trustee	59	-	-	-	59
Sindh Sales Tax on remuneration of the Trustee	8	-	-	-	8
Annual fee to Securities and Exchange Commission of Pakistan	16	-	-	-	16
Auditors' remuneration	50	-	-	-	50
Brokerage expense	2	-	-	-	2
Bank and settlement charges	5	-	-	-	5
Takaful Charges	99	-	-	-	99
Amortization of Formation & Preliminary Cost	24	-	-	-	24
<b>Total Expenses</b>	<b>397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397</b>
<b>Net income for the period before taxation</b>	<b>8,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,199</b>
Taxation	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>8,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,199</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>8,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,199</b>

The annexed notes from 1 to 20 form an integral part of these financial statements.

For Al Meezan Investment Management Limited  
(Pension Fund Manager)

Chief Executive

Chief Financial Officer

Director



**MEEZAN GOKP PENSION FUND  
STATEMENT OF MOVEMENT IN PARTICIPANTS SUB FUNDS  
FOR THE PERIOD FROM DECEMBER 14, 2023 TO JUNE 30, 2024**

For the period from December 14, 2023 to June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total

Note ----- (Rupees in '000) -----

**Net assets at the beginning of the period**

Amount received on issuance of units:

Money market sub fund: 980,024 units

Debt Sub fund: 5,000 units;

Equity sub fund: 5,000 units;

Equity Index sub fund: 5,000 units.

Amount paid on withdrawal of units

Money market sub fund: 391 units

Debt Sub fund: nil units;

Equity sub fund: nil units;

Equity Index sub fund: nil units.

	-	-	-	-
101,530	500	500	500	103,030
(44)	-	-	-	(44)
101,486	500	500	500	102,986
381	-	-	-	381
128	-	-	-	128
7,690	-	-	-	7,690
8,199	-	-	-	8,199
109,685	500	500	500	111,185

Net realised (loss) / gain on sale of investments

Unrealised appreciation on 're-measurement

of investments at 'fair value through profit or loss' 5.1.1

Other net income for the period

**Net assets at the end of the period**

The annexed notes from 1 to 20 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited  
(Pension Fund Manager)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**MEEZAN GOKP PENSION FUND**

**CONTRIBUTION TABLE**

**FOR THE PERIOD FROM DECEMBER 14, 2023 TO JUNE 30, 2024**

For the period from December 14, 2023 to June 30, 2024									
Money Market Sub Fund		Debt Sub Fund		Equity Sub Fund		Equity Index Sub Fund		Total	
Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	(Rupees in '000)	
Issuance of units	980,024	101,530	5,000	500	5,000	500	5,000	500	103,030

The annexed notes from 1 to 20 form an integral part of these financial statements.

For Al Meezan Investment Management Limited  
(Pension Fund Manager)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**MEEZAN GOKP PENSION FUND**  
**STATEMENT OF NUMBER OF UNITS IN ISSUE**  
**FOR THE PERIOD FROM DECEMBER 14, 2023 TO JUNE 30, 2024**

For the period from December 14, 2023 to June 30, 2024				
Money market Sub	Debt Sub Fund	Equity Sub Fund	Equity Index Sub	Total
----- (Number of units) -----				
Total units in issue at beginning of the period	-	-	-	-
Add: Units issued / converted / reallocated during the period	980,024	5,000	5,000	995,024
Less: Units redeemed / converted / reallocated during the period	(391)	-	-	(391)
<b>Total units in issue at the end of the period</b>	<b>979,633</b>	<b>5,000</b>	<b>5,000</b>	<b>994,633</b>

The annexed notes from 1 to 20 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited**  
**(Pension Fund Manager)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**MEEZAN GOKP PENSION FUND**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD FROM DECEMBER 14, 2023 TO JUNE 30, 2024**

For the period from December 14, 2023 to June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total

Note ----- (Rupees in '000)

**CASH FLOW FROM OPERATING ACTIVITIES**

Net income for the period before taxation	8,199	-	-	-	8,199
<b>Adjustments:</b>					
Unrealised (appreciation) on 're-measurement of investments at 'fair value through profit or loss'	5.1.1 (128)	-	-	-	(128)
	8,071	-	-	-	8,071
<b>(Increase) in assets</b>					
Investments - (net)	(48,992)	-	-	-	(48,992)
Formation Cost	(201)	-	-	-	(201)
Deposits, prepayments and other receivables	(6,180)	-	-	-	(6,180)
	(55,373)	-	-	-	(55,373)
<b>Increase in liabilities</b>					
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	36	-	-	-	36
Payable to Central Depository Company of Pakistan Limited - Trustee	28	-	-	-	28
Payable to Securities and Exchange Commission of Pakistan	18	-	-	-	18
Payable to auditors	68	-	-	-	68
Accrued expenses and other liabilities	772	-	-	-	772
	922	-	-	-	922
<b>Net cash (used in) operating activities</b>	(46,380)	-	-	-	(46,380)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipts from issuance of units	101,530	500	500	500	103,030
Payments on withdrawal of units	(44)	-	-	-	(44)
<b>Net cash generated from financing activities</b>	101,486	500	500	500	102,986
<b>Net increase in cash and cash equivalents during the period</b>	55,106	500	500	500	56,606
Cash and cash equivalents at beginning of the period	-	-	-	-	-
Cash and cash equivalents at end of the period	4 55,106	500	500	500	56,606

The annexed notes from 1 to 20 form an integral part of these financial statements.

For Al Meezan Investment Management Limited  
(Pension Fund Manager)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**MEEZAN GOKP PENSION FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM DECEMBER 14, 2023 TO JUNE 30, 2024**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

1.1 Meezan GOKP Pension Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan on June 21, 2023 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the Pension Fund Manager of the Fund, is situated at Ground Floor, Block B Finance and Trade Centre Sharah-e-Faisal, Karachi 74400, Pakistan.

The objective of the Fund is to provide a secure source of retirement savings and regular income after retirement of the employees of KPK Government. The Fund comprises of four Shariah compliant sub funds namely Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Equity Index Sub-Fund (collectively the "Sub-Funds"). The Pension Fund Manager shall offer Allocation Scheme to the employees according to their risk/return and age requirements, through Sub-Funds of the Meezan GoKP Pension Fund. The risk profile of each Allocation Scheme shall be dependent on the percentage allocation of that Scheme in the various Sub-Funds.

1.2 All Employees of KPK Government appointed/recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 or an employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.

1.3 Title to the assets of the Sub Funds is held in the name of CDC as a Trustee of the Fund.

1.4 Meezan Bank Limited acts as Shariah Advisor of the Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.

1.5 The Pension Fund Manager has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 29, 2023 and by PACRA dated June 21, 2024 . The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts 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 has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

The Fund consists of four Sub-Funds namely, Meezan GoKP Pension Fund - Equity Sub-Fund (the Equity Sub-Fund), Meezan GoKP Pension Fund - Equity Index Sub-Fund (the Equity Index Sub-Fund), Meezan GoKP Pension Fund - Debt Sub-Fund (the Debt Sub-Fund) and Meezan GoKP Pension Fund - Money Market Sub-Fund (the Money Market Sub-Fund) (collectively the "Sub-Funds"). Investment policy for each of the Sub-Fund is as follows:

**Meezan GoKP Pension Fund - Equity Sub-Fund**

Assets of the Equity Sub-Fund shall be invested in Shariah Compliant equity securities which are listed on the Stock Exchange or in securities of which the application for listing has been approved by the Stock Exchange. The Equity Sub-Fund shall be eligible to invest in units of Shariah Compliant Real Estate Investment Trusts and Exchange Traded Funds, provided that entity /sector /group exposure limits as prescribed are complied with. At least ninety percent (90%) of net assets of the Equity Sub-Fund shall remain invested in listed Shariah Compliant equity securities based on rolling average investment of last ninety (90) days calculated on daily basis. The Pension Fund Manager may make investment maximum up to five percent (5%) of net assets of the Equity Sub-Fund in units of Shariah Compliant private equity and venture capital funds registered under Private Funds Regulations, 2015. The Pension Fund Manager may make investment maximum up to ten percent (10%) of net assets of the Equity Sub-Fund in public offering and pre-initial public offering of equity securities. Investment in Shariah Compliant equity securities of any single company shall not exceed fifteen percent (15%) of net assets of the Equity Sub-Fund or paid-up capital of that single company, whichever is lower. The Pension Fund Manager may invest up to thirty-five percent (35%) or the index weight, whichever is higher, subject to maximum of forty percent (40%) of net assets of the Equity Sub-Fund in Shariah Compliant equity securities of companies belonging to a single sector as classified by the Pakistan Stock Exchange. The Pension Fund Manager may invest any surplus (un-invested) funds in Shariah Compliant government securities having less than one-year time to maturity or keep as deposits with scheduled commercial banks which are rated not less than "A". The Pension Fund Manager shall ensure that the investment in equity securities of the certain companies, as specified in the Offering Document, shall not exceed ten percent (10%) of the net assets of the Equity

**Meezan GoKP Pension Fund - Equity Index Sub-Fund**

The Investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KMI-30 by investing in companies of the Index in proportion to their weightages. The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un-invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs). Performance Benchmark of Equity Index Sub-Fund shall be KMI-30 Index. Index Sub-fund may select an index (or a subset thereof) established by a recognized independent third party. Exposure to securities issued by entities of a single sector shall not exceed weight of sector in the index or its subset and exposure to any security shall not exceed weight of security in the index or its subset.

### **Meezan GoKP Pension Fund - Money Market Sub-Fund**

The Money Market Sub-Fund shall consist of shariah compliant government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), , money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM) or any other Islamic mode of placement such as; Bai'- Mu'ajjal, Bai'-Mussawwama, Bai'- Salam, Istisna'a, Mudaraba, Murabaha and Musharika or any other structure as approved by the Shariah Advisor, TDRs and Islamic commercial papers. Rating of any Shariah Compliant security in the portfolio shall not be lower than AA. Rating of any shariah compliant bank and shariah compliant DFI with which funds are placed should not be lower than AA. Rating of any Shariah Compliant NBFC and Modaraba with which funds are placed shall not be lower than AAA. At least 10%, of the net assets shall be invested in deposit with scheduled commercial bank (excluding TDRs) or Shariah Compliant government securities not exceeding 90 days' maturity. Exposure to any single entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets for Shariah Compliant money market sub fund. Exposure in security of entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets for Shariah Compliant money market sub fund or 10% of size of the issue of that security. Exposure to securities issued by entities of a single sector shall not exceed twenty five percent (25%) of Net Assets of a money market Sub-fund. A pension fund manager shall not place funds (including TDR, PLS Saving Deposit, COD, COM, COI and money market placements) of more than 25% of net assets of money market sub-fund with all microfinance banks, non-bank finance companies and Modarabas. The weighted average time to maturity of assets of a Shariah Compliant Money Market Sub-fund shall be up to one (1) year, and time to maturity of any asset in the portfolio of Shariah Compliant Money Market Subfund shall not exceed six (6) months except in case of Shariah Compliant Government Securities such as Government Ijarah Sukuks which may be up to five (5) years.

### **Meezan GoKP Pension Fund - Debt Sub-Fund**

The Debt Sub-fund shall consist of Shariah Compliant government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM), TDRs, Islamic commercial paper, TFC/ Sukuk or any other Islamic mode of placement such as; Bai'-Mu'ajjal, Bai'-Mussawwama, Bai'-Salam, Istisna'a, Mudaraba, Murabaha and Musharika or any other structure as approved by the Shariah Advisor, reverse repo, deposits/placements with Microfinance Banks and any other approved debt/money market security issued from time to time. Rating of any security in the portfolio shall not be lower than A+. Rating of any bank and DFI with which funds are placed should not be lower than A+. Rating of any NBFC and Modaraba with which funds are placed shall not be lower than AA. At least 25% of the net assets shall be invested in deposit with scheduled Commercial banks (excluding TDRs) or Shariah Compliant government securities not exceeding 90 days' maturity. Exposure to any single entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets of Shariah Compliant debt sub fund. Exposure in debt security of an entity, other than the securities issued by Federal Government, shall not exceed 15% of net assets for Shariah Compliant debt sub fund or 10% of size of the issue of that debt security, whichever is lower. Exposure to securities issued by entities of a single sector shall not exceed twenty- five percent (25%) of Net Assets of Debt Sub-fund. The pension fund manager shall not place funds (including TDR, PLS Saving deposit, COD, COM, COI, money market placements and other clean placements of funds) of more than 25% of net assets of with all Islamic microfinance banks, Islamic non-bank finance companies and Modarabas. The weighted average time to maturity of Debt Sub-fund shall not exceed five (5) years and this condition shall not apply to securities issued by the Federal Government. Rating of microfinance banks with which funds are placed shall not be lower than A+.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

**2.1.1** 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 comprises of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (the VPS Rules), Voluntary Pension System Part V (NBFC Regulations, 2008) and requirements of the trust deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed differ from the IFRS standards, provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed have been followed.

### **2.1.2 New amendments that are effective for the year ended June 30, 2024**

The following amendments are effective for the year ended June 30, 2024. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Funds's financial statements other than certain additional disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 - Disclosure of accounting policies
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules

### 2.1.3 Standards and amendments to the approved accounting standards that are not yet effective

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments and standards are either not relevant to the Funds' operations or are not expected to have significant impact on the Funds' financial statements other than certain additional disclosures.

Amendments	Effective date (annual periods beginning on or after)
- Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants	January 1, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 1, 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 1, 2024
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 1, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 1, 2024

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

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

### 2.2 Basis of measurement

These financial statements have been prepared on historical cost convention basis except for investments classified as 'at fair value through profit or loss' which are measured at fair value.

### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Fund's functional and presentation currency. Figures have been rounded off to nearest thousand rupee, unless otherwise stated.

### 2.4 Use of judgements and estimates

The preparation of these financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In the process of applying the Fund's accounting policies, management has made the following accounting estimates and judgments which are significant to the these financial statements and estimates with a significant risk of material adjustment in future periods:

- a) Classification and valuation of financial instruments (notes 3.1 and 5);
- b) Impairment of financial instruments (note 3.1.4); and
- c) Provision (note 3.5)

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

#### 3.1 Financial instruments

##### 3.1.1 Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

##### 3.1.2 Classification and subsequent measurement

###### 3.1.2.1 Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

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 debt investment 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.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis, amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at otherwise arise.

#### Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

### Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

#### 3.1.2.2 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit / mark-up or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / mark-up income and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.
Equity investments at FVOCI	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. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

Subsequent to initial recognition, financial assets designated by the management as 'fair value through profit or loss' and 'fair value through OCI' are valued as follows:

#### a) Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). 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 aforementioned 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) Basis of valuation of 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 (PKIRSV rates) which are based on the remaining tenure of the securities.

#### c) Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs. The preference shares received as dividend in specie are carried at cost.

#### 3.1.3 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### 3.1.4 Impairment

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

The SECP through its letter SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

#### 3.1.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

#### 3.1.6 Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

#### 3.1.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### 3.1.8 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the Balance Sheet if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 3.2 Participants' fund

Participants' fund representing the units issued by the Fund, are carried at the net assets value representing the investors' right to a residual interest in the Fund's net assets.

#### 3.3 Issuance, allocation, reallocation and redemption of units

Contribution received in the individual pension account after deduction of takaful premium, if any, followed by front end fee, is used to purchase the units of sub-funds of the fund according to the allocation scheme selected by the participant. The units are allotted at the net asset value notified by the Pension Fund Manager at the close of that dealing day (forward pricing) for each sub-fund, when the contribution is realized. The front end fee is payable to the distributors and the Pension Fund Manager.

The Pension Fund Manager makes reallocation of the sub-fund units between the sub-funds at least once a year to ensure that the allocations of the sub-fund units of all the participants are according to the allocation schemes selected by the participants.

Withdrawals made are used to redeem units of the sub-funds of the fund, according to the allocation scheme of the participant, at the net asset value prevalent on the date on which the distributors receive redemption application during business hours on that date.

#### 3.4 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of that obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 3.5 Net assets value per unit of each sub-fund

The net assets value (NAV) per unit, as disclosed in the Statement of Asset and Liabilities, is calculated by dividing the net assets of each sub-fund by the number of units in issue at period end.

### 3.6 Taxation

The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision in respect of taxation has been made in these financial statements.

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

### 3.7 Income

- (i) Gains / (losses) arising on sale of investments are included in the Income statement on the date when the transaction takes place.
- (ii) Dividend income is recognised when the Fund's right to receive the same is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- (iii) Profit on bank balances and term deposits / COMs are recognised on time proportion basis using effective yield method.
- (iv) Income on sukuk certificates, placements and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the profits are recorded on cash basis.
- (v) Unrealised gains / (losses) arising on revaluation 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.

### 3.8 Expenses

All expenses, including remuneration of the Pension Fund Manager, Trustee and annual fee to the Securities and Exchange Commission of Pakistan fee are recognised in the Income Statement as and when incurred.

### 3.9 Earnings per unit

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

### 3.10 Cash and cash

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

### 3.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net

An equalisation account called 'element of income / (loss) and capital gains / (losses)' included in prices of units issued less those in units redeemed is set up in order to prevent the dilution of income per unit.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) held in the participants' funds in a separate account. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

### 3.12 Distribution

Distribution of dividend or bonus units is not allowed under the Schedule II of VPS Rules 2005.

4. BANK BALANCES

As at June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
(Rupees in '000)				
55,106	500	500	500	56,606
<b>55,106</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>56,606</b>

Note

Savings accounts

4.1

4.1 The balance in savings accounts carry expected profit which ranges from 11.01% to 19.50% per annum.

5. INVESTMENTS

As at June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
(Rupees in '000)				
49,120	-	-	-	49,120
<b>49,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,120</b>

Note

Investments by category

At fair value through profit or loss  
Sukuk certificates

5.1

5.1 Sukuk certificates - At fair value through profit or loss

5.1.1 Held by Money Market Sub-Fund

Name of the Security

	As at July 01, 2023	Purchases during the period	Sales / Matured during the period	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation as at June 30, 2024	Market value as a percentage of Net Assets	
Note	Number of certificates				(Rupees in '000)			%	
<b>Government Securities</b>									
GOP-Ijarah Sukuk XXXXI VRR	5.1.1.1	-	140	-	140	13,871	13,975	104	12.74
GOP-Ijarah Sukuk XXXII FRR	5.1.1.1	-	220	-	220	22,121	22,145	24	20.19
GOP-Ijarah Sukuk XVIII VRR		-	120	120	-	-	-	-	-
GOP-Ijarah Sukuk XXXI VRR		-	400	400	-	-	-	-	-
<b>Power Generation &amp; Distribution</b>									
K-Electric Limited- Short Term Sukuk (XXVI)	5.1.1.1	-	13	-	13	13,000	13,000	-	11.85
<b>Total as at June 30, 2024</b>					<b>48,992</b>	<b>49,120</b>	<b>128</b>		

5.1.1.1 Significant terms and conditions of Sukuk certificates outstanding as at June 30, 2024 are as follows:

Name of security	Original principal (Rupees per certificate)	Mark-up rate (per annum)	Issue date	Maturity date
GOP-Ijarah Sukuk XXXXI VRR	100,000	Weighted average yield of 6 months T-Bills	4-Dec-23	4-Dec-26
GOP-Ijarah Sukuk XXXII FRR	100,000	Weighted average yield of 6 months T-Bills	9-Oct-23	9-Oct-24
K-Electric Limited- Short Term Sukuk (XXVI)	1,000,000	6 months KIBOR + 0.15%	4-Jun-24	4-Dec-24

**6. DEPOSITS AND OTHER RECEIVABLES**

As at June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
(Rupees in '000)				
Profit receivable on saving accounts with banks	4,539	-	-	4,539
Profit receivable on sukuks certificates	1,541	-	-	1,541
Security deposit with CDC	100	-	-	100
	<b>6,180</b>	<b>-</b>	<b>-</b>	<b>6,180</b>

**7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED  
- PENSION FUND MANAGER**

As at June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
(Rupees in '000)				
Management remuneration	32	-	-	32
Sindh Sales Tax on management fee	4	-	-	4
	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>

Note

- 7.1 As per regulation 67F of NBFC Regulation, 2008, Al Meezan Investment Management Limited, the Pension Fund Manager of the Fund is allowed to charge an annual management fee of the average of the values of the net assets of each of the Sub-Fund calculated for determining the prices of the units of the Sub-Funds with allowed expense ratio limit. Accordingly, the Pension Fund Manager has charged management fee at the following rates of the average daily net assets of the Sub-Funds.

Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund
From December 14, 2023 till June 30, 2024	0.30%	-	-

- 7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

**8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**

As at June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
(Rupees in '000)				
Trustee fee	25	-	-	25
Sindh Sales Tax on remuneration of the Trustee	3	-	-	3
	<b>28</b>	<b>-</b>	<b>-</b>	<b>28</b>

Note

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed in accordance with the tariff specified therein, based on the daily net assets of the sub-funds.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2024 is as follows:

Average net asset value	Tariff per annum
From December 14, 2023 till June 30, 2024	0.15% p.a of net asset value.

- 8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Trustee through Sindh Sales Tax Act, 2011 effective from July 01, 2011.

**9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP at the rate of 0.04% per annum of average annual net assets during the current period.

**10. ACCRUED EXPENSES AND OTHER LIABILITIES**

As at June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total

Note ----- (Rupees in '000) -----

Other Accrued Expenses Payable	671	-	-	-	671
Takaful Charges Payable	99	-	-	-	99
Brokerage Payable	2	-	-	-	2
	<b>772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>772</b>

**11. PAYABLE TO AUDITORS**

As at June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total

----- (Rupees in '000) -----

Audit fee	62	-	-	-	62
Half yearly review	6	-	-	-	6
	<b>68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68</b>

**12. CONTINGENCIES AND COMMITMENTS**

There were no other contingencies and commitments outstanding as at June 30, 2024.

**13. TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund for the period ended June 30, 2024 are:

As at June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	
Total Expense ratio	1.00%	-	-	-
Government levies	0.10%	-	-	-

The total expense ratio of the pension fund as prescribed in the offering document is capped as follows:

(a) Money Market Sub Fund upto 1% (b) Debt Sub Fund upto 1% (c) Equity Sub Fund upto 2%. (d) Equity Index Sub Fund upto 1.25%.

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

**14.1** Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Pension Fund Manager, Directors and executives of the Pension Fund Manager, other collective investment schemes managed by the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.

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

**14.3** Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed.

**14.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

**14.5 Amount outstanding as at period end are as follows:**

As at June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total

(Rupees in '000)

**Al Meezan Investment Management Limited  
- Pension Fund Manager**

Remuneration payable	32	-	-	-	32
Sindh Sales Tax on management fee	4	-	-	-	4
Investment: Money Market Sub Fund: 300,000 units Debt Sub Fund: 5,000 units, Equity Sub fund: 5,000 units Equity Index Sub Fund: 5,000 units	33,590	500	500	500	35,090

**Central Depository Company of Pakistan  
Limited (CDC) - Trustee**

Trustee fee payable	25	-	-	-	25
Sindh Sales Tax on trustee fee payable	3	-	-	-	3

**14.6 Detail of transactions with connected person and related parties are as follow:**

For the period from December 14, 2023 to June 30, 2024				
Money Market Sub Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total

(Rupees in '000)

**Al Meezan Investment Management Limited  
(Al Meezan) - Pension Fund Manager**

Remuneration for the period	119	-	-	-	119
Sindh Sales Tax on management fee	15	-	-	-	15

**Central Depository Company of Pakistan  
Limited (CDC) - Trustee**

Remuneration for the period	59	-	-	-	59
Sindh Sales Tax on trustee fee	8	-	-	-	8

**15. FINANCIAL RISK MANAGEMENT**

**Financial risk management objectives and policies**

The risk management policy of the Fund aims to maximise the return attributable to the participants and seeks to minimise potential adverse effects on the Fund's financial performance.

Risk of the Funds is being managed by the Pension Fund Manager in accordance with the approved policies of the Investment Committee which provide broad guidelines for management of risk pertaining to market risks (including price, risk and interest rate risk), credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the VPS Rules and the directives issued by SECP.

Risks managed and measured by the Fund are explained below:

**15.1 Market risk**

**15.1.1 Price risk**

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, industry environment and / or the economy in general.

The Pension Fund Manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the participants from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the Pension Fund Manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio. The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

Details of the Fund's investment portfolio exposed to price risk, at the balance sheet date are disclosed in note 5 to these financial statements. The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

### 15.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

#### a) Sensitivity analysis for variable rate instruments

Presently the Money Market Sub-Fund hold KIBOR based debt securities, exposing the Sub-Fund to cash flow in interest rate risk.

		2024	
		Effect on net income	
	Money Market Sub Fund	Total	
----- (Rupees in '000) -----			
Increase by 100 basis points	491	491	
Decrease by 100 basis points	(491)	(491)	
The variable interest rate profile of the Fund's interest-bearing financial instruments as reported to the management of the Fund is as follows:			
Meezan GoKP Pension Fund - Money Market Sub-Fund		Note	Carrying amount (Rupees in '000)
Savings accounts		4	56,606
Investments		5	-
			<u>56,606</u>
		Impact on profit before tax	
		100 bp Increase	100 bp decrease
		----- (Rupees) -----	
As at June 30, 2024			
Cash flow sensitivity - variable rate instruments		566	(566)

#### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2024, the Fund does not hold any fixed rate instruments in Money Market Sub Fund that exposes the Fund to interest rate risk.

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association of Pakistan for the Government Ijarah Sukuks is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

#### Meezan GoKP Pension Fund - Money Market Sub-Fund

		As at June 30 2024				
		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
Effective yield / interest rate	Note	Up to three months	More than three months and up to one year	More than one year		
		----- (Rupees in '000) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	4	11.01% to 19.50%	56,606	-	-	56,606
Investments - at fair value through profit or loss						
- Sukuk certificates	5.1		-	-	49,120	49,120
Formation Cost			-	-	201	201
Deposits and other receivables			-	-	6,080	6,080
			<u>56,606</u>	<u>-</u>	<u>49,120</u>	<u>6,281</u>
						<u>112,007</u>
Financial liabilities						
Payable to Al Meezan Investment Management Limited - Pension Fund Manager			-	-	36	36
Payable to Central Depository Company of Pakistan Limited - Trustee			-	-	28	28
Payable to Securities and Exchange Commission of Pakistan			-	-	18	18
Payable to auditors			-	-	68	68
Accrued expenses and other liabilities			-	-	770	770
			-	-	920	920
On-balance sheet gap			<u>56,606</u>	<u>-</u>	<u>49,120</u>	<u>5,361</u>
						<u>111,007</u>
Off-balance sheet financial instruments						
Off-balance sheet gap			-	-	-	-
			<u>56,606</u>	<u>-</u>	<u>49,120</u>	
			<u>56,606</u>	<u>56,606</u>	<u>105,726</u>	

### 15.1.3 Currency risk

Currency risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

### 15.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted.

#### Meezan GoKP Pension Fund - Money Market Sub-Fund

The maximum exposure to credit risk as at June 30, 2024 is tabulated below:

Financial assets exposed to credit risk	2024 (Rupees in '000)	
Bank balances		56,606
Investments		49,120
Formation cost, deposits and other receivables		6,381
		<u>112,107</u>

#### Credit quality of Financial asset

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of balances with banks and profit accrued thereon is as follows:

	Rating agency	2024	
		(Rs. in '000)	(%)
AAA	VIS / PACRA	45,148	80%
AA	VIS / PACRA	11,458	20%
		<u>56,606</u>	<u>100%</u>

### 15.3 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Fund's offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting participant's early redemptions at any time. The Fund's investment are considered to be readily realisable.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

In accordance with the risk management policy of the Fund, the investment committee monitors the liquidity position which is reviewed by the Board of Directors of the Pension Fund Manager.

An analysis of the Fund's financial liabilities into relevant maturity grouping as at June 30, 2024 is tabulated below:

Meezan GoKP Pension Fund - Money Market Sub-Fund	2024				Total
	Maturity up to				
	Three months	Six months	One year	More than one year	
	(Rupees in '000)				
<b>Financial liabilities</b>					
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	36	-	-	-	36
Payable to Central Depository Company of Pakistan Limited - Trustee	28	-	-	-	28
Payable to Securities and Exchange Commission of Pakistan	18	-	-	-	18
Accrued expenses and other liabilities	770	-	-	-	770
Payable to auditors	68	-	-	-	68
	<u>920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>920</u>
Net assets attributable to redeemable units	<u>111,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,185</u>

## 16. PARTICIPANTS' FUND RISK MANAGEMENT

All units and fractions thereof represent an undivided share in the respective sub-fund and rank pari passu as to their rights in the net assets and earnings of that sub-fund. The relevant movements are shown on the 'statement of movement in participants' sub-funds'.

Each participant has a beneficial interest in the Fund proportionate to the units held by such participant in the respective sub-fund in his individual pension account (IPA). The liability of the participant is limited to the number of units, held by each participant in his IPA. These are only redeemable in case of retirement, premature encashment / redemption, death of the participant, and change of Pension Fund Manager, change of allocation schemes and / or rebalancing of the IPA according to the percentages selected allocation schemes.

In accordance with risk management policies stated in note 15, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet early withdrawal requests, such liquidity being augmented by disposal of investments where necessary.

## 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

For valuation techniques for specific instruments, refer note 3.1.2.2

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Meezan GoKP Pension Fund - Money Market Sub-Fund	Carrying Amounts				Fair Values			
	Amortised cost	At fair value through profit or loss	Financial liabilities measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
Note ----- (Rupees in'000) -----								
<b>Financial assets - measured at fair value</b>								
Sukuk certificates	5	-	49,120	-	49,120	-	-	49,120
		-	49,120	-	49,120			
<b>Financial assets not measured at fair value</b>								
Bank balances	17.1	56,606	-	-	56,606			
Formation Cost	17.1	201	-	-	201			
Deposits and other receivables	17.1	6,080	-	-	6,080			
		<b>62,887</b>	-	-	<b>62,887</b>			
		<b>62,887</b>	<b>49,120</b>	-	<b>112,007</b>			
<b>Financial liabilities not measured at fair value</b>								
Payable to Al Meezan Investment Management Limited - Pension Fund Manager	17.1	-	-	36	36			
Payable to Central Depository Company of Pakistan Limited - Trustee	17.1	-	-	28	28			
Payable to Securities and Exchange Commission of Pakistan (SECP)	17.1	-	-	18	18			
Payable to auditors	17.1	-	-	68	68			
Accrued expenses and other liabilities	17.1	-	-	770	770			
		-	-	<b>920</b>	<b>920</b>			

17.1 The Fund has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.



**18. TAXATION**

The income of the Fund is exempt from income tax under clause 57(3) (viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in these financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, Supertax and any other taxes introduced in Finance Act, 2015 is also not applicable on the Fund.

**19. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on August 19, 2024 by the Board of Directors of the Pension Fund Manager.

**20. GENERAL**

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

**For Al Meezan Investment Management Limited  
(Pension Fund Manager)**

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**Chief Executive**

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**Chief Financial Officer**

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**Director**

**PERFORMANCE TABLE**  
**Meezan GOKP Pension Fund**

	2024
Net assets (Rs. '000) (ex-distribution)	109,685
Net assets value / redemption price per unit as at June 30 (Rs.) (ex-distribution)	111.9656
Offer price per unit as at June 30, (Rs.) (ex-distribution)	N/A
Highest offer price per unit (Rs.)	111.9656
Lowest offer price per unit (Rs.)	100.0549
Highest redemption price per unit (Rs.)	N/A
Lowest redemption price per unit (Rs.)	N/A
Distribution (%)	
Interim	0.00%
Final	
Date of distribution	N/A
Interim	N/A
Final	N/A
Income distribution (Rupees in '000)	N/A
Growth distribution (Rupees in '000)	N/A
Total return (%)	21.95

	One Year
Average annual return as at June 30, 2024 (%)	21.95%

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