## **CONTENTS**



03	Vision & Mission Statements		
04	Report of the Directors of the Management Company	′	
	i s I a m	eZan ic fund	
12	Fund Information	16	Condensed Interim Statement of Movement in Unitholders' Funds
13	Condensed Interim Statement of Assets and Liabilities	17	Condensed Interim Cash Flow Statement
14	Condensed Interim Income Statement	18	Notes to the Condensed Interim Financial Report
15	Condensed Interim Distribution Statement		T mancial Report
	me mutu: حالات	eZan al fund	
26	Fund Information	30	Condensed Interim Statement of Movement in Unitholders' Funds
27	Condensed Interim Statement of Assets and Liabilities	31	Condensed Interim Cash Flow Statement
28	Condensed Interim Income Statement	32	Notes to the Condensed Interim
29	Condensed Interim Distribution Statement		Financial Report
	kse meezi	PZAN an index fund	
40	Fund Information	44	Condensed Interim Statement of Movement in Unitholders' Funds
41	Condensed Interim Statement of Assets and Liabilities	45	Condensed Interim Cash Flow Statement
42	Condensed Interim Income Statement	46	Notes to the Condensed Interim Financial Report
43	Condensed Interim Distribution Statement		
	islamic inco	Zan ome fund	
52	Fund Information	56	Condensed Interim Statement of Movement in Unitholders' Funds
53	Condensed Interim Statement of Assets and Liabilities	57	Condensed Interim Cash Flow Statement
54	Condensed Interim Income Statement	58	Notes to the Condensed Interim
55	Condensed Interim Distribution Statement		Financial Report



66	Fund Information		70	Condensed Interim Statement of Movement in Unitholders' Funds
67	Condensed Interim Statement of Assets and Liabilities		71	Condensed Interim Cash Flow Statement
68	Condensed Interim Income Statement		72	Notes to the Condensed Interim
69	Condensed Interim Distribution Statement			Financial Report
		mee /	<b>an</b>	
78	Fund Information		83	Condensed Interim Statement of
79	Condensed Interim Statement of			Movement in Unitholders' Funds
	Assets and Liabilities		84	Condensed Interim Cash Flow Statement
80	Condensed Interim Income Statement		85	Notes to the Condensed Interim Financial Report
81	Condensed Interim Distribution Statement			
		mee/capital protecte	d fund-II	
92	Fund Information		96	Condensed Interim Statement of Movement in Unitholders' Funds
93	Condensed Interim Statement of Assets and Liabilities		97	Condensed Interim Cash Flow Statement
94	Condensed Interim Income Statement		98	Notes to the Condensed Interim
95	Condensed Interim Distribution Statement			Financial Report
		mee Z	an fund	
106	Fund Information		111	Condensed Interim Cash Flow Statement
107	Condensed Interim Statement of Assets and Liabilities		112	Notes to the Condensed Interim Financial Information
108	Condensed Interim Income Statement		137	Statement of The Income & Expenditure of the Management Company In Relation to the Fund
109	Condensed Interim Distribution Statement			Management Company in Relation to the Fund
110	Condensed Interim Statement of Movement in Unitholders' Funds			
		tahaffuz pensi	on fund	
122	Fund Information		128	Condensed Interim Statement of
123	Condensed Interim Balance Sheet		120	Movement in Participants' Sub Funds  Condensed Interim Contribution Table
124	Condensed Interim Income Statement		129	
126	Condensed Interim Statement of Cash Flows		130	Condensed Interim Number of Units in Issue
		1	131	Notes to the Condensed Interim Financial Statements



### **VISION**

"To promote professional fund management through development and implementation of Shariah compliant investment products, policies and practices designed to meet the investment objectives of the investors".

### Mission

"To be the leading Shariah compliant asset management company providing quality service to institutional and individual investors utilizing modern techniques of portfolio management, proactive asset allocation and prudent security selection while maintaining high standards of ethical and professional conduct".

### REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY

The Board of Directors of Al Meezan Investment Management Limited, the management company and pension fund manager is pleased to present the unaudited financial statements of the following open end funds, a closed end fund and voluntary pension scheme for the nine months ended March 31, 2013.

### **Equity Funds**

- Meezan Islamic Fund
- Al Meezan Mutual Fund
- KSE Meezan Index Fund

### **Income Funds**

- Meezan Islamic Income Fund
- Meezan Sovereign Fund

### **Money Market Fund**

Meézan Cash Fund

### **Capital Protected Fund**

Meezan Capital Protected Fund-II

### **Closed End Balanced Fund**

Meezan Balanced Fund

### **Voluntary Pension Scheme**

Meezan Tahaffuz Pension Fund

### **Economic Review**

The nine months of FY13 saw a mixed bag on Pakistan's macroeconomic landscape with reforms agenda generally remaining on the backburner in the run up to the elections. Given that the structural issues have remained intact, we expect economic growth to remain subdued with fear of inflationary pressures resurging in next fiscal year. We expect GDP growth to remain range bound to last year's growth rate of 3.7%. However, favorable global economic conditions kept oil prices stable, improved geopolitical relations with US saw inflows worth US\$ 1.1 billion under Coalition Support Fund (CSF) and US\$248 million under Kerry Lugar Bill in beginning of FY13, followed by another CSF tranche (US\$688 million) received in the last week of December 2012. Moreover, remittances continued to grow and for the period of July - February 2013 clocked in at US\$ 9.2 billion, registering an increase of 7% YoY. This is expected to keep the current account outlook manageable, with US\$700 million deficit recorded in eight months of 2013 vs. US\$ 3.2 billion deficit reported in the same period last year.

On the external front, despite growth in remittances, pressure came from financial account which posted a deficit of US\$167 million as against a surplus of US\$561 million last year. This was mainly due to higher debt repayments and subdued investment flows. In addition, repayments to IMF (US\$2.07 billion repaid in nine months FY13) contributed to decline in Pakistan's forex reserves, which stood at US\$15.2 billion on June 30, 2012, and came down to US\$ 12.3 billion as on March 31, 2013. These payments also exerted pressure on the currency as Pak Rupee depreciated by 4% to close the nine months at Rs. 98.4. On the fiscal front, low tax mobilization and higher subsidy outlay (particularly power) remained the major concerns. FBR Tax collection has remained lack luster as it increased by merely 6.6% to Rs. 1.34 trillion in nine months leaving behind mammoth target of Rs 756 billion to be achieved in the remaining three months of FY13, while Rs. 267 billion has been given to power sector in nine months against revised annual target of Rs. 293 billion in FY13. Meanwhile, FY13 being an election year saw a spending spree by outgoing government in order to gain political mileage.

On a positive note, CPI receded to a 5-year low to 6.57% in the month of March 2013 that was driven by a combination of various factors: (1) softer food inflation (2) sharp cut in gas tariff in July and CNG prices in October and (3) relatively sticky house rent index due to revised calculation under new base year. As a result, inflation averaged at 8.0% for the nine months of FY13 against 10.8% in the same period last year. Following improvement in external account and inflation receding to single-digits, the State Bank of Pakistan slashed the discount rate by a cumulative 250 bps in three consecutive Monetary Policy Statements (MPS) of August, October and December 2012 by 150, 50 and 50 bps respectively, bringing it down to a single digit at 9.5%. The policy rate remained unchanged in the last MPS in February and we expect it to remain unchanged in near future.



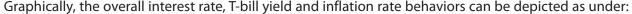
As further repayments on IMF loan take place, we anticipate external account pressures to escalate requiring another re-entry into IMF program. Although we do not anticipate much policy change during the caretaker set up, we anticipate economic challenges to take the limelight once new government steps in the power corridors.

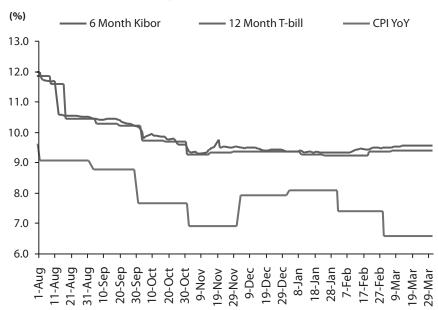
### **Money Market**

The first three quarters of fiscal year 2013 witnessed an eventful money market with regards to changing interest rates and ensuing volatility in market expectations. Post the 250 bps discount rate cut during the first half of this fiscal year, the market saw the key rate being maintained at 9.50% in the fourth monetary policy announced during the third quarter, resulting in an upward revision in the overall interest rates by around fifteen to twenty bps. The illiquidity prevalent in the market required SBP to inject regular liquidity in the system via forty four OMOs amounting to Rs. 18.7 trillion during the nine months ended March 31, 2013. During this period, nineteen T-bill auctions and nine PIB auctions were also conducted; cumulatively, the government accepted Rs. 4.2 trillion against a participation of Rs. 6.2 trillion in T-bills and Rs. 169 Billion against a participation of Rs. 380 Billion in PIBs (three PIB auctions in the third quarter were rejected).

Most importantly for the Shariah compliant end of the market, two new Ijarah auctions were also conducted during this period (Ijarah XIII and XIV) whereby in total, Rs.104 billion was accepted by the government against a participation of Rs. 214 billion; both these auctions were cut off at discounts of 25 bps and 30 bps to six month T Bill rates respectively. Al Meezan, on behalf of its funds, also managed to attain a healthy acceptance in these auctions.

During these nine months, the forex front continuously witnessed a declining rupee mainly on account of external debt repayments, a major chunk of which comprised of IMF repayments amounting to \$2.07 billion; SBP's reserves declined to \$7.1 billion from \$10.8 billion during this period despite inflows through foreign remittances and realization of \$1.8 billion worth of CSF tranches. Despite SBP interventions, rupee weakened enough to trade below Rs. 100/\$ in the open market but before the end of the third quarter, it gained some value due to foreign currency inflows on account of election activities gaining some momentum in the country. By the end of these nine months, in the interbank market, rupee closed at Rs. 98.40/\$ while in the open market, it closed at Rs. 99.10/\$; this translates into a currency depreciation of 4% and 3.4% respectively.





### **Equity Review**

In spite of challenging economic environment on account of rampant energy crisis and heightened security concerns, Pakistan's equity market responded positively to the improvements in corporate profitability as KSE 100 index rose by 30.74% during nine months of fiscal year 2013 to close at the level of 18,043. The improvement in macro outlook on the back of improved corporate performance and Pak US relationship also reflected in improved foreign investor confidence as net foreign portfolio investment clocked in at US\$228 million for the nine months. During the period, despite increased noise on political façade owing to elections, positives in the form of coalition support fund, declining interest rates and falling inflation to single digit were the key factors which led the KSE 100 index to reach 18,000 psychological resistance levels.

In addition to falling inflation, the market responded to favorable corporate results especially Oil & Gas, cement and textile sectors. In terms of sector performance, the index was propelled by strong gains across Telecom, Cements, Textiles, Food Producers and heavyweight Oil and Gas companies. Stable cotton prices, increased yarn demand from China and lower interest rates were the key positives also going in the favor of market. Among the laggards, chemical sector severely underperformed the market mainly due to issues faced by the fertilizer sector. For banking sector as well, it was a dismal period as the sector was overwhelmed by significant policy rate easing which resulted in a decline on asset returns, while the decision to maintain the minimum average deposit rate resulted in the compression of net interest margins. On the other hand, high leverage stocks performed well in response to the 250 bps cut in discount rate to 9.5%. Other policy matters that played a role in driving the market were 1) International Clearing House (ICH) formation and revocation (higher termination rates for long distance international (LDI) operators 2) gas supply to fertilizer sector and fertilizer import policy; 3) Oil & Gas sector policy finalization, though the impact of the same would be seen with a lag; 4) auto sector (used car imports) 5) announcement of Unilever delisting from KSE and likely diversion of these funds to other stocks in the local equity market and 5) active foreign participation which lifted investor sentiment and boosted the market.

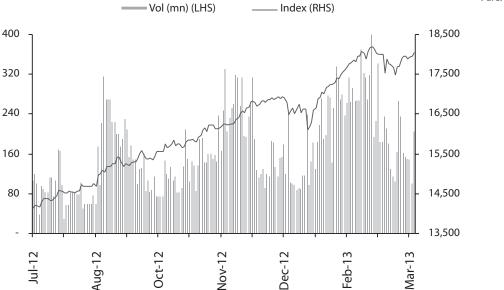
On the political front despite the heightened volatility amid increased noise on the political façade owing to elections in May 2013, the news flow remained mixed. The matters appeared to be cooling off towards the end of nine months i.e. in March, 2013 when the elected government has completed its term and an interim setup with consensus of all parties has taken charge silencing rumors of likely delay in election. Although we do not anticipate much policy change during the next two months, we anticipate economic challenges to take the limelight once new government steps in the power corridors.

### Volumes, Liquidity and Foreign activity

The volumes at KSE also remained better, taking average daily shares volume to 170mn shares in nine months of FY13, up 60% as compared to corresponding period last year.

The impressive performance resulted in a revival of foreign interest where the KSE saw net inflows of US\$ 222.7 million in nine months vs a US\$ 124.58 million outflow in the preceding nine months. During the period under review, banks were net buyers to the tune of US\$ 64.4 million, while companies and mutual funds remained net sellers to the tune of US\$ 135.58 million and US\$ 102.63 million respectively. Individuals were net buyers by 1.61 mn USD.





### **Mutual Fund Industry Review**

During the first eight months of fiscal year 2013, Assets under Management (AUM) of the mutual fund industry witnessed a decline of 9.68% to Rs. 345 billion. Islamic funds on the other hand grew by 17.6% during the period under review to Rs 62 billion, thus increasing the market share of Islamic funds to 17.9% in the mutual fund industry. During the same period, funds under management of Al Meezan grew by 9.8%, while the market share of Al Meezan in the mutual fund industry grew from 10.1% in June 2012 to 12.3% in February 2013.

In terms of net assets, open end sovereign, money market and income funds collectively showed a decline of 16.5% during the first eight months of FY13, reaching Rs 236 billion at period end. Islamic funds in the above mentioned categories increased by 14.1% during the period under review. Open end Equity funds depicted a mixed picture where the equity based funds (including capital protected, index tracker, and asset allocation) increased by 7.9% to reach Rs 77 billion as on February 28, 2013 compared to Rs 72 billion as at June 30, 2012. Islamic equity based funds, on the other hand, showed a significant growth of 30.1% in the period under review and stood at Rs. 14.0 billion as compared to Rs. 10.8 billion in June 2012.

Similarly, the size of Pension funds also reached Rs 3.8 billion as at February end, up 37.1% from June 2012. Islamic Pension Funds also witnessed a growth of 42.0% in the period under review to clock in at Rs 2.3 billion as on February 28, 2013. The size of Meezan Tahaffuz Pension Fund meanwhile stood at Rs. 1.3 billion as on February 2013, which equals to a market share of 34.7% among Pension Funds.

The decline in the mutual fund industry in general, and in the sovereign and money market categories in particular, is primarily due to (a) declining returns on these funds due to decline in policy rate and (b) levy of tax at 25% for the tax year 2013 on any cash dividend received by banking companies from a money market or income fund. Moreover, the tax rate for them will rise to 35% for tax years 2014 and onwards.

The Mutual Fund industry is still in a nascent stage and has bright future for growth with the launch of newer products catering to investors with diversified investment needs. Al Meezan itself is looking forward to cater to the diversified investment needs of investors through its upcoming product, Meezan Financial Planning Fund of Funds. This fund is designed with three allocation plans to allow aggressive, moderate, or conservative investment strategies to invest through a single fund.



Name of Fund Type		Net Assets as on March 31, 2013 (Rs. millions)	Growth in Net Assets for nine months FY13	Return for nine months FY13
Meezan Islamic Fund (MIF)	Open-End Equity	7,530	40.9%	30.6%
Al Meezan Mutual Fund (AMMF)	Open-End Equity	1,982	18.0%	30.4%
KSE Meezan Index Fund (KMIF)	Open-End Index Tracker	296	2.3%	30.4%
Meezan Islamic Income Fund (MIIF)	Open-End Income	2,107	74.3%	15.5%
Meezan Sovereign Fund (MSF)	Open-End Income	20,188	2.4%	9.4%
Meezan Cash Fund (MCF)	Open-End Money Market	6,811	-8.2%	9.1%
Meezan Capital Protected Fund - II (MCPF-II)	Open-End Capital Protected	486	9.6%	10.7%
Meezan Balanced Fund (MBF)	Closed-End Balanced	1,606	4.6%*	21.1%
Meezan Tahaffuz Pension Fund (MTPF)	Voluntary Pension Scheme			
- Equity sub fund		542	67.4%	33.5%
- Debt sub fund		479	43.9%	8.7%
- Money market sub fund		282	33.4%	8.1%
Total		42,309		

<sup>\*</sup>MBF paid cash dividend of 19% during the period

### **Meezan Islamic Fund**

During the first nine months of FY13, Meezan Islamic Fund provided a return of 30.6% while the benchmark index KMI-30 appreciated by 32.9%. During the period under review, net assets of the fund increased by 40.9% to stand at Rs 7.5 billion. As of period end, the fund was 95% invested in equities.

### Al Meezan Mutual Fund

During the first nine months of FY13, the fund provided a return of 30.4% while the benchmark index KMI-30 appreciated by 32.9%. During the period under review, net assets of the fund increased by 18.0% to reach Rs 1.98 billion on March 31, 2013. As of period end, 94% of net assets were invested in equities.

### Meezan Islamic Income Fund

During the first nine months of FY13, Meezan Islamic Income Fund provided an annualized return of 15.5% as compared to benchmark return of 5.7%. The return was higher because Maple Leaf Cement Sukuk started to repay some portion of principal as well as outstanding rentals. During the period under review, the net assets of the fund increased by 74.3% to stand at Rs 2.1 billion. As of period end, the fund was invested 18% in Islamic Corporate Sukuk, 40% in GoP Ijarah Sukuks, 15% in Islamic commercial papers and 25% in Islamic banks.

### Meezan Sovereign Fund

During the first nine months of FY13, Meezan Sovereign Fund provided an annualized return of 9.4% as compared to benchmark return of 7.0%. During the period under review, net assets of the fund increased by 2.4% to stand at Rs 20.2 billion. As of the period end, the fund was invested 74% in Ijarah Sukuk and 25% in AA and above rated banks.

### **Meezan Cash Fund**

During the first nine months of FY13, Meezan Cash Fund provided an annualized return of 9.1% as compared to benchmark return of 7.0%. During the period under review, net assets of the fund decreased by 8.00% to stand at Rs 6.8 billion on March 31, 2013. As of the period end, the fund was invested 22% in Islamic TDR, 7% in Islamic commercial paper and 70% in AA and above rated banks.



### **KSE Meezan Index Fund**

The fund was launched on May 23, 2012. During the first nine months of FY13, KSE Meezan Index Fund provided a return of 30.4% while the benchmark index KMI-30 appreciated by 32.9%. During the period under review, net assets of the fund increased by 2.3% to stand at Rs 296 million.

### **Meezan Tahaffuz Pension Fund**

During the first nine months of FY13, Meezan Tahaffuz Pension Fund (MTPF) became the first voluntary pension fund in Pakistan to cross milestone of Rs. 1 billion in AUMs. The fund comprises of three sub funds namely Equity sub fund, Debt sub fund and Money market sub fund. Total net assets of MTPF increased by Rs 435 million (increase of 50%) and stand at Rs 1,303 million as on March 31, 2013. It is the largest voluntary pension fund in Pakistan with a market share of 34.4% as of February 28, 2013. Performance review of each sub fund for the nine months ended March 31, 2013 is given here under:

### **Equity Sub Fund**

During the first nine months of FY13, Equity Sub Fund provided a return of 33.5%. The net assets of the sub fund increased by 67.4% to stand at Rs 542 million on March 31, 2013. As of period end, the fund was 95% invested in equities.

### Debt Sub Fund

During the first nine months of FY13, Debt Sub Fund provided an annualized return of 8.7%. During the period under review, net assets of the sub fund increased by 43.9% to stand at Rs 479 million. As of period end, the fund was 96.3% invested in GoP Ijarah Sukuks, 0.3% in corporate sukuks and 1.7% in cash and cash equivalents.

### Money Market Sub Fund

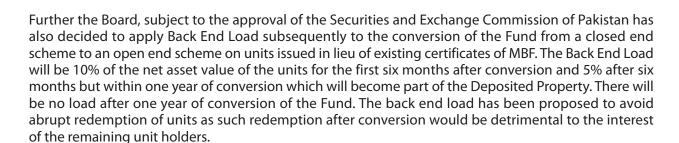
During the first nine months of FY13, Money Market Sub Fund provided an annualized return of 8.1%. During the period under review, net assets of the sub fund increased by 33.4% to stand at Rs 282 million. As of period end, the fund was 48% invested in GoP Ijara Sukuks, 0.2% in corporate sukuks and 49% in cash and cash equivalents.

### **Meezan Balanced Fund**

Meezan Balanced Fund (MBF) is a closed end fund that invests in Shariah compliant listed equity securities and listed or unlisted Islamic fixed income products. As per policy, the fund can invest up to 60% in listed equity securities. During the first nine months of FY13, Meezan Balanced Fund provided a cumulative return of 21.1% against the benchmark return of 19.3%.

During the period under review, net assets of the fund increased by 4.6% to stand at Rs 1.6 billion on March 31, 2012. As of period end, the fund was 56% invested in equities, 22% in Government Ijarah Sukuks, 4% in corporate sukuks and 6% in cash. The fund had announced 19% cash dividend for the year ended June 30, 2012.

In accordance with Regulation 65 of the Non Banking Finance Companies & Notified Entities Regulations, 2008 as amended vide SECP's SRO 1492(1)/2012 dated December 26, 2012, the Board of Directors had resolved to hold the meeting of the Certificate Holders on January 31, 2013. The meeting was held to seek approval of the Certificate Holders to either convert the Closed End Scheme into an Open End Scheme or revoke it, by a resolution to be passed by the Certificate Holders by a simple majority (more than fifty percent in value). The resolution was successfully passed by the Certificate Holders in the meeting held on January 31, 2013.



### **Meezan Capital Protected Fund-II**

Meezan Capital Protected Fund -II is a listed open end fund, investing primarily in GoP Ijarah Sukuks, to ensure capital protection and Shariah compliant listed equities to attain capital growth. The fund was launched on July 5, 2011. During the first nine months of FY13, the fund provided a return of 10.7%.

During the period under review, net assets of the fund increased by 9.6% to stand at Rs 486 million on March 31, 2013. As of period end, the fund was 18% invested in equities, 77% in GoP Ijarah Sukuks and 3% in cash and cash equivalents.

### Outlook

The repayment of the outstanding loans due to IMF in the coming months continues to be a concern in the near future. Moreover, lack of reforms on the fiscal front in the run up to elections and a slow growth environment, flagged recently by the IMF as well in its post-program meetings with the government authorities, shall continue to pose a challenge to the overall macroeconomic environment. Going forward, we believe that free and fair elections will bring fresh hopes for a positive change in the country. We believe that the new government will focus more on infusing economic growth, improving transparency and administrative efficiencies. Resultantly the stock market is also expected to rise on the back of positive economic outlook, stable government focusing on good governance and attractive valuations of fundamentally strong scrips.

### Acknowledgement

We take this opportunity to thank our valued investors for reposing faith in Al Meezan Investments making it the largest Islamic asset management company in the private sector in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan, Trustee, Central Depository Company of Pakistan for their support. Furthermore, we would like to thank the members of the Shariah Supervisory Board of Meezan Bank for their continued assistance and support on Shariah aspects of fund management.

For and on behalf of the Board

Date: April 19, 2013 Karachi. Mohammad Shoaib, CFA Chief Executive



**Quarterly Report March 31, 2013** 

### **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 Web site: www.almeezangroup.com E-mail: info@almeezangroup.com

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr. Ariful Islam Chairman Mr. P. Ahmed Director Mr. Salman Sarwar Butt Mr. Tasnimul Haq Farooqui Director Director Mr. Mazhar Sharif Director Syed Amir Ali Director Sýed Amir Ali Zaidi Director Mr. Mohammad Shoaib, CFA Chief Executive

### **CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY**

Syed Owais Wasti

### **AUDIT COMMITTEE**

Mr. P. Ahmed Chairman Mr. Mazhar Sharif Member Syed Amir Ali Member

### **HUMAN RESOURCES & REMUNERATION COMMITTEE**

Mr. Salman Sarwar Butt Chairman Mr. Tasnimul Haq Farooqui Member Mr. Mazhar Sharif Member Mr. Mohammad Shoaib, CFA Member

Central Depository Company of Pakistan Limited

CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal, Karachi.

### **AUDITORS**

KPMG Taseer Hadi & Co. **Chartered Accountants** 

Sheikh Sultan Trust Building No.2, Beaumount Road, Karachi-75530.

### **SHARIAH ADVISER**

Meezan Bank Limited

### **BANKERS TO THE FUND**

Allied Bank Limited Askari Bank Limited - Islamic Banking Al Baraka Islamic Bank B.S.C (E.C) Bank Alfalah Limited - Islamic Banking Bank Al Habib Limited - Islamic Banking Dubai Islamic Bank Pakistan Limited Faysal Bank Limited - Islamic Banking Habib Bank Limited - Islamic Banking

Hábib Metropolitan Bank Limited - Islamic Banking MCB Bank Limited Meezan Bank Limited **UBL** Ameen

Standard Chartered Bank (Pakistan) Limited - Islamic Banking

### **LEGAL ADVISER**

**Bawaney & Partners** 

404, 4th Floor, Beaumont Plaza, 6-CL-10, Beaumont Road, Civil Lines, Karachi - 75530

Phone: (9221) 3565 7658-59 Fax: (9221) 3565 7673

E-mail: bawaney@cyber.net.pk

### TRANSFER AGENT

Meezan Bank Limited

SITE Branch

Plot # B/9-C, Estate Avenue, SITE, Karachi.

Phone: 32062891 Fax: 32552771 Web site: www.meezanbank.com

### **DISTRIBUTORS**

Al Meezan Investment Management Limited

Meezan Bank Limited



### CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

As at March 31, 2013 (Unaudited)

Accede	Note	(Unaudited) March 31, 2013 (Rupees i	(Audited) June 30, 2012 in <b>'000</b> )
Assets Balances with banks Investments Receivable against sale of investments Dividend receivable Deposits, prepayments and other receivables Total assets	5	201,157 7,238,019 - 146,109 11,219 7,596,504	185,660 5,163,955 2,307 10,212 12,646 5,374,780
Liabilities Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company of the Fund Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund Payable to Meezan Bank Limited (MBL) Payable to Securities and Exchange Commission of Pakistan (SECP) Payable on redemption of units Payable against purchase of investments Accrued expenses and other liabilities Total liabilities		24,120 729 - 4,665 10,639 1,038 25,125 66,316	15,155 612 67 4,599 2,128 - 9,060 31,621
Net assets		7,530,188	5,343,159
Contingency	6		
Unitholders' funds (as per statement attached)		7,530,188	5,343,159
		Number	of units
Number of units in issue		139,234,238	107,597,536
		Rup	
Net assets value per unit (Rupees)		54.08	49.66

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

### CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine Months <sub>I</sub> Marc			r ended ch 31,
	2013	2012	2013	2012
		(Rupee	s in '000)	
Income Net realised gain on sale of investments	390,771	100,681	219,622	77,037
Dividend income - Net of charity	398,547	270,576	156,424	102,005
Profit on savings accounts with banks	17,787	28,594	7,078	6,231
Other income	6,271	3,003	2,455	1,455
	813,376	402,854	385,579	186,728
Unrealised gain on re-measurement of investments				
'at fair value through profit or loss' (net)	1,062,722	140,382	315,193	194,766
Impairment loss on 'available for sale' investments	(29,825)_	(87,089)_		-
Total income	1,846,273	456,147	700,772	381,494
Expenses				
Remuneration to Al Meezan - Management Company of the Fund	98,211	70,007	36,196	24,146
Sindh Sales Tax on management fee	15,714	11,202	5,792	3,864
Remuneration to CDC - trustee of the Fund	5,661	4,254	2,056	1,457
Annual fee to SECP	4,665	3,325	1,719	1,147
Auditors' remuneration	492	508	118	115
Fees and subscription	30	30	10	10
Legal and professional charges	139	139	46	46
Brokerage	6,075	1,613	2,876	1,056
Bank and settlement charges	1,700	775	799	477
Provision for Workers' Welfare Fund	11,237	-	11,237	-
Printing charges	525	539	172	180
Total expenses	144,449	92,392	61,021	32,498
Net income from operating activities Element of income / (loss) and capital gains / (losses) included	1,701,824	363,755	639,751	348,996
in prices of units issued less those in units redeemed (net)	34,792	(20)	(77,902)	(841)
Net income for the period	1,736,616	363,735	561,849	348,155
Other comprehensive income for the period				
Unrealised gain on 'available for sale' investments (net of impairment)	23,516	399,123	4,417	600,466
Element of income and capital gains included in prices of units sold less those in units redeemed pertaining to 'available for sale' investment (net)	4,575	7,814	256	4,506
Total comprehensive income for the period	1,764,707	770,672	566,522	953,127

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



## CONDENSED INTERIM DISTRIBUTION STATEMENT For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine Months Marc			er ended ch 31,
	2013	2012	2013	2012
		(Rupees	s in '000)	
Accumulated income / (loss) brought forward	49,468	(95,409)	340,874	(948,589)
Less: Final distribution in the form of bonus units @ 16.5% for the year ended June 30, 2012 (June 30, 2011 @ 20%)	(886,753)	(871,260)	-	-
Less: Final distribution in the form of cash dividend @ 16.5% for the year ended June 30, 2012 (June 30, 2011 @ 20%)	(927)	(808)	-	-
Net income for the period	1,736,616	363,735	561,849	348,155
Element of income and capital gains included in prices of units sold less those in units redeemed pertaining to 'available for sale' investment (net)	4,575	7,814	256	4,506
Undistributed income / (loss) carried forward	902,979	(595,928)	902,979	(595,928)

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

**Mohammad Shoaib, CFA Chief Executive** 

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS For the nine months and quarter ended March 31, 2013 (Unaudited)

		period ended :h 31,		er ended rch 31,
	2013	2012	2013	2012
		····· (Rupe	es in '000)	
Net assets at the beginning of the period	5,343,159	4,497,085	7,253,188	4,346,324
Issue of 49,983,031 units (2012: 20,848,672 units) and 18,537,354 units (2012: 11,440,694 units) for nine months and quarter respectively Redemption of 39,760,305 units (2012: 20,691,116 units) and 25,527,174 units	2,455,358	916,366	962,746	521,647
(2012: 12,064,976 units) for nine months and quarter respectively	(1,992,742)	(901,998)	(1,329,914)	(543,910)
	462,616	14,368	(367,168)	(22,263)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net):				
- transferred to income statement	(34,792)	20	77,902	841
- transferred to other comprehensive income	(4,575)	(7,814)	(256)	(4,506)
	(39,367)	(7,794)	77,646	(3,665)
Total comprehensive income for the period	1,764,707	770,672	566,522	953,127
Cash distribution during the period	(927)	(808)	-	-
Issue of bonus units during the period	(886,753)	(871,260)		-
Total comprehensive income / (loss) for the period less distribution	877,027	(101,396)	566,522	953,127
Issue of 21,413,976 bonus units for the year ended June 30, 2012		074.040		
(2011: 20,958,864 bonus units) Net assets at the end of the period	886,753 7,530,188	871,260 5,273,523	7,530,188	5,273,523
net assets at the end of the period	=======================================			
Net asset value per unit at the beginning of the period - Rupees	49.66	51.57	49.60	39.89
Net asset value per unit at the end of the period - Rupees	54.08	48.68	54.08	48.68

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

Mar Pil



### CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine Months Marc			er ended rch 31,
	2013	2012	2013	2012
		· (Rupe	es in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES	4 = 24 444	242 725		240.455
Net income for the period	1,736,616	363,735	561,849	348,155
Adjustments for:				
Dividend income	(405,664)	(274,946)	(159,015)	(103,889)
Charity Expense	7,117	4,370	2,591	1,884
Profit on deposit accounts with banks	(17,787)	(28,594)	(7,078)	(6,231)
Unrealised gain on re-measurement of investments at 'fair value		(		/
through profit or loss' (net)	(1,062,722)	(140,382)	(315,193)	(194,766)
Element of (income) / loss and capital (gains) / losses included	(24.702)	20	77.000	0.41
in prices of units issued less those in units redeemed	(34,792)	20	77,902	841
Impairment loss on 'available for sale' investments	<u>29,825</u> 252,593	87,089 11,292	161,056	45,994
(Increase) / Decrease in assets	232,393	11,232	101,030	43,334
Investments at 'fair value through profit or loss'	(1,017,651)	(768,980)	(175,568)	(217,023)
Receivable against sale of investments	2,307	-	6,658	(217,023)
Deposits, prepayments and other receivables	(29,848)	(55)	10	55
. d	(1,045,192)	(769,035)	(168,900)	(216,968)
Increase / (Decrease) in liabilities				
Payable to Al Meezan - Management Company of the Fund	8,965	2,144	5,909	802
Payable to CDC - trustee of the Fund	117	69	56	59
Payable to MBL	(67)	(333)	-	19
Payable to SECP	66	(738)	1,719	1,147
Payable on redemption of units	8,511	9,948	4,579	9,948
Payable against purchase of investments	1,038	(22,288)	1,038	28,307
Accrued expenses and other liabilities	19,165	4,843	14,404	2,056
Dividend received	37,795 262,650	(6,355) 222,589	27,705 17,419	42,338 35,647
Charity Paid	(3,100)	(5,322)	17,419	(982)
Profit received on savings accounts with banks	49,062	61,238	10,066	19,057
Net cash (outflow) / inflow from operating activities	(446,192)	(485,593)	47,346	(74,914)
• •	(****,***=/	(100)010)	11,2 10	(//
CASH FLOWS FROM FINANCING ACTIVITIES	2.455.250	016 266	062.746	F21.640
Receipts from sale of units	2,455,358	916,366	962,746	521,648
Dividend paid Payments against redemption of units	(927) (1,992,742)	(808) (901,998)	(1,329,914)	(539,195)
Net cash inflow / (outflow) from financing activities	461,689	13,560	(367,168)	(17,547)
Net cash inflow / (outflow) during the period	15,497	(472,033)	(319,822)	(92,461)
Cash and cash equivalents at the beginning of the period	185,660	589,166	520,979	209,594
Cash and cash equivalents at the end of the period	201,157	117,133	201,157	117,133
1				

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION For the nine months and quarter ended March 31, 2013 (Unaudited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Islamic Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as management company and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed on June 16, 2003 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 4, 2003 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008). The registered office of the management company of the Fund, is situated in Finance & Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on shariah. The management company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of shariah.
- 1.3 The Fund is an open-end fund listed on the Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The management company of the Fund has been given quality rating of AM2 by JCR-VIS . The Fund is ranked at 'MFR 4-Star' for one year, 'MFR 3-Star' for two and three years performance ranking by JCR-VIS Credit Rating Company Limited .
- 1.5 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

### 2. BASIS OF MEASUREMENT

The transactions undertaken by the Fund in accordance with the process prescribed under the shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules and the NBFC Regulations. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.



### 4. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2012.

The accounting policies and method of computation adopted in the preparation of this condensed interim financial information and the significant judgments made by management in applying those accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2012.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2012.

			(Unaudited) March 31, 2013	Audited June 30, 2012
5.	INVESTMENTS	Note	(Rupees i	n '000)
<b>J</b> .	HTV ESTIMENTS			
	Investments at 'fair value through profit and loss'	5.1	6,735,808	4,302,165
	Investments- 'available for sale'	5.2	502,211	861,790
			7,238,019	5,163,955
5.1	Investments at 'fair value through profit or loss'			
	- Held for trading - Investments at 'fair value through profit or loss	5.1.1	6,533,814	3,992,711
	upon initial recognition'	5.1.5	201,994	309,454
			6,735,808	4,302,165

### 5.1.1 Held for Trading - Shares of listed companies

									Pero	entage in relation	on to
Name of the investee company	As at July 01, 2012	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2013	Carrying value	Market value value	Unrealised gain / (loss)	Net assets of the Fund on the basis of	Total market value of	Paid-up capital of investee company (with face
						As	at March 31, 2	013	market value	investments	value of
		Nu	mber of sh	ares			-Rupees in '000	)	(note 5.1.4)		investment)
Automobile and Parts Agriauto Industries Limited (note 5.1.2) Indus Motor Company Limited Pak Suzuki Motor Company Limited	609,200 405,944 71,822	20,000 - 178,500	-	32,500 21,000 30,000	596,700 384,944 220,322	48,549 94,342 22,370	45,349 115,479 21,581	(3,200) 21,137 (789)	0.60 1.53 0.29	0.63 1.60 0.30	2.07 0.49 0.27
Chemicals Fauji Fertilizer Bin Qasim Limited Fauji Fertilizer Company Limited ICI Pakistan Limited		2,663,000 3,064,200 38,000	-	2,017,751 1,542,441 25,000	3,545,249 6,141,759 13,000	140,033 696,655 2,158	133,337 674,979 1,803	(6,696) (21,676) (355)	1.77 8.96 0.02	1.84 9.33 0.02	0.38 0.48 0.01
Construction and Materials Attock Cement Pakistan Limited DG Khan Cement Company Limited Lucky Cement Limited		5,122,000 1,050,200	89 - -	1,464,412 311,362	683 8,073,222 3,272,679	48 383,854 403,117	77 559,232 548,468	29 175,378 145,351	- 7.43 7.28	7.73 7.58	1.84 1.01
General Industries Packages Limited Thal Limited (note 5.1.2) Tri-pack Films Limited	1,400,000 343,352 729,300	467,500 30,000	- 28,761 -	186,721 206,908 485,200	1,680,779 195,205 244,100	189,376 16,850 51,259	323,953 19,128 44,207	134,577 2,278 (7,052)	4.30 0.25 0.59	4.48 0.26 0.61	1.99 0.24 0.81
<b>Pharma &amp; Bio Tech</b> Glaxo Smithkline Pakistan Limited	-	48,500	-	48,500	-	-	-	-	-	-	-
Fixed Line Telecommunication Pakistan Telecommunication Company Limited "A"	9,850,000	9,502,000	-	10,776,963	8,575,037	150,855	174,073	23,218	2.31	2.40	0.23
<b>Engineering</b> Millat Tractors Limited	-	137,600	10,378	89,115	58,863	30,843	30,317	(526)	0.40	0.42	0.15
Oil and gas Attock Petroleum Attock Refinery Limited Pakistan Oilfields Limited Pakistan Petroleum Limited Pakistan State Oil Company Limited National Refinery Limited Oil and Gas Development Company Limited (note 5.1.3)	1,305,859 2,472,000 684,295 55,305 3,430,000	89,400 492,100 844,900 621,400 321,500 - 1,389,400	722,700 348,801 -	363,700 77,812 2,069,125 42,500 53,800 288,106	89,400 128,400 2,072,947 1,746,975 1,312,096 1,505 4,531,294	43,787 22,264 829,155 270,101 226,470 348 767,980	43,627 25,743 940,351 306,087 266,526 343 924,112	(160) 3,479 111,196 35,986 40,056 (5) 156,132	0.58 0.34 12.49 4.06 3.54 -	0.60 0.36 12.99 4.23 3.68	0.14 0.05 0.88 0.11 0.53
Electricity The Hub Power Company Limited	13,010,000	4,211,000	-	1,957,784	15,263,216	657,981	767,132	109,151	10.19	10.60	1.32
Food Producers Engro Foods limited Uni Lever Pakistan limited (note 5.1.2)	2,049,784 994	2,742,000 6,252	-	1,911,263 740	2,880,521 6,506	246,519 63,226	366,201 79,699	119,682 16,473	4.86 1.06	5.06 1.10	0.38 0.05
Food Producers Nishat Mills Ltd.	-	1,447,500	-	-	1,447,500	113,190	122,010	8,820	1.62	1.69	0.41
Total						5,471,330	6,533,814	1,062,484			
Total cost of investments							5,422,089				

- 5.1.2 All shares have a nominal value of Rs 10 each except for the shares of Agriauto Industries Limited and Thal Limited which have a face value of Rs 5 each and Uni Lever Pakistan Limited which have a face value of Rs 50 each
- 5.1.3 439,500 shares of Oil and Gas Development Company Limited, having market value of Rs 89.632 million as at March 31, 2013, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.
- 5.1.4 Net assets are as defined in regulation 66 of NBFC Regulations, 2008.

### 5.1.5 Investments 'at fair value through profit or loss' upon initial recognition

Shares of listed companies and unit of open end fund

									Pero	entage in relatio	n to
Name of the investee company	As at July 01, 2012	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2013	Carrying value	Market value value	Unrealised gain / (loss)	Net assets of the Fund on the basis of	Total market value of	Paid-up capital of investee company (with face
						A:	s at March 31, 2	013	market value	investments	value of
		Nu	mber of sh	ares			Rupees in '000	)			investment)
Banks Meezan Bank Limited (an associate of the Fund)	6,975,079	-	767,363	-	7,742,442	201,719	201,922	203	2.68	2.79	0.77
Equity Investment Instruments AI Meezan Mutual Fund (an associate of the Fund)	8,480,190	-	1,586,565	10,066,755	-	-	-	-	-	-	-
General Industrials Packages Limited Grand Total	374	-	-	-	374	37 <b>201,756</b>		35 <b>238</b>	- -	-	-
Total cost of Investments							78,527	=			



### 5.2 Investments categorised as 'available for sale'

### **5.2.1 Shares of listed companies**

Name of the investee company	As at July	Purchases	Bonus /	Sales		Carrying value	Impairment	Carrying	Market	Unrealised			
	01, 2012	during the period	rights issue	during the period	As at March 31, 2013	(before impairment)	for the period	value	value	gain / (loss)	Net assets of the Fund on the basis of	Total market value of	Paid-up capit of investee company (wit
							As a	t March 31	, 2013		market value (note 5.1.4)	investments	
	_		Number	of shares				Rupees in	000		(note 5.1.4)		investment
Automobile and Parts													
Indus Motor Company Limited	153,068			50,000	103,068	23,627		23,627	30,919	7,292	0.41	0.43	0.1
Pak Suzuki Motor Company Limited	57,105	-	-	33,000	24,105	1,759	-	1,759	2,361	602	0.03	0.03	0.0
Banks													
Meezan Bank Limited													
(an associate of the Fund)	5,383,690	-	230,690	3,286,500	2,327,880	28,937	-	28,937	60,711	31,774	0.81	0.84	0.2
BankIslami Pakistan Limited	500	-	-	-	500	2	-	2	3	1	-	-	
Chemicals													
Fauji Fertilizer Bin Qasim Limited	186,249	-	-	186,249	-	-	-	-	-	-	-	-	
Fauji Fertilizer Company Limited	70,659	-	-	70,659	-	-	-	-	-	-	-	-	
ICI Pakistan Limited	1,364,509	-	-	1,304,534	59,975	7,795	-	7,795	8,317	522	0.11	0.11	0.0
Construction and Materials													
Attock Cement Pakistan Limited	234,131	-	35,119	87,900	181,350	10,265	-	10,265	20,514	10,249	0.27	0.28	0.
Akzo Nobel Pakistan Limited	686,150	686,150	-	686,150	686,150	59,359	29,825	29,534	79,868	50,334	1.06	1.10	1.4
DG Khan Cement Company Limited	15,588	-	-	15,588	-	-	-	-	-	-	-	-	
Lucky Cement Limited	36,938	-	-	36,938	-	-	-	-	-	-	-	-	
Electricity													
The Hub Power Company Limited	124,716	-	-	124,716	-	-	-	-	-	-	-	-	
Fixed Line Telecommunication													
Pakistan Telecommunication	10.527			10 527									
Company Limited "A"	19,537	-	-	19,537	-	-	-	-	-	-	-	-	
General Industries													
Packages Limited	32,779	-	-	32,779	-	-	-	-	-	-	-	-	
Thal Limited (note 5.1.2)	28	-	2	30	-	-	-	-	-	-	-	-	
Tri-Pack Films Limited	10	-	-	-	10	1	-	1	2	1	-	-	
Engineering	25.005			25.005									
Millat Tractors Limited	25,985		-	25,985	-	-	-	-	-	-	-	-	
Oil and gas	40.511			5.005		24.60		24.60:	24.055		0.17	0.45	
Attock Petroleum Limited	69,366	-	-	5,800	63,566	24,691	-	24,691	31,020	6,329	0.41	0.43	0.0
National Refinery Limited	135,751	-	-	134,600	1,151	281	-	281	262	(19)	-	-	
Oil and Gas Development Company Limited	27,194	-	-	27,194	-	-	-	-	-	-	-	-	
Pakistan Oilfields Limited	44,188	-	-	44,188	-	-	-	-	-	-	-	-	
Pakistan Petroleum Limited Pakistan State Oil Company Limited	79,500 991,185	-	19,875 418,321	99,375 89,000	1,320,506	236,274	-	236,274	268,234	31,960	3.56	3.71	0.
Grand Total							20 025				-		
Grand lotal						392,991	29,825	363,166	502,211	139,045			
											=		

### 6. **CONTINGENCY**

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

The fund has not made WWF provisions upto December 31, 2012 amounting to Rs. 89.304 million. Had the same been made, the net asset value per unit of the Fund would have been lower by Rs. 0.64 (1.19%).

### 7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan being the management company, CDC being the trustee, MBL being the holding company of the management company and Pakistan Kuwait Investment Company (Private) Limited, AI Meezan Mutual Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - II, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Balanced Fund and KSE Meezan Index Fund being the Funds under the management of the management company.

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

Remuneration payable to the management company and the trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations, 2007 and NBFC Regulations, 2008 and the Trust Deed respectively.

Details of transactions with connected persons and balances with them for the period ended March 31, 2013 are as follows:

31, 2013 are as follows.	(Unaudited) March 31, 2013	(Audited) June 30, 2012
Al Meezan - Management Company of the Fund	(Rupees	in '000)
Demuneration payable	12 501	0 727
Remuneration payable Sindh Sales Tax payable on management fee	<u>12,591</u> 2,009	8,727 1,396
Sales load payable	6,815	4,905
Sindh Sales Tax on sales load payable	2,700	122
Certificate charges payable	5	5
Certificate charges payable		
Al Meezan Mutual Fund		
Investment in nil units (June 30, 2012: 8,480,190 units)	-	107,698
Meezan Bank Limited		
Bank balance	16,997	21,176
Sales load payable		67
Investment in 10,070,322 shares (June 30, 2012: 12,358,769 shares)	262,633	357,415
Investment of 13,383,465 units (June 30, 2012: 11,160,074 units)	723,778	554,209
CDC - Trustee of the Fund	740	510
Trustee fee payable	713	519
Deposits with CDC	100	100
Charges payable	16	93
Directors and Executives of the Management Company		
Investment of 2,818,328 units (June 30, 2012: 3,224,438 units)	152,415	160,126
111 CS 111 CT 2/0 10/320 WING (SWITE 30/ 2012: 3/22 1/ 130 WING)		



	Nine Months period ended March 31, 2013 2012 (Rupees in '000)		
Al Meezan - Management Company of the Fund			
Remuneration for the period	98,211	70,007	
Bonus Units Issued: NIL units (2012: 272,484 units)		11,327	
Redemptions: NIL units (2012: 1,283,507 units)	-	52,000	
Sindh Sales Tax on management fee	15,714	11,201	
Al Meezan Mutual Fund			
Dividend Income	-	14,840	
Bonus units: 1,586,565 units (2012: NIL units)	-	-	
Redemptions: 10,066,755 units (2012: NIL units)	113,855	-	
Meezan Bank Limited			
Bank Charges	9	18	
Dividend Income	18,538	10,988	
Bonus units issued: 2,223,391 (2012: 2,164,063 units)	92,070	89,960	
Shares Purchased: NIL (2012: 750,000 units)		14,625	
CDC - Trustee of the Fund			
Trustee fee	5,661	4,254	
CDS charges	66	51	
Directors and Executives of the Management Company			
Bonus units issued: 652,974 units (2012: 532,756 units)	27,040	22,147	
Units issued: 77,782 units (2012: 691,770 units)	3,690	30,525	
Redemptions: 1,189 960 units (2012: 164,246 units)	54,893	7,108	

### 8. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 19, 2013 by the board of directors of the Management Company of the Fund.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



**Quarterly Report March 31, 2013** 

### **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 Web site: www.almeezangroup.com E-mail: info@almeezangroup.com

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr. Ariful Islam Chairman Mr. P. Ahmed Director Mr. Salman Sarwar Butt Director Mr. Tasnimul Haq Farooqui Director Mr. Mazhar Sharif Director Syed Amir Ali Director Sved Amir Ali Zaidi Director Mr. Mohammad Shoaib, CFA Chief Executive

### **CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY**

Syed Owais Wasti

### **AUDIT COMMITTEE**

Mr. P. Ahmed Chairman Mr. Mazhar Sharif Member Syed Amir Ali Member

### **HUMAN RESOURCES & REMUNERATION COMMITTEE**

Mr. Salman Sarwar Butt
Mr. Tasnimul Haq Farooqui
Mr. Mazhar Sharif
Mr. Mohammad Shoaib, CFA
Member

### TRUSTEE

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

### **AUDITORS**

KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No.2, Beaumount Road, Karachi- 75530.

### **SHARIAH ADVISER**

Meezan Bank Limited

### **BANKERS TO THE FUND**

AlBaraka Islamic Bank
Habib Metropolitan Bank Limited
UBL Ameen

Bank Alfalah Limited
Meezan Bank Limited
UBL Ameen

### **LEGAL ADVISER**

Bawaney & Partners 404, 4th Floor, Beaumont Plaza, 6-CL-10, Beaumont Road, Civil Lines, Karachi - 75530 Phone: (9221) 3565 7658-59 Fax: (9221) 3565 7673

E-mail: bawaney@cyber.net.pk

### TRANSFER AGENT

Meezan Bank Limited SITE Branch Plot # B/9-C, Estate Avenue, SITE, Karachi. Phone: 32062891 Fax: 32552771 Web site: www.meezanbank.com

### **DISTRIBUTORS**

Al Meezan Investment Management Limited Meezan Bank Limited



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES As at March 31, 2013 (Unaudited)

	Note	(Unaudited) March 31, 2013 (Rupees i	(Audited) June 30, 2012 n <b>'000</b> )
Assets Balances with banks Investments Receivable against sale of investments Dividend receivable Advances, deposits, prepayments and other receivables Total assets	5	64,058 1,889,533 - 41,293 5,097 1,999,981	163,281 1,510,974 10,448 3,069 7,464 1,695,236
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company of the Fund Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund Payable to Meezan Bank Limited (MBL) Payable to Securities and Exchange Commission of Pakistan (SECP) Payable against redemption of units Payable against purchase of investments Unclaimed dividend Accrued expenses and other liabilities Total liabilities		4,770  252 12 1,239 289 - 4,785 6,282 17,629	3,485  220 12 1,493 100 643 4,798 3,780 14,531
Net assets		1,982,352	1,680,705
Contingency	6		
Unit holders' fund (as per statement attached)  Number of units in issue		1,982,352	1,680,705
Net assets value per unit (Rupees)		13.94	12.69

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

### CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31,	For the period from August 5 to March 31,	Quarter Marcl	
	2013	2012	2013	2012
Income		(Rupees	in '000)	
Net realised gain on sale of investments	111,213	69,151	48,881	45,451
Dividend income - net of charity	108,689	81,339	41,293	32,955
Profit on savings accounts with banks	5,540	10,175	1,877	2,384
Back End Load	39	14,142	-	5,163
Other income	825	325	187	68
	226,306	175,132	92,238	86,021
Unrealised gain / (loss) on re-measurement of investments	166 401	22.222	CE 004	41 574
at fair value through profit or loss (net)	166,401	32,323 (28,822)	65,094	41,574
Impairment loss on 'available for sale' investments  Total income	<u>(8,084)</u> 384,623	178,633	157,332	<u>(28,822)</u> 98,773
iotai intoine	307,023	170,033	157,332	90,113
Expenses				
Remuneration to Al Meezan - Management Company of the Fund	26,089	19,667	9,256	7,736
Sindh Sales Tax on management fee	4,174	3,147	1,481	1,238
Remuneration to CDC - trustee of the Fund	2,055	1,644	709	636
Annual fee to SECP	1,239	934	439	367
Auditors' remuneration	460	593	106	192
Fees and subscription	101	54	39	16
Brokerage	1,691	648	563	409
Bank and settlement charges	130	271	2	129
Printing expense Provision for Workers' Welfare Fund (WWF)	263	250	87 2,926	87
Total expenses	2,926 39,128	27,208	15,608	10,810
Net income from operating activities	345,495	151,425	141,724	87,963
net meonic nom operating activities	3 13, 133	131,123	111,721	07,703
Element of income/(loss) and capital gains/(losses) included		(0.770)		(4 = 40)
in prices of units issued less those in units redeemed	8,832	(3,773)	4,582	(4,740)
Net Income for the period	354,327	147,652	146,306	83,223
Other comprehensive income for the period				
Unrealised gain on available for sale investments (net)	112,175	96,792	17,583	207,110
Element of (loss)/income and capital (losses)/gains included in prices of units issued less those in units redeemed pertaining to	(4.000)	(4.700)	4	(2.12-)
'available for sale' investments	(4,253)	(1,589)	1,538	(2,427)
Total comprehensive income for the period	462,249	242,855	165,427	287,906

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA
Chief Executive



### **CONDENSED INTERIM DISTRIBUTION STATEMENT**

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31,	For the period from August 5 to March 31,	Quarter ended March 31,		
	2013	2012 ( <b>Rupees i</b>	2013 n '000)	2012	
Accumulated income/(loss) brought forward	252,823	-	190,081	5,157	
Loss transferred from Al Meezan Mutual Fund Limited	-	(60,110)		-	
Net income for the period	354,327	147,652	146,306	83,223	
Less: Final distribution for the period ended June 30, 2012 - bonus units @ 20%	(264,972)	-	-	-	
Element of (loss)/income and capital (losses)/ gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments	(4,253)	(1,589)	1,538	(2,427)	
Accumulated income/(loss) carried forward	337,925	85,953	337,925	85,953	

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA
Chief Executive

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31,	For the period from August 5 to March 31,	Quarte Marc	
	2013	2012	2013	2012
		(Rupees	in '000)	
Net assets at the beginning of the period	1,680,705	-	1,804,028	1,409,716
Issue of 137,539,986 units against cancellation of 137,539,986 shares of Al Meezan Mutual Fund Limited upon conversion of Al Meezan Mutual Fund Limited into Al Meezan Mutual Fund (open end fund) as per scheme of arrangement		1,450,997	_	_
Issue of 38,053,584 units (2012: 10,825,489 units) and 17,181,001 units (2012: 1,872,234) for the nine months and quarter respectively	479,368	116,162	223,728	21,451
Redemption of 53,077,034 units (2011: 15,774,270 units) and 15,973,908 units (2012: 7,178,334) for the nine months and quarter respectively	(635,391) (156,023)	(173,734) 1,393,425	(204,711) 19,017	(84,598) (63,147)
Element of (gain)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed (net):				
- transferred to income statement	(8,832)	3,773	(4,582)	4,740
- transferred to other comprehensive income	4,253 (4,579)	1,589 5,362	(1,538) (6,120)	2,427 7,167
Issue of 24,786,905 bonus units for the year ended June 30, 2012	264,972	-	-	-
Total comprehensive income for the period less distribution Net assets at the end of the period	197,277 1,982,352	242,855 1,641,642	165,427 1,982,352	287,906 1,641,642
Net asset value per unit as at the beginning of the period - Rupees	12.69		12.79	10.22
Net asset value per unit as at the end of the period - Rupees	13.94	12.38	13.94	12.38

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



# CONDENSED INTERIM CASH FLOW STATEMENT For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31,	For the period from August 5 to March 31,	Quarte Marc	r ended h 31,
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		····· (Rupees i	n '000)	
Net income for the period	354,327	147,652	146,306	83,223
Adjustments for:				
Dividend income	(109,867)	(82,247)	(41,293)	(33,625)
Charity	1,178	908	` _ [	670
Profit on savings accounts with banks	(5,540)	(10,175)	(1,877)	(2,384)
Unrealised gain on re-measurement of investments at fair value				
through profit or loss (net)	(166,401)	(32,323)	(65,094)	(41,574)
Element of (income)/loss and capital (gains)/losses included				
in prices of units issued less those in units redeemed (net)	(8,832)	3,773	(4,582)	4,740
	(289,462)	(120,064)	(112,846)	(72,173)
(Increase)/Decrease in assets				
Investments	(99,983)	(89,302)	(108,555)	22,289
Receivable against sale of investments	10,448	-	3,550	-
Advances, deposits, prepayments and other receivables	(17)	34	22	14
	(89,552)	(89,268)	(104,983)	22,303
Increase/(Decrease) in liabilities				
Payable to Al Meezan - management company of the Fund	1,285	(695)	974	(235)
Payable to CDC - trustee of the Fund	32	153	25	13
Payable to SECP	(254)	(585)	439	367
Conversion cost payable	-	(5,423)	-	-
Accrued expenses and other liabilities	2,502	1,867	3,734	1,778
Payable against purchase of investments	(643)	7,795	-	5,868
Cash utilised in operations	2,922	3,112	5,172	7,791
Dividend received	70,465	58,751	4,693	11,806
Profit received on savings accounts with banks	7,924	11,091	3,360	9,348
Net cash inflow / (outflow) from operating activities	56,624	11,274	(58,298)	62,298
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from sale of units	479,368	116,162	223,728	21,451
Payments against redemption of units	(635,202)	(173,734)	(209,044)	(84,598)
Dividend paid	(13)	(239,713)	-	(113)
Net cash (outflow) / inflow from financing activities	(155,847)	(297,285)	14,684	(63,260)
Net cash (outflow) / inflow during the period	(99,223)	(286,011)	(43,614)	(962)
Cash and cash equivalents at the beginning of the period	163,281_	351,279	107,672	66,230
Cash and cash equivalents at the end of the period	64,058	65,268	64,058	65,268

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

**Mohammad Shoaib, CFA Chief Executive** 



For the nine months and quarter ended March 31, 2013 (Unaudited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Meezan, as management company and CDC as trustee. The Trust Deed was executed on June 17, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).
- 1.2 The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the management company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.3 Title of the assets of the Fund is held in the name of CDC as a trustee of the Fund. The Fund is an openend equity fund listed on the Islamabad Stock Exchange. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The management company of the Fund has been given quality rating of AM2 by JCR-VIS Credit Rating Company Limited.
- 1.4 The Fund has been formed to provide the unit holders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the trust deed all conducts and acts of the Fund are based on shariah. MBL acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of shariah.

### 2. BASIS OF MEASUREMENT

The transactions undertaken by the Fund in accordance with the process prescribed under the shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial report has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP) . In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984,the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP) have been followed.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The conensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjuction with the financial statements of the Fund for the period ended June 30, 2012.

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the period ended June 30, 2012.

The Fund financial risk management objective and policies are consistent with those disclosed in the annual financial statements for the period ended June 30, 2012



 (Unaudited)
 (Audited)

 March 31,
 June 30,

 Note
 2013
 2012

 (Rupees in '000)

5. INVESTMENTS

Investment categorised as 'available for sale' 5.1 **779,919** 865,590 Investment at 'fair value through profit or loss' 5.2 **1,109,614** 645,384 **1,510,974** 

### 5.1 Investments categorised as 'available for sale'

Shares of listed companies and a bank

						Carrying		Carrying			Percent	age in relatio	n to
Name of the investee company	Opening	Purchases during the period	Bonus shares	Sales during the period	As at March 31, 2013	value as at March 31, 2013 (Before Impairment)	Impairment during the period	value as at March 31, 2013 (After Impairment)	Market value as at March 31, 2013	Unrealised gain / (loss) as at March 31, 2013	Net assets of the Fund on the basis of market value (note 5.4)	Market value of total investment	Paid-up capital of investee company (with face value of investment)
		N	lumber of s	hares			R	upees in '00	0		(Hote 514)		investmenty
Sector / companies													
Banks													
Meezan Bank Limited	1,172,893	-	71,813	515,500	729,206	10,055	-	10,055	19,031	8,976	0.96	1.01	0.07
(an associate of the Fund)													
BankIslami Pakistan Limited	500	-	-	-	500	2	-	2	3	1	-	-	-
Construction and materials													
AkzoNobel Pakistan Limited	181,768	-	-	10,500	171,268	21,556	6,740		19,936	5,120	1.01	1.06	0.37
Lucky Cement Company Limited	180,127	-	-	50,000	130,127	15,463	-	15,463	21,808	6,345	1.10	1.15	0.04
D.G. Khan Cement Company Limited	1,154,000	-	-	313,000	841,000	33,547	-	33,547	58,256	24,709	2.94	3.08	0.19
Electricity													
The Hub Power Company Limited	3,702,500	-	-	250,000	3,452,500	127,895	-	127,895	173,523	45,628	8.75	9.18	0.30
Oil and gas													
Pakistan State Oil Company Limited	429,543	85,908	103,090	-	618,541	112,749	-	112,749	125,644	12,895	6.34	6.65	0.25
Oil & Gas Development Company Limited	755,663	-	-	50,000	705,663	100,986	-	100,986	143,913	42,927	7.26	7.62	0.02
Pakistan Oilfields Limited	285,340	-	-	-	285,340	73,649	-	73,649	129,439	55,790	6.53	6.85	0.12
Pakistan Petroleum Limited	404,822	-	101,205	463,100	42,927	5,103	-	5,103	7,521	2,418	0.38	0.40	-
National Refinery Limited	46,246	-	-	46,246	-	- 0.740	-	-	-	- 4 720	-	-	-
Attock Petroleum	23,500	-	-	-	23,500	9,748	-	9,748	11,468	1,720	0.58	0.61	0.03
Automobile and parts													
Agriauto Industries Limited (note 5.3)	700,000	-	-	72,500	627,500	41,854	-	41,854	47,690	5,836	2.41	2.52	4.36
Indus motor company limited	16,200	-	-	-	16,200	3,961	-	3,961	4,860	899	0.25	0.26	0.02
Fixed Line and telecommunication													
Pakistan Telecommunication Company													
Limited "A"	1,334,920	-	-	1,334,920	-	-	-	-	-	-	-	-	-
Pharma and bio tech													
GlaxoSmithKline (Pakistan) Limited	20,046	-	-	20,046	-	-	-	-	-	-	-	-	-
Chemicals													
Fauji Fertilizer Company Limited	21,857	-	-	-	21,857	1,713	-	1,713	2,402	689	0.12	0.13	-
Fauji Fertilizer Bin Qasim Limited	210,500	110,500	-	210,500	110,500	5,608	1,344	4,264	4,156	(108)	0.21	0.22	0.01
ICI Pakistan Limited	361,472	-	-	348,615	12,857	1,618	-	1,618	1,782	164	0.09	0.09	0.01
Automobile assembler													
Millat Tractors Limited	3,000	-	-	3,000	-	-	-	-	-	-	-	-	
General Industrials													
Packages Limited	1,378	-	-		1,378	114		114	265	152	0.01	0.01	
Tri-Pack Films Limited	100,000	-	-	54,600	45,400	4,408	-	4,408	8,222	3,814	0.41	0.44	0.15
Total						570,029	8,084	561,945	779,919	217,975	_		

Total cost of investments - 'available for sale'

639,386

### 5.2 Investments at 'fair value through profit or loss'

Shares of listed companies and a bank - held for trading

									Per	Percentage in relat	
Name of the investee company	Opening	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market Value as at March 31, 2013	gain / (loss) as at March 31 2013	Net assets of the Fund on the basis of market value (note 5.4)	Market value of total investment	Paid-up capital of investee company (with face value of investment)
		Nu	mber of sh	ares			Rupees in	'000			
Banks											
Meezan Bank Limited	1,245,655	-	78,557	531,500	792,712	20,653	20,674	21	1.04	1.09	0.08
(an associate of the Fund)											
Construction and Materials											
AkzoNobel Pakistan Limited	764	-	-	-	764	100	89	(11)	-	-	-
Attock Cement Pakistan Limited	70,305	-	10,170	67,500	12,975	919	1,468	549	0.07	0.08	0.01
DG Khan Cement Company Limited	437,305	832,000	-	116,000	1,153,305	56,956	79,889	22,933	4.03	4.23	0.26
Lucky Cement Company Limited	608,190	245,000	-	148,000	705,190	86,307	118,183	31,876	5.96	6.25	0.22
Oil & gas											
Attock Refinery Limited	-	113,400	-	113,400	-	-	-	-	-	-	-
National Refinery Limited	20,000	10,000	-	30,000	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	30,000	124,000	31,320	33,400	151,920	30,528	30,860	332	1.56	1.63	0.06
Pakistan Oilfields Limited	125,951	192,000	-	55,200	262,751	112,445	119,192	6,747	6.01	6.31	0.11
Pakistan Petroleum Limited	382,947	65,000	95,736	56,600	487,083	74,989	85,342	10,353	4.31	4.52	0.03
Oil and Gas Development Company Limited	133,000	319,600		56,700	395,900	70,939	80,740	9,801	4.07	4.27	0.01
Attock Petroleum	-	25,000	-	-	25,000	12,245	12,200	(45)	0.62	0.65	0.04
Automobile and Parts											
Indus Motor Company Limited	125,464	_	_	28,200	97.264	23,837	29,178	5,341	1.47	1.54	0.12
Pak Suzuki Motor Company Limited	56,389	_	_	56,000	389	67	67	-	-	-	-
Agriauto Industries Limited (note 5.3)	8,960	-	-	2,500	6,460	523	491	(32)	0.02	0.03	0.04
Fixed Line and telecommunication											
Pakistan Telecommunication Company											
Limited "A"	1,238,750	2,400,000	-	1,370,580	2,268,170	43,397	46,044	2,647	2.32	2.44	0.06
Chemicals											
Fauji Fertilizer Bin Qasim Limited	794,685	501,000	-	492,500	803,185	31,744	30,208	(1,536)	1.52	1.60	0.09
Fauji Fertilizer Company Limited	1,299,500	602,200	-	306,500	1,595,200	179,964	175,312	(4,652)	8.84	9.28	0.13
ICI Pakistan Limited	1,522	-	-	-	1,522	199	211	12	0.01	0.01	-
General Industrials											
Packages Limited	490,000	68,500	-	52,500	506,000	54,306	97,526	43,220	4.92	5.16	0.60
Thal Limited (note 5.3)	316,701	-	14,783	245,871	85,613	7,238	8,389	1,151	0.42	0.44	0.11
Tri-Pack Films Limited	16,428	-	-	-	16,428	3,450	2,975	(475)	0.15	0.16	0.05
Food producers											
Engro Foods Limited	505,000	704,500	-	488,000	721,500	61,763	91,724	29,961	4.63	4.85	0.09
Unilever Pakistan Limited (note 5.3)	-	1,630	-	-	1,630	16,300	19,968	3,668	1.01	1.06	-
Electricity											
Hub Power Company Limited	470,000	474,000	-	421,000	523,000	23,937	26,286	2,349	1.33	1.39	0.05
Automobile Assembler											
Millat Tractors Limited	-	36,200	1,030	25,900	11,330	5,992	5,836	(156)	0.29	0.31	0.03
Personal Goods											
Nishat Mills Limited	-	317,500	-	-	317,500	24,415	26,762	2,347	1.35	1.42	0.09
Total					:	943,213	1,109,614	166,401	_ =		
Total cost of investments - 'held for trading							742,889				

Total cost of investments - 'held for trading'

742,889



- 5.3 All shares have a nominal value of Rs. 10 each except for the shares of Agriauto Industries Limited and Thal Limited which have a face value of Rs. 5 each and Unilever which has a face value of Rs. 50 each.
- 5.4 Net assets are as defined in regulation 66 of NBFC Regulations, 2008.

### 6. CONTINGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

The fund has not made WWF provisions upto December 31, 2012 amounting to Rs. 24.53 million. Had the same been made, the net asset value per unit of the Fund would have been lower by Rs. 0.17 (1.22%).

There were no other contingencies and commitments outstanding as at March 31, 2013.

### 7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan being the management company, CDC being the trustee, MBL being the holding company of the management company & Pakistan Kuwait Investment Company (Private) Limited as the associate company of the management company and Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Balanced Fund, Meezan Tahaffuz Pension Fund, Meezan Cash Fund, Meezan Sovereign Fund, KSE Meezan Index Fund and Meezan Capital Protected Fund - II being the funds under the common management of the management company.

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

Remuneration payable to the management company and the trustee is determined in accordance with the provisions of NBFC Rules and the NBFC Regulations.

	March 31, 2013	June 30, 2012
Al Meezan - management company of the Fund	(Rupee	s in '000)
Remuneration payable	3,345	2,765
Sales load payable	771	270
Sindh sales tax on management fee payable	535	442
Sindh sales tax on sales load payable	119	8
Investment of 40,391,485 units (June 30, 2012: 41,075,440 units)	563,053	521,247
Meezan Bank Limited - shariah advisor of the Fund		
Balances with bank	5,754	5,649
Profit receivable on savings account	55	23
Sales load payable	12	12
Investment in 1,521,918 shares (June 30, 2012: 2,418,548 shares)	39,705	69,944
Investment of 6,602,132 units (June 30, 2012: 5,561,607 units)	92,034	70,577
CDC - trustee of the Fund		
Remuneration payable	252	220
Deposits	238	238
Pakistan Kuwait Investment Company (Private Limited)		
Investment of 16,895,690 units (June 30, 2012: 16,895,690 units)	235,526	214,406
Directors and Executives		
Investment of 1,178,956 units (June 30, 2012: 1,272,219 units)	16,435	16,144
	Nine months period ended March 31, 2013	For the period from August 5 to March 31, 2012
	(Rupee	s in '000)
Al Meezan - management company of the Fund		
Remuneration for the period	26,089	19,667
Sindh sales tax for the period	4,174	3,147
Bonus Units issued: 7,684,835 Units (2011: 7,055,590)	82,151	74,000
Redemption of Units: 8,369,089 Units (2011: Nil)	100,000	



CDC	- trustee	of the	Fund

Bonus Units issued: 1,040,525 Units

Profit on savings account

Dividend Income

Remuneration for the period	2,055	1,644
CDS charges for the period	32	20

### Pakistan Kuwait Investment Company (Private) Limited

Meezan Bank Limited - shariah advisor of the Fund

Bonus Units issued: 3,161,027 Units	33,791	-

### **Directors and Executives**

Units issued: 25,541 Units (2011: 945,213 Units)	302	10,941
Bonus Units issued: 238,020 Units	2,544	-
Redemption of Units: 356,824 Units	4,479	-

### 8. Date of Authorization for issue

These condensed interim financial information was authorised for issue on April 19, 2013 by the Board of Directors of the Management Company of the Fund.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



**Quarterly Report March 31, 2013** 

### **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 Fay: (9221) 35676143, 35630808

Fax: (9221) 35676143, 35630808 Web site: www.almeezangroup.com E-mail: info@almeezangroup.com

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr. Ariful Islam Chairman Mr. P. Ahmed Director Mr. Salman Sarwar Butt Director Mr. Tasnimul Haq Farooqui Director Mr. Mazhar Sharif Director Syed Amir Ali Director Sýed Amir Ali Zaidi Director Mr. Mohammad Shoaib, CFA Chief Executive

### **CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY**

Syed Owais Wasti

### **AUDIT COMMITTEE**

Mr. P. Ahmed Chairman
Mr. Mazhar Sharif Member
Syed Amir Ali Member

### **HUMAN RESOURCES & REMUNERATION COMMITTEE**

Mr. Salman Sarwar Butt
Mr. Tasnimul Haq Farooqui
Mr. Mazhar Sharif
Mr. Mohammad Shoaib, CFA
Member

### TRUSTEE

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

### **AUDITORS**

KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No.2, Beaumount Road, Karachi- 75530.

### **SHARIAH ADVISER**

Meezan Bank Limited

### **BANKERS TO THE FUND**

Al Baraka Islamic Bank B.S.C (E.C) Habib Metropolitan Bank Limited - Islamic Banking Meezan Bank Limited

### **LEGAL ADVISER**

Bawaney & Partners 404, 4th Floor, Beaumont Plaza, 6-CL-10, Beaumont Road, Civil Lines, Karachi - 75530 Phone: (9221) 3565 7658-59 Fax: (9221) 3565 7673

E-mail: bawaney@cyber.net.pk

### **TRANSFER AGENT**

Meezan Bank Limited SITE Branch Plot # B/9-C, Estate Avenue, SITE, Karachi. Phone: 32062891 Fax: 32552771 Web site: www.meezanbank.com

### **DISTRIBUTORS**

Al Meezan Investment Management Limited Meezan Bank Limited



### CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

As at March 31, 2013 (Unaudited)

	Note	(Unaudited) March 31, 2013	(Audited) June 30, 2012
		(Rupees i	n '000)
Assets			
Balances with banks		6,534	4,066
Investments	5	292,329	290,058
Dividend receivable		4,418	463
Advances, deposits, prepayments and other receivables		2,733	2,657
Preliminary expenses and floatation costs		1,671	1,973
Total assets		307,685	299,217
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan)			
- Management Company of the Fund		2,820	6,044
Payable to Central Depository Company of Pakistan Limited (CDC)			
- Trustee of the Fund		50	58
Payable to Securities and Exchange Commission of Pakistan (SECP)		213	24
Payable on redemption of units		3,409	-
Payable against purchase of investments		3,833	3,170
Accrued expenses and other liabilities		1,229	437
Total liabilities		11,554	9,733
Net assets		296,131	289,484
Contingency	6		
Unitholders' funds (as per statement attached)		296,131	289,484
		(Number	of units)
Number of units in issue		4,651,858	5,928,882
		(Rup	ees)
Net assets value per unit		63.66	48.83

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

### CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

Income	Nine months period ended March 3 (Rupees	-
Net realised gain on sale of investments	21,789	12,535
Dividend income - net of charity	20,102	6,867
Profit on savings accounts with banks	403	123
Other income	507	200
	42,801	19,725
Unrealised gain on re-measurement of investments	,	,
'at fair value through profit or loss' (net)	39,503	2,116
Total income	82,304	21,841
<b>Expenses</b> Remuneration to Al Meezan - Management Company of the Fund	2,238	704
Sindh Sales Tax on management fee	358	113
Remuneration to CDC - trustee of the Fund	429	76
Annual fee to SECP	213	67
Auditors' remuneration	208	68
Fees and subscription	76	25
Brokerage	411	233
Bank and settlement charges	252	112
Provision for Workers' Welfare Fund (WWF)	325	325
Amortisation of preliminary expenses and floatation costs	302	99
Printing expense	83	83
Total expenses	4,895	1,905
Net income from operating activities	77,409	19,936
Element of loss and capital losses included in prices of	,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
units issued less those in units redeemed (net)	(8,406)	(3,681)
Net income for the period	69,003	16,255
Other comprehensive income for the period	-	-
Total comprehensive income for the period	69,003	16,255

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



### CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31 (Rupees i	
Accumulated (loss) / income brought forward	(6,960)	45,788
Net income for the period	69,003	16,255
Undistributed income carried forward	62,043	62,043

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 3 (Rupees	•
Net assets at the beginning of the period	289,484	300,068
Issue of 3,470,392 units and 1,274,665 units for the nine months		
and quarter respectively	198,975	76,675
Redemption of 4,747,416 units and 1,688,180 units for the nine months		
and quarter respectively	(269,737)	(100,548)
	(70,762)	(23,873)
Element of loss and capital losses included in prices		
of units issued less those in units redeemed (net)	8,406	3,681
Net income for the period	69,003	16,255
Net assets at the end of the period	296,131	296,131
net assets at the end of the period	290,131	

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



### CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES	Nine months period ended March 3	
Net income for the period	69,003	16,255
Adjustments for: Dividend income Profit on savings accounts with banks Amortisation of preliminary expenses and floatation costs Charity expense Unrealised gain on re-measurement of investments 'at fair value through profit or loss' (net) Element of loss and capital losses included in prices of	(20,484) (403) 302 382 (39,503)	(6,988) (123) 99 121 (2,116)
units issued less those in units redeemed (net)	8,406 17,703	3,681 10,929
Decrease in assets Investments Receivable against sale of investments Advances, deposits, prepayments and other receivables	37,232 - (127) 37,105	5,343 490 26 5,859
Decrease in liabilities Payable to Al Meezan - Management Company of the Fund Payable to CDC - trustee of the Fund Payable to SECP Payable against purchase of investments	(3,224) (8) 189 663	(302) (9) 67 3,833
Accrued expenses and other liabilities	792 (1,588)	471 4,060
Cash generated from operations Dividend received Profit received on savings accounts with banks Net cash inflow from operating activities	53,220 16,147 454 69,821	20,848 2,776 272 23,896
CASH FLOWS FROM FINANCING ACTIVITIES		23,030
Receipts from sale of units Payments against redemption of units  Net cash outflow from financing activities	198,975 (266,328) (67,353)	76,675 (99,710) (23,035)
Net cash inflow during the period  Cash and cash equivalents at the beginning of the period  Cash and cash equivalents at the end of the period	2,468 4,066 6,534	861 5,673 6,534

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION For the nine months and quarter ended March 31, 2013 (Unaudited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 KSE Meezan Index Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan (CDC) as the trustee. The trust deed was executed on March 13, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the Management Company of the Fund is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund is a Shariah Compliant Index Fund that aims to provide investors an opportunity to track closely the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the index in proportion to their weightages. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end fund listed on Islamabad Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The Management Company of the Fund has been given quality rating of AM2 by JCR-VIS Credit Rating Company Limited.
- 1.5 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.
- 1.6 This is the first condensed interim financial information of the Fund, therefore, there are no corresponding figures in condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unitholders' funds and condensed interim cash flow statement.

### 2. BASIS OF MEASUREMENT

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules and the NBFC Regulations. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of this condensed interim financial information and the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the period ended June 30, 2012.



### 5. INVESTMENTS - AT FAIR VALUE THROUGH PROFIT AND LOSS

### **Held for trading - Shares of listed Companies**

									Perc	entage in relation	on to
Name of the investee company	As at July 01, 2012	Purchases during the period	Bonus issue mber of sh	Sales during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss) as at March 31, 2013	Net assets of the Fund on the basis of market value	Paid-up capital of investee company (with face value of investment)	Total market value of investment
		Nu	mper or sn	ares			-kupees in oo	y		ilivestillelit)	
Automobile and Parts Indus Motor Company Limited Pak Suzuki Motors Company Limited Millat Tractors Limited	16,897 - 12,733	6,596 16,900 3,987	- - 905	11,112 5,500 7,465	12,381 11,400 10,160		3,714 1,117 5,233	438 105 555	1.25 0.38 1.77	0.02 0.01 0.03	1.27 0.38 1.79
Banks Meezan Bank Limited (an associate of the Fund)	78,259	12,680	-	90,939	-	-	-	-	-	-	-
Chemicals											
Clariant Pakistan Limited Fauji Fertilizer Bin Qasim Limited Fauji Fertilizer Company Limited ICI Pakistan Limited Lotte Pakistan PTA Limited	6,473 284,682 276,985 16,682 327,391	4,000 83,785 160,583 9,574 99,674	- - - -	5,797 162,947 153,367 13,208 188,232	4,676 205,520 284,201 13,048 238,833	8,252 32,225 1,852	1,056 7,730 31,234 1,809 1,739	16 (522) (991) (43) 34	0.36 2.61 10.55 0.61 0.59	0.01 0.02 0.02 0.01 0.02	0.36 2.64 10.68 0.62 0.59
Construction and Materials											
Akzo Nobel Pakistan Limited Attock Cement Pakistan Limited Cherat Cement Company Limited D.G. Khan Cement Company Limited Lucky Cement Limited	8,389 14,984 - 209,393 112,541	3,278 50,500 62,194 32,851	2,225 - - -	8,389 20,487 11,500 119,934 63,902	39,000 151,653 81,490	6,729	2,016 10,505 13,657	- 92 3,776 3,408	0.68 3.55 4.61	0.04 0.03 0.03	0.69 3.59 4.67
Electricity Hub Power Company Limited Karachi Electri Supply Corporation Limited	805,086 -	219,093 986,500	-	514,217 202,900	509,962 783,600		25,631 4,388	3,138 (249)	8.66 1.48	0.04 0.01	8.77 1.50
Fixed Line Telecommunication Pakistan Telecommunication Company Limited "A"	509,414	142,827	_	283,918	368,323	5,711	7,477	1,766	2.52	0.01	2.56
Food Products Habib Sugar Mills Limited Engro Foods Limited Unilever Pakistan Limited (note 5.1)	26,090 - 2,409	5,605 90,800 551		31,695 19,099 1,203	- 71,701 1,757	- 7,354 13,666	9,115 21,523	- 1,761 7,857	- 3.08 7.27	- 0.01 0.01	- 3.12 7.36
General Industrials Thal Limited (note 5.1) Tri-Pack Films Limited	18,877 7,886	5,808 1,343	1,804	26,489 9,229	-	-	-	-	-	-	-
Industrial Transportation Pakistan International Container Limited	18,897	3,167	-	22,064	-	-	-	-	-	-	-
Personal Goods Nishat Mills Limited	-	141,500	-	30,900	110,600	7,259	9,322	2,063	3.15	0.02	3.19
Oil and Gas Attock Petroleum Limited Attock Refinery Limited Mari Petroleum Company Limited	11,877 26,086	3,632 7,879	-	6,812 15,080	8,697 18,885		4,244 3,786	64 1,247	1.43 1.28	0.01 0.02	1.45 1.30
(formerly Mari Gas Company Limited) National Refinery Limited Oil and Gas Development Company	16,006 22,037	4,507 6,576	-	9,068 12,662	11,445 15,951	1,102 3,637	1,102 3,631	- (6)	0.37 1.23	0.01 0.02	0.38 1.24
Limited (note 5.3) Pakistan Oilfields Limited Pakistan Petroleum Limited Pakistan Refinery Limited	206,219 93,954 189,161 10,287	74,676 27,787 63,837	46,007	103,801 53,807 118,515 12,587	177,094 67,934 180,490	26,624	36,117 30,817 31,624	5,847 4,193 2,936	12.20 10.41 10.68	0.03 0.01	12.35 10.54 10.82
Pakistan Reiniery Limited Pakistan State Oil Company Limited Shell Pakistan Limited	67,960 14,586	2,300 22,203 4,327	25,091 -	43,946 8,515	71,308 10,398	,	14,485 1,498	2,247 152	4.89 0.51	0.03 0.01	4.96 0.51
<b>Oil and Gas Marketing</b> Sui Northern Gas Pipeline Limited Sui Southern Gas Company Limited	125,503	34,925 143,000	7,303 -	87,398 32,000	80,333 111,000		1,403 1,792	65 (486)	0.47 0.60	0.01 0.01	0.48 0.61
<b>Pharma and Bio Tech</b> Glaxo Smithkline Pakistan Limited Abbott Laboratories (Pakistan) Limited	35,227 -	10,517 15,700	-	20,041 3,400	25,703 12,300		2,013 2,552	301 (260)	0.68 0.86	0.01 0.01	0.69 0.87
						252,826	292,329	39,503			

5.1 All shares have a nominal value of Rs. 10 each except for the share of Thal Limited which has face value of Rs. 5 each and Uniliver Pakistan Limited which has face value of Rs. 50 each.

- 5.2 Net assets are as defined in Regulation 66 of NBFC Regulations.
- 5.3 77,600 shares of OGDC, having market value of Rs. 14.95 million as at December 31, 2012 have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

### 6. CONTINGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to CISs, which is pending adjudication.

The fund has not made WWF provisions upto December 31, 2012 amounting to Rs. 1.055 million. Had the same been made, the net asset value per unit of the Fund would have been lower by Rs. 0.23 (0.36%).

### 7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan being the Management Company, CDC being the trustee, MBL being the holding company of the Management Company, Pakistan Kuwait Investment Company (Private) Limited as associate of the Management Company and Al Meezan Mutual Fund, Meezan Islamic Income Fund, Meezan Islamic Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - II, Meezan Sovereign Fund, Meezan Cash Fund and Meezan Balanced Fund being the Funds under the common management of the Management Company.

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

Remuneration payable to the Management Company and the trustee is determined in accordance with the provisions of NBFC Rules, NBFC Regulations, 2008 and the trust deed respectively.

Details of transactions with connected persons and balances with them for the period ended March 31, 2013 are as follows:

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	(Rupees	in '000)
Al Meezan - Management Company of the Fund		
Remuneration payable	249	216
Sindh Sales Tax payable on management fee	40	35
Sales load payable	345	1,139
Sindh Sales Tax payable on sales load	173	81
Formation cost payable	2,013	2,013
Others payable		2,560
Investment of 1,365,056 units (June 30, 2012: 2,030,851 units)	86,899	99,166
Meezan Bank Limited - Shariah Advisor of the Fund		
Bank balance	426	2,493
Investment in shares: Nil (June 30, 2012: 78,259 shares)	-	2,263
Profit receivable on savings account	-	3



(Unaudited) (Audited) March 31, June 30, 2013 2012 (Rupees in '000) CDC - trustee of the Fund Trustee fee payable **50** 58 Deposit with CDC 103 **Directors and Executives of the Management Company** Investment of 20,036 units (June 30, 2012: 20,020 units) 1,275 978 Nine months period ended March 31, 2013 (Rupees in '000) Al Meezan - Management Company of the Fund Remuneration for the period 2,238 358 Sindh Sales Tax on management fee Units issued: 214,624 units 11,900 Units redeemed: 880,419 units 50,114 Meezan Bank Limited - Shariah Advisor of the Fund Profit on savings account 43 Dividend received during the period 103 12,680 shares purchased during the period 356 90,939 shares sold during the period 2,702 **CDC - trustee of the Fund** Remuneration for the period 429 CDS charges for the period 17

### 8. DATE OF AUTHORISATION FOR ISSUE

Units issued: 16 units

**Directors and Executives of the Management Company** 

This condensed interim financial information was authorised for issue on April 19, 2013 by the Board of Directors of the Management Company of the Fund.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA
Chief Executive

Mazhar Sharif Director

1



**Quarterly Report March 31, 2013** 

### **FUND INFORMATION**

#### MANAGEMENT COMPANY

E-mail: info@almeezangroup.com

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 Web site: www.almeezangroup.com

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr. Ariful Islam
Mr. P. Ahmed
Director
Mr. Salman Sarwar Butt
Director
Mr. Tasnimul Haq Farooqui
Director
Mr. Mazhar Sharif
Syed Amir Ali
Syed Amir Ali Zaidi
Director
Mr. Mohammad Shoaib, CFA
Chief Executive

### **CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY**

Syed Owais Wasti

### **AUDIT COMMITTEE**

Mr. P. Ahmed Chairman
Mr. Mazhar Sharif Member
Syed Amir Ali Member

### **HUMAN RESOURCES & REMUNERATION COMMITTEE**

Mr. Salman Sarwar Butt
Mr. Tasnimul Haq Farooqui
Mr. Mazhar Sharif
Mr. Mohammad Shoaib, CFA
Member

### TRUSTEE

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

### **AUDITORS**

KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No.2, Beaumount Road, Karachi- 75530.

### **SHARIAH ADVISER**

Meezan Bank Limited

### **BANKERS TO THE FUND**

Al Baraka Islamic Bank B.S.C (E.C)
Allied Bank Limited - Islamic Banking
Askari Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Dubai Islamic Bank Pakistan Limited

Allied Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking
Faysal Bank Limited
Habib Metropolitan Bank Limited - Islamic Banking

HBL - Islamic Banking Meezan Bank Limited Meezan Bank Limited

MCB Bank Limited - Islamic Banking

UBL Ameen Islamic Banking

Standard Chartered Bank (Pakistan) Limited - Islamic Banking

### **LEGAL ADVISER**

Bawaney & Partners 404, 4th Floor, Beaumont Plaza, 6-CL-10, Beaumont Road, Civil Lines, Karachi - 75530 Phone: (9221) 3565 7658-59 Fax: (9221) 3565 7673

E-mail: bawaney@cyber.net.pk

### TRANSFER AGENT

Meezan Bank Limited
SITE Branch
Plot # B/9-C Estate Avenue SI

Plot # B/9-C, Estate Avenue, SITE, Karachi.

Phone: 32062891 Fax: 32552771 Web site: www.meezanbank.com

### DISTRIBUTORS

Al Meezan Investment Management Limited Meezan Bank Limited



### CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

As at March 31, 2013 (Unaudited)

	Note	(Unaudited) March 31, 2013 (Rupees i	(Audited) June 30, 2012 <b>n '000</b> )
Assets			
Balances with banks		542,463	314,009
Investments	5	1,563,521	904,288
Deposits, prepayments and other receivables	3	35,118	28,091
Total assets		2,141,102	1,246,388
10141 435213		2,111,102	1,2 10,300
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan)			
- Management Company of the Fund		3,880	1,921
Payable to Central Depository Company of Pakistan Limited			
(CDC) - trustee of the Fund		220	154
Payable to Securities and Exchange Commission of Pakistan (SECP)		856	1,438
Payable to Meezan Bank Limited (MBL)		-	96
Payable on redemption of units		748	9,100
Accrued expenses and other liabilities		28,584	24,715
Total liabilities		34,288	37,424
Net assets		2,106,814	1,208,964
Contingency	6		
Unitholders' funds (as per statement attached)		2,106,814	1,208,964
		(Number	of units)
Number of units in issue		40,044,701	23,294,657
Number of units in issue		40,044,701	23,294,037
		(Ru	pees)
Net asset value per unit		52.61	51.90
rice asset value per unit		32.01	31,30

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

### CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Note		h 31,	Quarter ended March 31,		
		2013	2012	2013	2012	
			(Rupees	in '000)		
Income						
Profit on savings accounts with banks		42,726	45,559	17,497	2,199	
Profit on sukuk certificates		116,128	184,639	31,706	59,717	
Realised gain on sale of sukuk certificates		38,306	18,554	11,489	3,897	
Unrealised gain / (loss) on re-massurement of investments		197,160	248,752	60,692	65,813	
Unrealised gain / (loss) on re-measurement of investments 'at fair value through profit or loss' (net)		233	1,646	3,723	(3,066	
Provision for accrued profit on investment			(38,562)	-	- (5,000	
Provision against sukuk certificates			(98,099)	-	21	
		233	(135,015)	3,723	(3,045	
Total income		197,393	113,737	64,415	62,768	
Expenses						
Remuneration to Al Meezan - Management Company of the Fund		17,127	24,173	6,765	5,585	
Sindh Sales Tax on management fee		2,740	3,868	1,082	894	
Remuneration to CDC - trustee of the Fund		1,609	2,010	593	528	
Annual fee to SECP		856	1,209	338	280	
Auditors' remuneration		454	435	80	103	
Fees and subscription		192	184	63	61	
Legal and professional charges			15	-		
Brokerage		71	72	51	29	
Bank and settlement charges Provision for Workers' Welfare Fund (WWF)	7	59	59	17	21	
Printing expense	/	3,981 65	92	1,417 (41)	55	
Total expenses		27,154	32,117	10,365	7,556	
Net income from operating activities		170,239	81,620	54,050	55,212	
Element of income / (loss) and capital gains / (losses) included		.,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,	,	
in prices of units sold less those in units redeemed - net		28,794	(15,785)	16,786	(12,976	
Net income for the period		199,033	65,835	70,836	42,236	
Other comprehensive income / (loss) for the period						
Unrealised gain on available for sale investments			1,562	-	1,562	
Element of loss and capital losses included in prices of units sold						
less those in units redeemed pertaining to available for sale in	vestment	-	(337)	•	(337	
Total comprehensive income for the period		199,033	67,060	70,836	43,461	

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



### CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months p March		Quarter ended March 31,		
	2013	2012	2013	2012	
		···· (Rupees	s in '000)		
Undistributed income brought forward	45,820	54,307	36,505	28,122	
Net income for the period	199,033	65,835	70,836	42,236	
Less: Final distribution for the year ended June 30, 2012 - bonus units @ 3.94% (June 30, 2011: 2%) - cash dividend @ 3.94% (June 30, 2011: 2%)	(39,603) (6,288)	(23,672) (26,112)	-	- -	
Less: Interim distribution for the period ended December 31, 2012 - bonus units @ 6% (December 31, 2011: nil) - cash dividend @ 6% (December 31, 2011: nil)	(81,483) (10,138)	- -		- -	
Less: Interim distribution for the period ended March 31, 2013 - bonus units @ nil (March 31, 2012: 4%) - cash dividend @ nil (March 31, 2012: 4%)		(36,470) (12,788)		(36,470) (12,788)	
Element of loss and capital losses included in prices of units sold less those in units redeemed (net)	-	(337)	-	(337)	
Undistributed income carried forward	107,341	20,763	107,341	20,763	

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA
Chief Executive

Mar Pil

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS For the nine months and quarter ended March 31, 2013 (Unaudited)

			period ended :h 31,		er ended rch 31,
		2013	2012	2013	2012
			····· (Rupe	es in '000)	
Net assets at the beginning of the period		1,208,964	2,541,935	1,549,464	1,718,219
Issue of 30,748,601 units (2012: 4,748,383 units) and 16,096,242 units (2012: 1,155,284 units) for the nine months and quarter respectively		1,596,011	241,576	834,704	59,378
Redemption of 16,399,493 units (2012: 31,560,048 units) and 6,352,312 units (2012: 11,562,571 units) for the nine months and guarter respectively		(851,974)	(1,599,927)	(331,404)	(593,717)
4		744,037	(1,358,351)	503,300	(534,339)
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed (net) - transferred to income statement		(28,794)	15,785	(16,786)	12,976
- transferred directly to distribution statement		_	337	_	337
		(28,794)	16,122	(16,786)	13,313
Total comprehensive income / (loss) for the period less distribution		61,521	(31,982)	70,836	(5,797)
Issue of 793,166 bonus units for the year ended June 30, 2012 (June 30, 2011: 472,871 units)		39,603	23,672	-	-
Issue of 1,607,770 bonus units for the period ended December 31, 2012 (December 31, 2011: nil units)	2	81,483	-	-	-
Issue of nil bonus units for the period ended March 31, 2013 (March 31, 2012: 727,802 units)		-	36,470	-	36,470
Net assets at the end of the period		2,106,814	1,227,866	2,106,814	1,227,866
Net asset value per unit as at the beginning of the period	Rupees	51.90	51.06	51.14	50.76
Net asset value per unit as at the end of the period	Rupees	52.61	50.80	52.61	50.80

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA
Chief Executive

Mar Pil



# CONDENSED INTERIM CASH FLOW STATEMENT For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months Marc		er ended ch 31,	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		····· (Rupee	s in '000)	
Net income for the period	199,033	65,835	70,836	42,236
Adjustments for:				
Profit on savings accounts with banks	(42,726)	(45,559)	(17,497)	(2,199)
Profit on sukuk certificates	(116,128)	(184,639)	(31,706)	(59,717)
Unrealised (gain) / loss on re-measurement of investments				
at 'fair value through profit or loss' (net)	(233)	(1,646)	(3,723)	3,066
Provision for accrued profit on an investment	-	38,562	-	-
Provision against sukuk certificates	•	98,099	-	(21)
Element of (income) / loss and capital (gains) / losses included	(00 =0.1)	45.705	(4.4.704)	40.076
in prices of units sold less those in units redeemed - net	(28,794)	15,785	(16,786)	12,976
(homes and the second seconds	11,152	(79,398)	1,124	(45,895)
(Increase) / decrease in assets	(650,000)	855,662	(527 907)	404 201
Investments Receivable against sale of investments	(659,000)	(50,308)	(537,897)	404,201
Deposits and other receivables	(7)	(30,308)	8	(50,308)
Deposits and other receivables	(659,007)	805,345	(537,889)	353,899
Increase / (decrease) in liabilities	(037,001)	003,343	(337,007)	333,077
Payable to Al Meezan - Management Company of the Fund	1,959	(1,307)	1,334	(1,105)
Payable to CDC - trustee of the Fund	66	(76)	29	(53)
Payable to SECP	(582)	(1,028)	338	280
Payable to MBL	(96)	(97)	-	-
Accrued expenses and other liabilities	3,869	(184)	1,303	64
'	5,216	(2,692)	3,004	(814)
Profit received on savings accounts with banks	32,149	60,978	19,206	19,811
Profit received on sukuk certificates	119,685	218,159	34,948	80,288
Net cash (outflow) / inflow from operating activities	(490,805)	1,068,227	(479,607)	449,525
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from sale of units	1,596,011	241,576	834,704	59,378
Payments against redemption of units	(860,326)	(1,592,987)	(330,781)	(597,561)
Dividend paid	(16,426)	(26,112)	(10,138)	-
Net cash inflow / (outflow) from financing activities	719,259	(1,377,523)	493,785	(538,183)
Net cash inflow / (outflow) during the period	228,454	(309,296)	14,178	(88,658)
Cash and cash equivalents at the beginning of the period	314,009	426,592	528,285	205,954
Cash and cash equivalents at the end of the period	542,463	117,296	542,463	117,296

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

**Mohammad Shoaib, CFA Chief Executive** 

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION For the nine months and quarter ended March 31, 2013 (Unaudited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Islamic Income Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depositary Company of Pakistan (CDC) as the trustee. The trust deed was executed on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) notified through S.R.O 1203(I) /2008 on November 21, 2008. The registered office of the Management Company of the Fund, is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund has been formed to provide the unit holders safe and stable stream of halal income on their investments and to generate superior long term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the trust deed all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3 The Fund is an open-end fund listed on Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The Fund has been given a stability rating of A-(f) by JCR VIS Credit Rating Company Limited. The Management Company of the Fund has been given quality rating of AM2 by JCR VIS Credit Rating Company Limited.
- 1.5 Title to the assets of the Fund are in the name of CDC as a trustee of the Fund.

### 2. BASIS OF MEASUREMENT

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the approved accounting standards as applicable in Pakistan.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules and the NBFC Regulations. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of this condensed interim financial information and the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2012.



(Unaudited) (Audited) March 31, June 30, 2012

Note (Rupees in '000)

5. INVESTMENTS

5.1

Investments at 'fair value through profit or loss'	5.1	1,563,521 1,563,521	904,288 904,288
Investments at 'fair value through profit or loss'			
- Held for trading - Investments at 'fair value through profit or loss	5.1.1	854,879	291,267
upon initial recognition'	5.1.2	708,642 1,563,521	613,021 904,288

### 5.1.1 Held for trading - Sukuk certificates

										Percentage i	in relation to
Name of the investee company	Maturity date	Profit rate	As at July 1, 2012	Purchases during the period	Sales / redempti ons during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised loss	Net assets of the Fund on the basis of market value	Total Market Value of investment
				Number o	f certificates	5		Rupees in '000			
Century Paper & Board Mills Limited (note 5.1.4) (A+, JCR-VIS, non-traded)	September 25,2014	6 months Kibor plus base rate of 1.35%		-	4,275	-	-	-	-		-
GoP Ijarah Sukuk Certificates - IX (note 5.1.3)	December 26, 2014	Weighted average 6 months T-Bills		-	-	1,700	170,000	170,000	-	8.07	10.87
GoP Ijarah Sukuk Certificates - XII (note 5.1.3)	June 28, 2015	Weighted average 6 months T-Bills		-	-	1,000	100,000	100,000	-	4.75	6.40
GoP Ijarah Sukuk Certificates - XIII (note 5.1.3)	September 18, 2015	Weighted average 6 months T-Bills		2,249	-	2,249	224,879	224,879	-	10.67	14.38
GoP Ijarah Sukuk Certificates - XIV (note 5.1.3)	March 28, 2016	Weighted average 6 months T-Bills		3,600	-	3,600	360,180	360,000	(180)	17.09	23.02
Grand Total						-	855,059	854,879	(180)		
Total cost of investments						=		855,059			

### 5.1.2 Investments 'at fair value through profit or loss upon initial recognition' - Sukuk certificates

										Perc	entage in relat	on to
Name of the investee company	Maturity date	Profit rate	As at July 1, 2012	Purchases during the period	Sales / redempti ons during the period	2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain	Net assets of the Fund on the basis of market value	Paid-up capital of investee company (with face value of	Total market value of investment
				Number	of certificat	es		Rupees in '000			investment)	
Arzoo Textile Mills Limited (note 5.1.4 & 5.1.5)	April 15, 2014	6 months Kibor plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	10.20	-
Century Paper & Board Mills Limited (note 5.1.4) (A+, JCR-VIS, non-traded)	September 25, 2014	6 months Kibor plus base rate of 1.35%		-	16,358	-	-	-	-	-	-	-
Eden Builders Limited (note 5.1.4) (DG3+, PACRA, non-traded)	March 8, 2014	3 months Kibor plus base rate of 2.3%		-	1,800	2,400	11,947	12,029	82	0.57	1.04	0.77
Eden Housing Limited (note 5.1.4 & 5.1.5)	September 29, 2014	6 months Kibor plus base rate of 2.5%	59,400	-	-	59,400	88,971	88,971	-	4.22	9.07	5.69
Engro Fertilizer Limited (note 5.1.4) (A, PACRA, non-traded)	September 1, 2015	6 months Kibor plus base rate of 1.5%	30,500	10,000	5,000	35,500	178,944	179,275	331	8.51	5.42	11.47
Hub Power Company Limited - CP Sukuk (note 5.1.4 & 5.1.4.1)	August 2, 2012	6 months Kibor plus base rate of 1.25%		-	20,000	-	-	-	-	-	-	-
Hub Power Company Limited - CP Sukuk (note 5.1.4 & 5.1.4.1)	February 16, 2013	6 months Kibor plus base rate of 1.25%	-	20,000	20,000	-	-	-	-	-	-	-
Hub Power Company Limited - CP Sukuk (note 5.1.4 & 5.1.4.1)"	September 12, 2013		-	45,000	-	45,000	225,000	225,000	-	10.68	1.94	14.39
Kot Addu Power Company Limited - CP Sukuk (note 5.1.4 & 5.1.4.1)	June 10, 2013	6 months Kibor plus base rate of 1.1%	-	20,000	-	20,000	100,000	100,000	-	4.75	1.14	6.40
Maple Leaf Cement Factory Limited (note 5.1.4 & 5.1.5)	December 3, 2018	3 months Kibor plus base rate of 1%	63,864	-	4,800	59,064	94,502	94,502	-	4.49	5.60	6.04
Maple Leaf Cement Factory Limited (note 5.1.4 & 5.1.5)	March 31, 2013	3 months Kibor plus base rate of 1%	2,400	-	2,400	_	-	-	-	-	-	-
Security Leasing Corporation Limited II (note 5.1.4 & 5.1.5)	January 19, 2022	Nil	3,892	-	304	3,588	8,865	8,865	-	0.42	4.94	0.57
Sitara Chemical Industries Limited III (note 5.1.4) (A+, JCR-VIS, non-traded)	December 31, 2012	3 months Kibor plus base rate of 1%	6,750	-	6,750	_	-	-	-	-	-	-
Grand Total						-	708,229	708,642	413	-		
Total cost of investments						=		987,075		=		
									=			

- 5.1.3 The nominal value of the GoP Ijarah sukuk certificates is Rs 100,000 each and they are stated at face value.
- 5.1.4 The nominal value of the sukuk certificates is Rs 5,000 each.
- 5.1.4.1 The securities are carried at face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturity of upto six months.



### 5.1.5 Following investments of the Fund are in the sukuk which are below 'investment grade' securities:

Name of the investee company	Type of investments	Value of investment before provision	Provision held as at March 31, 2013	Value of investment after provision	Percentage of net assets	Percentage of Total assets
		(	Rupees in '000	0)		%
Arzoo Textile Mills Limited Sukuk	Non-traded sukuk	32,200	32,200	-	-	-
Eden Housing Limited	Non-traded sukuk	110,246	21,275	88,971	4.22	4.16
Maple Leaf Cement Factory Limited	Non-traded sukuk	200,260	105,758	94,502	4.49	4.41
Security Leasing Corporation Limited II	Non-traded sukuk	13,710	4,845	8,865	0.42	0.41
		356,416	164,078	192,338		

### 6. CONTINGENCY

There were no other contingencies and commitments outstanding other than those disclosed in the financial statements for the year ended June 30, 2012.

### 7. WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

The Fund has recognised WWF amounting to Rs. 27.207 million upto March 31, 2013. Had the same not been made, the net asset value per unit of the Fund would have been higher by Re. 0.68 (1.29%).

### 8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan being the Management Company, CDC being the trustee, MBL being the holding company of the Management Company and Pakistan Kuwait Investment Company (Private) Limited as associate of the Management Company and Al Meezan Mutual Fund, Meezan Sovereign Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - II, Meezan Cash Fund, Meezan Islamic Fund, KSE Meezan Index Fund and Meezan Balanced Fund being the Funds under the common management of the Management Company.

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

Remuneration payable to the Management Company and the trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations, 2008 and the Trust Deed respectively.

Details of transactions with connected persons and balances with them are as follows:

	(Unaudited) March 31, 2013	(Audited) June 30, 2012		
	(Rupees in '000)			
Al Meezan Investment Management Limited				
- (Management Company of the Fund)				
Remuneration payable	2,617	1,492		
Sales load payable	728	183		
Certificate charges payable	1	1		
Sindh Sales Tax on management fee	419	239		
Sindh Sales Tax on sales load	115	6		
Investments as at March 31, 2013: 4,347,920 units				
(June 30, 2012: 421,342 units)	228,751	21,868		
MBL				
Sales load payable		96		
Balances with bank	4,929	6,150		
Profit receivable on savings account	99	7		
CDC - trustee of the Fund				
Trustee fee payable	220	154		
Deposits	100	100		
Directors and Executives of the Management Company				
Investments as at March 31, 2013: 1,042,029 units				
(June 30, 2012: 39,518 units)	54,821	2,051		



1	Nine months p March			
	2013	2012		
Al Meezan Investment Management Limited	(Rupees in '000)			
- (Management Company of the Fund)				
Remuneration for the period	17,127	24,173		
Sindh Sales Tax on management fee for the period	2,740			
Units issued: 3,677,853 units (March 31, 2012: 405,171 units)	189,000	21,000		
Bonus units issued: 248,725 units (March 31, 2012: 16,171 units)	12,593	810		
MBL Profit on savings accounts	216	199		
CDC - trustee of the Fund				
Remuneration for the period	1,609	2,010		
CDS Charges for the period	5	5		
Directors and Executives of the Management Company				
Units issued: 1,020,312 units (March 31, 2012: 40,126 units)	52,981	2,031		
Redemptions: 54,785 units (March 31, 2012: 59,364 units)	2,807	3,022		
Bonus units issued: 36,984 units (March 31, 2012: 1,228 units)	1,874	53		

### 9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 19, 2013 by the Board of Directors of the Management Company of the Fund.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



**Quarterly Report March 31, 2013** 

### **FUND INFORMATION**

#### **MANAGEMENT COMPANY**

 $\hbox{E-mail: in } fo@almeez angroup.com$ 

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 Web site: www.almeezangroup.com

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr. Ariful Islam
Mr. P. Ahmed
Director
Mr. Salman Sarwar Butt
Director
Mr. Tasnimul Haq Farooqui
Director
Mr. Mazhar Sharif
Director
Syed Amir Ali
Syed Amir Ali Zaidi
Director
Mr. Mohammad Shoaib, CFA
Chief Executive

### **CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY**

Syed Owais Wasti

### **AUDIT COMMITTEE**

Mr. P. Ahmed Chairman
Mr. Mazhar Sharif Member
Syed Amir Ali Member

### **HUMAN RESOURCES & REMUNERATION COMMITTEE**

Mr. Salman Sarwar Butt Chairman Mr. Tasnimul Haq Farooqui Member Mr. Mazhar Sharif Member Mr. Mohammad Shoaib, CFA Member

### TRUSTEE

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

### **AUDITORS**

KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No.2, Beaumount Road, Karachi- 75530.

### **SHARIAH ADVISER**

Meezan Bank Limited

### **BANKERS TO THE FUND**

Askari Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Standard Chartered Bank (Pakistan) Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking

Habib Bank Limited - Islamic Banking

Meezan Bank Limited

MCB Bank Limited

UBL Ameen

Faysal Bank Limited - Islamic Banking

### **LEGAL ADVISER**

Bawaney & Partners 404, 4th Floor, Beaumont Plaza, 6-CL-10, Beaumont Road, Civil Lines, Karachi - 75530 Phone: (9221) 3565 7658-59 Fax: (9221) 3565 7673 E-mail: bawaney@cyber.net.pk

### TRANSFER AGENT

Meezan Bank Limited SITE Branch Plot # B/9-C, Estate Avenue, SITE, Karachi. Phone: 32062891 Fax: 32552771 Web site: www.meezanbank.com

### **DISTRIBUTORS**

Al Meezan Investment Management Limited Meezan Bank Limited



### CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

As at March 31, 2013 (Unaudited)

	Note	(Unaudited) March 31, 2013 (Rupees i	(Audited) June 30, 2012 <b>n '000</b> )
Assets Balances with banks Investments Deposits, prepayments and other receivables Preliminary expenses and floatation costs Total assets	5	4,849,819 15,045,686 439,495 951 20,335,951	5,233,984 14,360,803 247,711 1,335 19,843,833
Liabilities Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company of the Fund Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund Payable to Securities and Exchange Commission of Pakistan (SECP) Payable to Meezan Bank Limited (MBL) Payable on redemption of units Dividend Payable Accrued expenses and other liabilities		24,140 1,361 10,985 - 23,153 30 87,948	21,181 1,275 12,929 699 12,917 28,858 56,465
Net assets		20,188,334	134,324
Unitholders' funds (as per statement attached)  Number of units in issue		20,188,334 (Number 402,825,195	
Net asset value per unit		(Rup	50.03

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA
Chief Executive

CONDENSED INTERIM INCOME STATEMENT For the nine months and quarter ended March 31, 2013 (Unaudited)

		Nine months period ended March 31			er ended rch 31
	Note	2013	2012	2013	2012
			· (Rupee	s in '000)	
Income			•	-	
Profit on savings accounts with banks		395,578	404,280	130,662	112,691
Profit on sukuk certificates		1,134,617	1,093,448	328,519	448,824
Net Realised gain on sale of sukuk certificates		30,147_	25,311	15,717	
		1,560,342	1,523,039	474,898	561,515
Unrealised loss on re-measurement of investments at					
'fair value through profit or loss' (net)		(1,915)	(1,086)	-	-
Total income		1,558,427	1,521,953	474,898	561,515
Expenses					
Remuneration to Al Meezan - Management Company of the Fund		146,463	123,209	49,874	48,349
Sindh Sales Tax on management fee		23,434	19,714	7,980	7,736
Remuneration to CDC - trustee of the Fund		11,548	9,806	3,926	3,813
Annual fee to SECP		10,985	9,241	3,741	3,626
Auditors' remuneration		366	339	90	107
Fees and subscription		174	153	25	53
Amortisation of premium on investments held as 'available for sale'		4,542	1,813	4,261	129
Amortisation of preliminary expenses and floatation costs		384	385	126	127
Brokerage		1,017	255	770	-
Bank and settlement charges		143	118	35	41
Provision for Workers' Welfare Fund	6	26,724	-	7,909	-
Printing expense		195	207	63	66
Total expenses		225,975	165,240	78,800	64,047
Net income from operating activities		1,332,452	1,356,713	396,098	497,468
Element of income / (loss) and capital gains / (losses) included					
in prices of units sold less those in units redeemed (net)		3,763	58,764	(659)	8,510
Net income for the period		1,336,215	1,415,477	395,439	505,978
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		1,336,215	1,415,477	395,439	505,978

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

**Mohammad Shoaib, CFA Chief Executive** 

Mar Pil



# CONDENSED INTERIM DISTRIBUTION STATEMENT For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31		Quarter ended March 31	
	2013	2012	2013	2012
	(Rupees in '000)			
Undistributed income brought forward	9,770	160,028	50,092	123,254
Net income for the period	1,336,215	1,415,477	395,439	505,978
Less: Final distribution for the year ended June 30, 2012 - Bonus units @ NIL ( June 30,2011: 1.28%) - Cash dividend @ NIL ( June 30,2011: 1.28%)		(68,000) (90,537)		- -
Less: Interim distribution for the quarter ended September 30, 2012 - Bonus units @ 2.38% ( September 30, 2011 : 2.60%) - Cash dividend @ 2.38 % ( September 30, 2011: 2.60%)	(437,045) (30)	(185,368) (186,478)	(204)	- -
Less: Interim distribution for the quarter ended December 31, 2012 -Bonus units @ 2.36% (December 31, 2011: 2.6%) -Cash dividend @ 2.36% (December 31, 2011: 2.6%)	(463,358) (225)	(225,591) (190,299)		- -
Less: Interim distribution for the quarter ended March 31, 2013 -Bonus units @ 2.00% (March 31, 2012: 2.6%) -Cash dividend @ 2.00% (March 31, 2012: 2.6%)	(399,787) (194)	(262,232) (242,041)	(399,787) (194)	(262,232) (242,041)
Undistributed income carried forward	45,346	124,959	45,346	124,959

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

**Mohammad Shoaib, CFA Chief Executive** 

Mar Pil

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31		Quarter ended March 31	
	2013	2012	2013	2012
	(Rupees in '000)			
Net assets at the beginning of the period	19,709,509	12,545,661	20,082,288	18,798,100
Issue of 266,920,521 units (2012: 274,713,586) and 109,843,143 units (2012: 67,784,764) for the nine months and quarter respectively	13,481,225	13,887,324	5,541,469	3,436,864
Redemption of 284,059,467 units (2012: 162,286,204) and 115,626,855 units (2012: 71,557,314) for the nine months and quarter respectively	(14,334,404) (853,179)	(8,207,808) 5,679,516	(5,831,328) (289,859)	(3,617,856) (180,992)
Element of (income) / loss and (capital gains) / losses included in prices of units sold less those in units redeemed (net)	(3,763)	(58,764)	659	(8,510)
Net income /(loss) for the period less distribution	35,576	(35,069)	(4,746)	1,705
Issue of 1,359,719 bonus units for the period ended June 30, 2011		68,000	-	-
Issue of 8,739,160 bonus units for the quarter ended September 30, 2012 (September 30, 2011 : 3,702,923 Units)	437,045	185,368	204	-
Issue of 9,265,316 bonus units for the quarter ended December 31, 2012 (December 31, 2011: 4,496,534)	463,358	225,591	-	-
Issue of 7,994,138 bonus units for the quarter ended March 31, 2013 (March 31, 2012: 5,226,869)	399,788	262,232	399,788	262,232
Net assets at the end of the period	20,188,334	18,872,535	20,188,334	18,872,535
Net assets value per unit at the beginning of the period - Rupees	50.03	50.65	50.13	50.33
Net assets value per unit at the end of the period - Rupees	50.12	50.34	50.12	50.34

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA
Chief Executive

Mara Pil



### CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31		Quarter ended March 31	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		(Rupe	es in '000)	
Net income for the period	1,336,215	1,415,477	395,439	505,978
Adjustments for:				
Profit on savings accounts with banks	(395,578)	(404,280)	(130,662)	(112,691)
Profit on sukuk certificates	(1,134,617)	(1,093,448)	(328,519)	(448,824)
Unrealised loss on re-measurement of investments	4.045	(1.006)		
at fair value through profit or loss (net)	1,915 384	(1,086) 385	126	126
Amortisation of preliminary expenses and floatation costs  Ammortisation of premium on GoP Ijarah Sukuks	4,542	303	4,261	120
Element of (income) / loss and (capital gains) / losses included	4,342	-	4,201	-
in prices of units sold less those in units redeemed (net)	(3,763)	(58,764)	659	(8,510)
in prices of writes some ress those in writes redeemed (net)	(1,527,117)	(1,557,193)	(454,135)	(569,899)
(Increase) / Decrease in assets	(,, ,	( )	( , , , , , ,	(,,
Investments	(691,339)	(5,834,851)	(1,329,425)	(937)
Deposits, prepayments and other receivables	(67)	(57)	92	1,119
	(691,406)	(5,834,908)	(1,329,333)	182
Decrease in liabilities				
Payable to Al Meezan - management company of the Fund	2,959	9,949	1,085	2,403
Payable to CDC - trustee of the Fund	86	541	26	163
Payable to SECP	(1,944)	4,513	3,741	3,626
Payable to MBL Payable on redemption of units	(699) 10,236	(264)	(1,990)	(131)
Accrued expenses and other liabilities	31,483	(295)	8,519	(772)
Accided expenses and other naminals	42,121	(16,294)	11,381	5,837
Profit received on savings accounts with banks	410,188	441,469	199,295	198,068
Profit received on sukuk certificates	928,290	812,219	119,110	113,522
Net cash inflow / (outflow) from operating activities	498,291	(4,739,230)	(1,058,243)	253,688
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from sale of units	13,481,225	13,887,324	5,541,469	3,436,864
Payments against redemption of units	(14,334,404)	(8,207,808)	(5,831,328)	(3,617,856)
Dividend paid	(29,277)	(467,314)	(200)	(100.003)
Net cash (outflow) / inflow from financing activities	(882,456)	5,212,202	(290,059)	(180,992)
Net cash (outflow) / inflow during the period Cash and cash equivalents at the beginning of the period	(384,165)	472,972 3 031 760	(1,348,301)	72,696 3 432 045
Cash and cash equivalents at the beginning of the period  Cash and cash equivalents at the end of the period	5,233,984 4,849,819	3,031,769 3,504,741	6,198,120 4,849,819	3,432,045 3,504,741
Cash and Cash equivalents at the end of the period	4,047,017	3,304,741	4,047,017	3,304,741

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION For the nine months and quarter ended March 31, 2013 (Unaudited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Sovereign Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the management company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The trust deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the management company of the Fund, is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund has been formed to provide the unitholders maximum possible preservation of capital along with Halal and reasonable returns by investing primarily in a portfolio of shariah compliant government securities thus minimizing the credit risk of investments. The Fund shall also keep an exposure in short-term near cash instruments for the purpose of maintaining liquidity and to capitalize on exceptional returns if available at any given point of time. Under the trust deed all conducts and acts of the Fund are based on shariah. MBL acts as its shariah adviser to ensure that the activities of the Fund are in compliance with the principles of shariah.
- 1.3 The Fund is an open-end fund listed on the Islamabad Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The management company of the Fund has been given quality rating of AM2 and the stability rating of the Fund is AA(f) given by JCR-VIS Credit Rating Company Limited
- 1.5 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

### 2. BASIS OF MEASUREMENT

The transactions undertaken by the Fund in accordance with the process prescribed under the shariah guidelines issued by the Shariah Adviser are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

### 3. STATEMENT OF COMPLIANCE

3.1 This condensed interim financial report has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984,the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP) have been followed.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the period ended June 30, 2012.

The accounting policies and method of computation adopted in the preparation of this condensed interim financial information and the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the period ended June 30, 2012.

The Fund financial risk management objective and policies are consistent with those disclosed in the annual financial statements for the period ended June 30, 2012.



 Note
 (Unaudited)
 (Audited)

 March 31,
 June

 2013
 30, 2012

 (Rupees in '000)

## 5. INVESTMENTS

Investments at 'fair value through profit or loss' Investments - 'available for sale'

 5.1
 10,075,000
 14,085,000

 5.2
 4,970,686
 275,803

 15,045,686
 14,360,803

10,090,270

# 5.1 Held for trading

		Cale (					Percentage i	n relation to			
Name of the issuer	Maturity date	Profit rate	As at July 1, 2012	Purchases during the period	Sale / redemptions during the period f certificates	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss)	Net assets of the fund on the basis of market value (see note 5.3.2 below)	Total market value of investments
GoP Ijarah Sukuk Certificates - V	November	Weighted		Humbero	recruiteutes			apecs iii ooo			
(note 5.3.1)	15, 2013	average 6 months T-Bills		-	22,750	26,810	2,681,000	2,681,000	_	13.28	17.82
GoP Ijarah Sukuk Certificates - VI (note 5.3.1)	December 20, 2013	Weighted average 6 months T-Bills		_	2,500	5,070	507,000	507,000		2.51	3.37
GoP Ijarah Sukuk Certificates - VII	March	Weighted		-	2,300	3,070	307,000	307,000	-	2.51	3.37
(note 5.3.1)	7, 2014	average 6 months T-Bills	2,870	-	-	2,870	287,000	287,000	-	1.42	1.91
GoP Ijarah Sukuk Certificates - VIII (note 5.3.1)	May 16, 2014	Weighted average 6 months T-Bills		_	480	3,520	352,000	352,000	_	1.74	2.34
GoP Ijarah Sukuk Certificates - IX (note 5.3.1)	Decemebr 26, 2014	Weighted average 6 months T-Bills		_	18,650	50,950	5,095,000	5,095,000	_	25.24	33.86
GoP Ijarah Sukuk Certificates - XII (note 5.3.1)	June 28,2015	Weighted			.0,050	30,730	3,033,000	3,033,000		23.2 .	33.00
(Hote 3.3.1)	20,2013	6 months T-Bills	7,250	-	6,400	850	85,000	85,000	-	0.42	0.56
GoP Ijarah Sukuk Certificates - XIII (note 5.3.1)	September 18,2015	Weighted average 6 months T-Bills		9,150	-	9,150	916,915	915,000	(1,915)	4.53	6.08
GoP Ijarah Sukuk Certificates - XIV (note 5.3.1)	March 28,2016	Weighted average 6 months									
		T-Bills	-	1,530	-	1,530	153,000 <b>10,076,915</b>	153,000 <b>10.075.000</b>	(1,915)	0.76	1.02
						:		,	(.,,,,,,)	=	

## 5.2 Investment - Available fo sale

Total cost of investments

							Carrying	Maukat		Percentage in relation to	
Name of the issuer	Maturity date	Profit rate	As at July 1, 2012	Purchases during the period	Sale / redemptions during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss)	Net assets of the fund on the basis of market value (see note 5.3.2 below)	Total market value of investments
			-	Number o	f certificates		R	upees in '000		Delow)	
GoP Ijarah Sukuk Certificates - V (note 5.3.1)	November 15, 2013	Weighted average 6 months T-Bills		-	2,750	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - VIII (note 5.3.1)	May 26, 2014	Weighted average 6 months T-Bills		15,000	-	15,000	1,512,353	1,512,353	-	7.49	10.05
GoP Ijarah Sukuk Certificates - X (note 5.3.1)"	March 02, 2015	Weighted average 6 months T-Bills		10,500	-	10,500	1,055,006	1,055,006	-	5.23	7.01
GoP Ijarah Sukuk Certificates - XIII (note 5.3.1)	September 18, 2015	Weighted average 6 months T-Bills		24,000	_	24,000	2,403,327	2,403,327	-	11.90	15.97
						_	4,970,686	4,970,686	-	_	
Total cost of investments						-		4,950,000		_	

- 5.3 The offering document of the Fund requires that atleast 70% of the fund's net assets should be invested in Government Securities.
- 5.3.1 The nominal value of the sukuk certificates is Rs 100,000 each.
- 5.3.2 Net assets are as defined in regulation 66 of NBFC Regulations, 2008.

#### 6. WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

The fund has recognized WWF charge upto March 31, 2013 amounting to Rs. 81.93 million. Had the same not been made, the net asset value per unit of the Fund would have been higher by Re. 0.20 (0.41%).

#### 7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan being the management company, CDC being the trustee, MBL being the holding company and Pakistan Kuwait Investment Company (Private) Limited as associate of the management company and AI Meezan Mutual Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - II, Meezan Cash Fund, Meezan Islamic Fund, KSE Meezan Index Fund and Meezan Balanced Fund being the Funds under the common management of the management company.

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

Remuneration payable to the management company and the trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations, 2008 and the Trust Deed respectively.

Details of transactions with connected persons and balances with them at period end are as follows:



	(Unaudited) March 31, 2013	(Audited) June 30, 2012
Al-Meezan - management company of the Fund	(Rupees	in '000)
Remuneration payable	17,268	16,170
Sindh sales tax	2,763	2,587
Sales load payable	3,541	2,344
Sindh sales tax on sales load	568	80
Investments as at March 31, 2013: 14,821,676 units		
(June 30, 2012: 14,134,002 Units)	742,862	707,124
MBL		
Sales load payable	438	699
Balances with bank	43	38,049
Profit receivable on savings account	209	460
Investments as at March 31,2013: 148,829,382 units		
(June 30, 2012: 142,803,099 Units)	7,459,329	7,144,439
CDC - trustee of the Fund		
Trustee fee payable	1,361	1,275
Deposits	100	100
Directors and Executives of the Management Company		
Investments as at March 31, 2013: 4,287,328 units		
(June 30, 2012: 3,975,979 Units)	214,881	198,918
	Nine mont ended M	
	2013	2012
	(Rupees	in '000)
Al-Meezan - management company of the Fund		
Remuneration for the period	146,463	123,209
Preliminary expenses and floatation costs	384	385
Units issued 4,937,418 (March 31, 2012: 2,271,580 Units)	248,787	116,000
Units redeemed 5,257,742 units (March 31, 2012: 1,473,660 Units)	267,032	75,000
Bonus units issued 1,007,998 (March 31, 2012: 1,170,756 Units)	50,410	58,675

	ended March 31,		
	2013	2012	
	(Rupees	in '000)	
MBL			
Profit on savings accounts	1,213	1,213	
Units issued 76,202,098 (March 31, 2012: 39,800,995 Units)	3,861,020	2,000,000	
Units redeemed 79,811,255 units (March 31, 2012: NIL Units)	4,033,275		
Bonus units issued 9,635,441 (March 31, 2012: NIL Units)	481,868		
Cash dividend	-	498,815	
CDC - trustee of the Fund			
Remuneration for the period	11,548	9,806	
Directors and Executives of the Management Company			
Units issued 1,013,243 (March 31, 2012: 1,455,984 Units)	50,978	74,129	
Units redeemed 983,578 (March 31, 2012: 909,564 Units)	49,798	45,884	
Bonus units issued 281,684 (March 31, 2012: 256,623 Units)	14,087	12,862	

## 8. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 19, 2013 by the board of directors of the Management Company of the Fund.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

Mazhar Sharif Director

Nine months period



**Quarterly Report March 31, 2013** 

# **FUND INFORMATION**

#### **MANAGEMENT COMPANY**

Al Meezan Investment Management Limited Ground Floor, Block "B", Finance & Trade Centre Shahrah-e-Faisal, Karachi 74400, Pakistan. Phone: (9221) 3563 0722-6, 111-MEEZAN Fay: (9221) 3567 6143 3563 0808

Fax: (9221) 3567 6143, 3563 0808 Web site: www.almeezangroup.com E-mail: info@almeezangroup.com

#### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr. Ariful Islam Chairman Mr. P. Ahmed Director Mr. Salman Sarwar Butt Director Mr. Tasnimul Haq Farooqui Director Mr. Mazhar Sharif Director Syed Amir Ali Director Syed Amir Ali Zaidi Director Mr. Mohammad Shoaib, CFA Chief Executive

#### **CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY**

**Syed Owais Wasti** 

#### **AUDIT COMMITTEE**

Mr. P. Ahmed Chairman
Mr. Mazhar Sharif Member
Syed Amir Ali Member

#### **HUMAN RESOURCES & REMUNERATION COMMITTEE**

Mr. Salman Sarwar Butt Chairman Mr. Tasnimul Haq Farooqui Member Mr. Mazhar Sharif Member Mr. Mohammad Shoaib, CFA Member

#### TRUSTEE

Central Depository Company of Pakistan Limited

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

# **AUDITORS**

KPMG Taseer Hadi & Co. Chartered Accountants

Sheikh Sultan Trust Building No.2, Beaumount Road, Karachi-75530.

#### **SHARIAH ADVISOR**

Meezan Bank Limited

## **BANKERS TO THE FUND**

Askari Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
MCB Bank Limited - Islamic Banking

Standard Chartered Bank (Pakistan) Limited - Islamic Banking Habib Metropolitan Bank Limited - Islamic Banking

Soneri Bank Limited - Islamic Banking

# **LEGAL ADVISER**

**Bawaney & Partners** 

404, 4th Floor, Beaumont Plaza, 6-CL-10, Beaumont Road, Civil Lines, Karachi - 75530

Phone: (9221) 3565 7658-59 Fax: (9221) 3565 7673

E-mail: bawaney@cyber.net.pk

## **TRANSFER AGENT**

Meezan Bank Limited

SITE Branch

Plot # B/9-C, Estate Avenue, SITE, Karachi. Phone: (9221) 3206 2891 Fax: (9221) 3255 2771

Web site: www.meezanbank.com

#### **DISTRIBUTORS**

Al Meezan Investment Management Limited Meezan Bank Limited Faysal Bank Ltd.

UBL Ameen



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

As at March 31, 2013 (Unaudited)

A	Note	( Unaudited) March 31, 2013 (Rupees in	(Audited) June 30, 2012 n <b>'000</b> )
Assets Balances with banks Investments Profit receivable Preliminary expenses and floatation costs Deposits and prepayments Total assets	5	4,805,578 1,950,000 128,024 722 141 6,884,465	4,614,198 2,603,500 257,153 1,171 302 7,476,324
Liabilities  Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company of the Fund  Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund  Payable to Securities and Exchange Commission of Pakistan (SECP)  Payable on redemption of units  Accrued expenses and other liabilities  Dividend payable  Total liabilities		6,684 539 3,831 15,348 47,122 16 73,540	7,767  600 5,207 8,599 35,375 5 57,553
Net assets		6,810,925	7,418,771
Unitholders' funds (as per statement attached)		6,810,925	7,418,771
		(Number of	units)
Number of units in issue		135,912,741	148,152,204
		(Rupe	es)
Net assets value per unit		50.11	50.08

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

# CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

Note   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2012   2013   2013   2012   2013   2013   2012   2013			Nine months p			r ended ch 31,
Profit on savings accounts with banks   357,728   398,590   99,165   155,237     Profit on placements   123,270   139,893   45,491   30,324     Profit on placements   123,270   139,893   45,491   30,324     Profit on sukuk certificates   47,556   52,423   11,715   17,868     Other income   10   46   -		Note	2013	2012	2013	2012
Profit on savings accounts with banks         357,728         398,590         99,165         155,237           Profit on placements         123,270         139,893         45,491         30,324           Profit on sukuk certificates         47,556         52,423         11,715         17,868           Other income         10         46         -         -           Total income         528,564         590,952         156,371         203,429           Expenses         8         590,952         156,371         203,429           Expenses         8         49,181         16,720         17,480           Sindh sales tax on management Company of the Fund         51,080         49,181         16,720         17,480           Sindh sales tax on management fee         8,173         7,869         2,676         2,797           Remuneration to CDC - trustee of the Fund         4,777         4,648         1,565         1,622           Annual fee to SECP         3,831         3,689         1,254         1,311           Auditors' remuneration         187         165         62         54           Amortisation of preliminary expenses and floatation costs         449         452         148         149           Ban				(Rupees	s in '000)	
Profit on placements         123,270         139,893         45,491         30,324           Profit on sukuk certificates         47,556         52,423         11,715         17,868           Other income         10         46         -         -           Total income         528,564         590,952         156,371         203,429           Expenses         Total income         8,733         7,869         2,676         2,797           Remuneration to Al Meezan - Management Company of the Fund         8,173         7,869         2,676         2,797           Remuneration to CDC - trustee of the Fund         4,777         4,648         1,565         1,622           Annual fee to SECP         3,831         3,689         1,254         1,311           Auditors' remuneration         187         165         62         54           Amortisation of preliminary expenses and floatation costs         449         452         148         149           Bank and settlement charges         76         84         (3)         29           Legal and professional charges         -         5         -         5           Printing expenses         320         153         105         107           Total expenses<			357.728	398,590	99,165	155,237
Profit on sukuk certificates         47,556 to the income         52,423 to 46 to 50,952         11,715 to 46 to 50,952         17,868 to 50,952         11,715 to 20,3429           Expenses         Expenses         Remuneration to Al Meezan - Management Company of the Fund Sindh sales tax on management fee         51,080 to 49,181 to 49,181         16,720 to 20,476 to 2,797         17,480 to 2,676 to 2,797           Remuneration to CDC - trustee of the Fund         4,777 to 4,648 to 1,565 to 1,622 to 4,677 to 1,648 to 1,565 to 1,622 to 1,641 to 1,624 t						
Expenses         Semuneration to Al Meezan - Management Company of the Fund Sindh sales tax on management fee         S1,080         49,181         16,720         17,480           Sindh sales tax on management fee         8,173         7,869         2,676         2,797           Remuneration to CDC - trustee of the Fund         4,777         4,648         1,565         1,622           Annual fee to SECP         3,831         3,689         1,254         1,311           Auditors' remuneration         355         341         80         116           Fees and subscription         187         165         62         54           Amortisation of preliminary expenses and floatation costs         449         452         148         149           Bank and settlement charges         76         84         (3)         29           Legal and professional charges         -         5         -         5           Printing expense         320         153         105         107           Provision for Workers' Welfare Fund (WWF)         6         8,936         -         2,610         -           Total expenses         78,184         66,587         25,217         23,670           Net income from operating activities         450,380         5	Profit on sukuk certificates			52,423	11,715	17,868
Expenses         Remuneration to Al Meezan - Management Company of the Fund         51,080         49,181         16,720         17,480           Sindh sales tax on management fee         8,173         7,869         2,676         2,797           Remuneration to CDC - trustee of the Fund         4,777         4,648         1,565         1,622           Annual fee to SECP         3,831         3,689         1,254         1,311           Auditors' remuneration         355         341         80         116           Fees and subscription         187         165         62         54           Amortisation of preliminary expenses and floatation costs         449         452         148         149           Bank and settlement charges         76         84         (3)         29           Legal and professional charges         -         5         -         5           Printing expense         320         153         105         107           Provision for Workers' Welfare Fund (WWF)         6         8,936         -         2,610         -           Total expenses         78,184         66,587         25,217         23,670           Net income from operating activities         450,380         524,365 <t< td=""><td>Other income</td><td></td><td></td><td></td><td></td><td>-</td></t<>	Other income					-
Remuneration to Al Meezan - Management Company of the Fund         51,080         49,181         16,720         17,480           Sindh sales tax on management fee         8,173         7,869         2,676         2,797           Remuneration to CDC - trustee of the Fund         4,777         4,648         1,565         1,622           Annual fee to SECP         3,831         3,689         1,254         1,311           Auditors' remuneration         355         341         80         116           Fees and subscription         187         165         62         54           Amortisation of preliminary expenses and floatation costs         449         452         148         149           Bank and settlement charges         76         84         (3)         29           Legal and professional charges         -         5         -         5           Printing expense         320         153         105         107           Provision for Workers' Welfare Fund (WWF)         6         8,936         -         2,610         -           Total expenses         78,184         66,587         25,217         23,670           Net income from operating activities         450,380         524,365         131,154         179,759 <td>Total income</td> <td></td> <td>528,564</td> <td>590,952</td> <td>156,371</td> <td>203,429</td>	Total income		528,564	590,952	156,371	203,429
Remuneration to Al Meezan - Management Company of the Fund         51,080         49,181         16,720         17,480           Sindh sales tax on management fee         8,173         7,869         2,676         2,797           Remuneration to CDC - trustee of the Fund         4,777         4,648         1,565         1,622           Annual fee to SECP         3,831         3,689         1,254         1,311           Auditors' remuneration         355         341         80         116           Fees and subscription         187         165         62         54           Amortisation of preliminary expenses and floatation costs         449         452         148         149           Bank and settlement charges         76         84         (3)         29           Legal and professional charges         -         5         -         5           Printing expense         320         153         105         107           Provision for Workers' Welfare Fund (WWF)         6         8,936         -         2,610         -           Total expenses         78,184         66,587         25,217         23,670           Net income from operating activities         450,380         524,365         131,154         179,759 <td>Expenses</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Expenses					
Sindh sales tax on management fee         8,173         7,869         2,676         2,797           Remuneration to CDC - trustee of the Fund         4,777         4,648         1,565         1,622           Annual fee to SECP         3,831         3,689         1,254         1,311           Auditors' remuneration         355         341         80         116           Fees and subscription         187         165         62         54           Amortisation of preliminary expenses and floatation costs         449         452         148         149           Bank and settlement charges         76         84         (3)         29           Legal and professional charges         -         5         -         5           Printing expense         320         153         105         107           Provision for Workers' Welfare Fund (WWF)         6         8,936         -         2,610         -           Total expenses         78,184         66,587         25,217         23,670           Net income from operating activities         450,380         524,365         131,154         179,759           Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)         (3,564)			51,080	49,181	16,720	17,480
Annual fee to SECP 3,831 3,689 1,254 1,311  Auditors' remuneration 355 341 80 116  Fees and subscription 187 165 62 54  Amortisation of preliminary expenses and floatation costs 449 452 148 149  Bank and settlement charges 76 84 (3) 29  Legal and professional charges - 5 - 5  Printing expense 320 153 105 107  Provision for Workers' Welfare Fund (WWF) 6 8,936 - 2,610 -   Total expenses 78,184 66,587 25,217 23,670  Net income from operating activities 450,380 524,365 131,154 179,759  Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net) (3,564) 12,212 (661) 5,098  Net income for the period 446,816 536,577 130,493 184,857			8,173			2,797
Auditors' remuneration       355       341       80       116         Fees and subscription       187       165       62       54         Amortisation of preliminary expenses and floatation costs       449       452       148       149         Bank and settlement charges       76       84       (3)       29         Legal and professional charges       -       5       -       5         Printing expense       320       153       105       107         Provision for Workers' Welfare Fund (WWF)       6       8,936       -       2,610       -         Total expenses       78,184       66,587       25,217       23,670         Net income from operating activities       450,380       524,365       131,154       179,759         Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)       (3,564)       12,212       (661)       5,098         Net income for the period       446,816       536,577       130,493       184,857	Remuneration to CDC - trustee of the Fund		4,777	4,648	1,565	1,622
Fees and subscription         187         165         62         54           Amortisation of preliminary expenses and floatation costs         449         452         148         149           Bank and settlement charges         76         84         (3)         29           Legal and professional charges         -         5         -         5           Printing expense         320         153         105         107           Provision for Workers' Welfare Fund (WWF)         6         8,936         -         2,610         -           Total expenses         78,184         66,587         25,217         23,670           Net income from operating activities         450,380         524,365         131,154         179,759           Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)         (3,564)         12,212         (661)         5,098           Net income for the period         446,816         536,577         130,493         184,857			3,831	3,689	1,254	1,311
Amortisation of preliminary expenses and floatation costs  Bank and settlement charges Legal and professional charges  Printing expense Provision for Workers' Welfare Fund (WWF)  Total expenses Net income from operating activities  Plement of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)  Net income for the period  Additional costs  449 452 844 (3) 29 153 105 107  8,936 - 2,610 - 2,610 - 7 23,670  450,380 524,365 131,154 179,759  Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)  Net income for the period  Other comprehensive income for the period				· ·	l I	
Bank and settlement charges       76       84       (3)       29         Legal and professional charges       -       5       -       5         Printing expense       320       153       105       107         Provision for Workers' Welfare Fund (WWF)       6       8,936       -       2,610       -         Total expenses       78,184       66,587       25,217       23,670         Net income from operating activities       450,380       524,365       131,154       179,759         Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)       (3,564)       12,212       (661)       5,098         Net income for the period       446,816       536,577       130,493       184,857	·			l I	l I	
Legal and professional charges Printing expense Provision for Workers' Welfare Fund (WWF)  Total expenses Net income from operating activities  Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)  Net income for the period  Other comprehensive income for the period   S - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5					l I	
Printing expense         320         153         105         107           Provision for Workers' Welfare Fund (WWF)         6         8,936         -         2,610         -           Total expenses         78,184         66,587         25,217         23,670           Net income from operating activities         450,380         524,365         131,154         179,759           Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)         (3,564)         12,212         (661)         5,098           Net income for the period         446,816         536,577         130,493         184,857           Other comprehensive income for the period         -         -         -         -         -			76		(3)	
Provision for Workers' Welfare Fund (WWF)         6         8,936         -         2,610         -           Total expenses         78,184         66,587         25,217         23,670           Net income from operating activities         450,380         524,365         131,154         179,759           Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)         (3,564)         12,212         (661)         5,098           Net income for the period         446,816         536,577         130,493         184,857           Other comprehensive income for the period         -         -         -         -         -			-	· ·	-	
Total expenses         78,184         66,587         25,217         23,670           Net income from operating activities         450,380         524,365         131,154         179,759           Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)         (3,564)         12,212         (661)         5,098           Net income for the period         446,816         536,577         130,493         184,857           Other comprehensive income for the period         -				153		107
Net income from operating activities450,380524,365131,154179,759Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)(3,564)12,212(661)5,098Net income for the period446,816536,577130,493184,857Other comprehensive income for the period		6				- 22.670
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)  Net income for the period  Other comprehensive income for the period  (3,564) 12,212 (661) 5,098 (446,816) 536,577 130,493 184,857						
in prices of units issued less those in units redeemed (net)  Net income for the period  Other comprehensive income for the period  12,212 (661) 5,098  446,816 536,577 130,493 184,857	Net income from operating activities		450,380	324,303	131,134	1/9,/39
Net income for the period         446,816         536,577         130,493         184,857           Other comprehensive income for the period         -         -         -         -						
Other comprehensive income for the period						
	Net income for the period		446,816	536,577	130,493	184,857
	Other comprehensive income for the period		-	-	-	-
			446,816	536,577	130,493	184,857

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



# CONDENSED INTERIM DISTRIBUTION STATEMENT For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31,		Quarte Decem		
	2013	2012	2013	2012	
		····· (Rupees	in '000)		
Undistributed income brought forward	10,288	3,711	18,553	19,954	
Less: Interim Distribution for the period ended July 22, 2012					
- bonus units @ 0.60%	(41,008)	-	•	-	
-cash dividend @ 0.60%	(39)	-	•	-	
Less: Interim Distribution for the period ended August 22, 2012	-	-			
- bonus units @ 1.00%	(68,325)	-	-	-	
-cash dividend @ 1.00%	(3)	-	63	-	
Less: Interim distribution for the period ended August 23, 2011					
-bonus units @ 1.70%		(97,720)	-	-	
-cash dividend @ 1.70%	-	(10,890)	-	-	
Less: Interim Distribution for the period ended September 20, 2012					
- bonus units @ 0.76%	(50,316)	-	-	-	
-cash dividend @ 0.76%	(6)	-	-	-	
Less: Interim distribution for the period ended September 23, 2011					
-bonus units @ 0.90%		(46,330)	-	-	
-cash dividend @ 0.90%	-	(10,289)	-	-	
Less: Interim Distribution for the period ended October 22, 2012					
- bonus units @ 0.84%	(56,221)	-	-	-	
-cash dividend @ 0.84%	(6)	-	-	-	
Less: Interim distribution for the period ended October 20, 2011					
-bonus units @ 0.88%		(46,186)	-	-	
-cash dividend @ 0.88%	-	(10,024)	-	-	
Less: Interim Distribution for the period ended November 22, 2012					
- bonus units @0.72%	(49,177)	-		-	
-cash dividend @ 0.72%	(5)	-	-	-	
Less: Interim distribution for the period ended November 22, 2011					
-bonus units @ 0.98%		(50,785)		-	
-cash dividend @ 0.98%	-	(11,163)	-	-	
Less: Interim distribution for the period ended December 20, 2012					
-bonus units @ 0.64%	(42,866)	-	19	-	
-cash dividend @ 0.64%	(4)	-	-	-	



# CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31,		Quarte Marc	r ended h 31,
	2013	2012	2013	2012
		· (Rupees	in '000)	
Less: Interim distribution for the period ended December 21, 2011 -bonus units @ 0.80% -cash dividend @ 0.80%	:	(42,980) (9,110)		- -
Less: Interim distribution for the period ended January 22, 2013 -bonus units @ 0.72% -cash dividend @ 0.72%	(47,382) (6)	-	(47,382) (6)	-
Less: Interim distribution for the period ended January 22, 2012 -bonus units @ 0.86% -cash dividend @ 0.86%		(47,552) (9,801)		(47,552) (9,801)
Less: Interim distribution for the period ended February 21, 2013 -bonus units @ 0.64% -cash dividend @ 0.64%	(44,774) (8)	- -	(44,774) (8)	
Less: Interim distribution for the period ended February 22, 2012 -bonus units @ 0.88% -cash dividend @ 0.88%	: :	(51,088) (10,029)	-	(51,088) (10,029)
Less: Interim distribution for the period ended March 22, 2013 -bonus units @ 0.62% -cash dividend @ 0.62%	(41,555) (8)	- -	(41,555) (8)	-
Less: Interim distribution for the period ended March 19, 2012 -bonus units @ 0.80% -cash dividend @ 0.80%		(47,934) (13,091)	-	(47,934) (13,091)
Net income for the period	446,816	536,577	130,493	184,857
Undistributed income carried forward	15,395	25,316	15,395	25,316

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

Mar Pil

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months Marc			er ended ch 31,
	2013	2012	2013	2012
		····· (Rupee	es in '000)	
Net assets at the beginning of the period	7,418,771	5,955,829	6,901,871	6,601,069
lssue of 115,917,065 units (2012: 153,244,323) and 48,647,069 units (2012: 70,355,722) for the nine months and quarter respectively	5,818,075	7,704,719	2,440,733	3,534,680
Redemption of 136,984,294 units (2012: 126,581,663 ) and 53,073,711 units (2012: 50,586,383) for the nine months and quarter respectively	(6,876,217)	(6,358,451)	(2,662,875)	(2,540,522)
Element of loss / (income) and capital losses / (gains) included in prices	(1,058,142)	1,346,268	(222,142)	994,158
of units issued less those in units redeemed (net)	3,564	(12,212)	661	(5,098)
income / (loss) for the period less distribution	5,107	21,605	(3,158)	5,362
Issue of 818,800 bonus units for the period ended July 22, 2012	41,008	-	-	-
Issue of 1,364,407 bonus units for the period ended August 22, 2012	68,325	-	-	-
Issue of 1,954,007 bonus units for the period ended August 23, 2011	-	97,720	-	-
Issue of 1006,995 bonus units for the period ended September 20, 2012	50,316	-	-	-
Issue of 926,235 bonus units for the period ended September 23, 2011	-	46,330	-	-
Issue of 1,124,342 bonus units for the period ended October 22, 2012	56,221	-	-	-
Issue of 923,709 bonus units for the period ended October 20, 2011	-	46,186	-	-
Issue of 983,149 bonus units for the period ended November 22, 2012	49,177	-	-	-
Issue of 1,015,710 bonus units for the period ended November 22, 2011	-	50,785	-	-
Issue of 856,387 bonus units for the period ended December 20, 2012	42,866	-	(19)	-
Issue of 859,420 bonus units for the period ended December 21, 2011	-	42,980	-	-
Issue of 947,589 bonus units for the period ended January 22, 2013	47,382	-	47,382	-
Issue of 950,272 bonus units for the period ended January 22, 2012	-	47,552	-	47,552
Issue of 895,139 bonus units for the period ended February 21, 2013	44,774	-	44,774	-
Issue of 1,020,949 bonus units for the period ended February 22, 2012	-	51,088	-	51,088
Issue of 830,957 bonus units for the period ended March 22, 2013	41,556	-	41,556	-
Issue of 958,512 bonus units for the period ended March 19, 2012	-	47,934	-	47,934
	441,625	430,575	133,693	146,574
Net assets at the end of the period	6,810,925	7,742,065	6,810,925	7,742,065
Net asset value per unit at the beginning of the period - Rupees	50.08	50.03	50.14	50.14
Net asset value per unit at the end of the period - Rupees	50.11	50.17	50.11	50.17

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



# **CONDENSED INTERIM CASH FLOW STATEMENT**

For the nine months and quarter ended March 31, 2013 (Unaudited)

		period ended h 31,		ter ended rch 31,
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		····· (Rupe	es in '000)	
Net income for the period	446,816	536,577	130,493	184,857
Adjustments for non-cash items Profit on savings accounts with banks Profit on placements Profit on sukuk certificates Amortisation of preliminary expenses and floatation costs Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	(357,728) (123,270) (47,556) 449	(398,590) (139,893) (52,423) 452 (12,212)	(99,165) (45,491) (11,715) 148	(155,237) (30,323) (17,868) 149 (5,099)
Decrease / (increase) in assets Investments Placements	(77,725) 653,500 -	(66,089) (378,500) 950,000	(25,069) 475,000 -	(78,500)
Deposits and prepayments  Increase / (Decrease) in liabilities	653,661	571,658	475,095	(78,448)
Payable to Al Meezan - management company of the Fund Payable to CDC - trustee of the Fund Payable to SECP Brokerage payable Accrued expenses and other liabilities	(1,083) (61) (1,376) - 11,747 9,227	2,740 124 (931) (45) 301 2,189	73 4 1,254 - 3,812 5,143	949 57 1,311 - 353 2,670
Profit received on savings accounts with banks Profit received on sukuk cerificates Profit received on placements Net cash inflow from operating activities	458,025 79,287 120,372 1,242,847	391,623 38,680 158,054 1,096,115	209,878 17,890 30,702 713,639	156,841 21,884 30,682 110,108
CASH FLOWS FROM FINANCING ACTIVITIES Receipts from sale of units Dividend paid Payment against redemption of units Net cash (outflow) / inflow from financing activities	5,818,075 (74) (6,869,468) (1,051,467)	7,704,719 (6,376,238) (78,735) 1,249,746	2,440,733 (23) (2,665,732) (225,022)	3,534,680 (2,558,175) (19,831) 956,674
Net cash inflow during the period Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the end of the period	191,380 4,614,198 4,805,578	2,345,862 3,666,697 6,012,559	488,617 4,316,961 4,805,578	1,066,783 4,945,776 6,012,559

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION For the nine months and quarter ended March 31, 2013 (Unaudited)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Cash Fund (the Fund) was established under a trust deed executed between Al Meezan as the Management Company and CDC as the trustee. The trust deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the Management Company of the Fund, is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund has been formed to provide the unit holders safe and stable stream of halal income on their investments and to generate superior long term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. Under the trust deed all the conducts and acts of the Fund are based on shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of shariah.
- 1.3 The Fund is an open-end Shariah compliant (Islamic) Money Market Scheme listed on the Islamabad Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The management company of the fund has been given quality rating of AM2 and the stability rating of the Fund is AA(f) given by JCR VIS Credit Rating Company Ltd.
- 1.5 Title to the assets of the Fund are held in the name of CDC as the trustee of the Fund.

## 2. BASIS OF MEASUREMENT

The transactions undertaken by the Fund in accordance with the process prescribed under the shariah guidelines issued by the Shariah Adviser are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

#### 3. STATEMENT OF COMPLIANCE

This condensed interim financial report has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP) . In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984,the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP) have been followed.

# 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The conensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjuction with the financial statements of the Fund for the year ended June 30, 2012.



The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2012.

The Fund financial risk management objective and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2012

			(Unaudited) March 31, 2013	(Audited) June 30, 2012
5.	INVESTMENTS	Note	(Rupees	in '000)
	Investments - 'loans and receivables' - Placements Investments - 'fair value through profit or loss'	5.1	1,500,000	1,600,000
	<ul><li>Held for trading</li><li>Fair value through profit or loss</li></ul>	5.2	-	625,000
	upon initial recognition	5.3	450,000 450,000 1,950,000	378,500 1,003,500 2,603,500

## 5.1. Placements

Name of the bank	Maturity	Profit range	As at July 01, 2012	Placements made during the period	Matured during the period	As at March 31, 2013	Percentage of total value of investments
		%		Rupees	in '000		%
Habib Bank Limited	March 27, 2013	9.5%	-	500,000	(500,000)	-	-
Bank Al-Alfalah	April 24 - April 28, 2013	9.14 %- 9.40%	1,600,000	3,500,000	(3,600,000)	1,500,000	76.92
						1,500,000	

5.1.1 Placements carry expected profit rates ranging from 9.14% to 9.40% per annum (June 30, 2012: 11.80% to 13.02% per annum) and are due to mature from April 24 to April 28, 2013.

# 5.2 Held for trading

Name of the Issuer	Maturity	Profit rate	As at July 01, 2012	Purchases during the period	Sales / redemptions during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss)	Percentage of total market value of investments
				Number of	Certificates			Rupees in '000	)	%
GoP Ijarah Sukuk - IV	September 17, 2012	Weighted Average 6 months T-Bills less 5 basis points	6,250	-	(6,250)	-	-	-	-	
Total Total cost of investment							-	-	-	_ =

## 5.3. Investments - 'fair value through profit or loss upon initial recognition'

										Percentage in relation to		
Name of the Issuer	Maturity	Profit rate	As at July 01, 2012	Purchases during the period	Sales / redemptions during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss)	Net assets of the Fund on the basis of market value (see note 5.3.2)	Paid up capital of investee company (with face value of investment)	Total market value of investments
				- (Number of	certificates)			Rupees in '00	0			
Engro Fertilizers Limited -Sukuk (note 5.3.1)	September 22, 2012	6 months KIBOR + 1.5%	15,700	-	15,700	-	-	-	-	-	-	-
HUB Power Company Limited - Sukuk (note 5.3.1)	September 11, 2013	6 months KIBOR + 1.25%	60,000	45,000	60,000	45,000	225,000	225,000		3.30	1.94	11.54
Kot Addu Power Company Limited - Sukuk (note 5.3.1)	June 12, 2013	6 months KIBOR + 1.15%	-	45,000	-	45,000	225,000	225,000	-	3.30	2.56	11.54
							450,000	450,000	-	_ =		
Total cost of investment							=	450,000	=			

- 5.3.1 The nominal value of these sukuk certificates is Rs 5,000 each. These securities are carried at face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturities of upto six months.
- 5.3.2 Net assets are as defined in regulation 66 of NBFC Regulations, 2008.

## 6. WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

The fund has recognized WWF charge upto March 31, 2013 amounting to Rs. 43.57 million. Had the same not been made, the net asset value per unit of the Fund would have been higher by Re. 0.32 (0.64%).



## 7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan being the Management Company, CDC being the trustee, MBL being the holding company of the Management Company, directors and officers of the Management Company and AI Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - II, Meezan Islamic Fund, Meezan Sovereign Fund and Meezan Balanced Fund being the funds under the common management of the Management Company.

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

Remuneration payable to the Management Company and the trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the trust deed respectively.

Details of transactions with connected persons and balances with them at the period end are as follows:

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	(Rupee	s in '000)
Al Meezan - Management Company of the Fund		
Remuneration payable	5,762	6,696
Sindh Sales Tax payable on management fee	922	1,071
Meezan Bank Ltd Shariah Advisor of the Fund		
Balances with bank	161,503	67,029
Profit receivable on savings accounts	716	466
CDC - trustee of the Fund		
Trustee fee payable	539	600
Deposits with CDC	100	100
Directors and Executives of the Management Company		
Investments as at March 31, 2013: 296,567 units		
(June 30, 2012: 479,694 units)	14,861	24,023

	Nine month ended Mai	
	2013 (Rupees i	2012 n '000)
Al Meezan - Management Company of the Fund		
Remuneration for the period	51,080	49,181
Sindh sales tax on management fee	8,173	7,869
Meezan Bank Ltd Shariah Advisor of the Fund		
Profit on savings accounts	1,131	722
CDC - trustee of the Fund		
Trustee fee	4,777	4,648
Directors and Executives of the management company		
Units issued: 63,129 units (2012: 280,290)	3,170	12,421
Redemptions: 268,013 units (2012: 341,122)	13,435	17,099
Bonus units issued: 21,757 units (2012: 33,469)	1,088	1,667

# 8. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 19, 2013 by the Board of Directors of the Management Company of the Fund.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



**Quarterly Report March 31, 2013** 

# **FUND INFORMATION**

#### MANAGEMENT COMPANY

Al Meezan Investment Management Limited Ground Floor, Block "B", Finance & Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan. Phone: (9221) 35676143, 35670808

Fax: (9221) 35676143, 35630808 Web site: www.almeezangroup.com E-mail: info@almeezangroup.com

#### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr. Ariful Islam Chairman Mr. P. Ahmed Director Mr. Salman Sarwar Butt Director Mr. Tasnimul Haq Farooqui Director Mr. Mazhar Sharif Director Syed Amir Ali Director Syed Amir Ali Zaidi Director Mr. Mohammad Shoaib, CFA Chief Executive

#### **CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY**

Syed Owais Wasti

#### **AUDIT COMMITTEE**

Mr. P. Ahmed Chairman
Mr. Mazhar Sharif Member
Syed Amir Ali Member

#### **HUMAN RESOURCES & REMUNERATION COMMITTEE**

Mr. Salman Sarwar Butt Chairman Mr. Tasnimul Haq Farooqui Member Mr. Mazhar Sharif Member Mr. Mohammad Shoaib, CFA Member

#### **TRUSTEE**

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

#### **AUDITORS**

KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No.2, Beaumount Road, Karachi- 75530.

# SHARIAH ADVISER

Meezan Bank Limited

#### **BANKERS TO THE FUND**

Bank AlfalahLimited - Islamic Banking Dubai Islamic Bank Pakistan Limited Habib Metropolitan Bank Limited - Islamic Banking Meezan Bank Limited

#### **LEGAL ADVISER**

Bawaney & Partners 404, 4th Floor, Beaumont Plaza, 6-CL-10, Beaumont Road, Civil Lines, Karachi - 75530 Phone: (9221) 3565 7658-59 Fax: (9221) 3565 7673 E-mail: bawaney@cyber.net.pk

#### TRANSFER AGENT

Meezan Bank Limited SITE Branch Plot # B/9-C, Estate Avenue, SITE, Karachi. Phone: 32062891 Fax: 32552771 Web site: www.meezanbank.com

#### **DISTRIBUTORS**

Al Meezan Investment Management Limited Meezan Bank Limited



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

As at March 31, 2013 (Unaudited)

Assets	Note	(Unaudited) March 31, 2013 (Rupees	(Audited) June 30, 2012 s in '000)
Balances with banks Investments Profit receivable Dividend receivable Deposits, prepayments and other receivables Preliminary expenses and floatation costs Total assets	5	14,194 459,743 12,015 952 100 994 487,998	21,328 418,473 5,738 129 100 1,536 447,304
Liabilities Payable to Al Meezan Investment Management Limited (Al Mee Management Company of the Fund Payable CDC - trustee of the Fund Payable to Securities and Exchange Commission of Pakistan (SE Payable against purchase of investments Accrued expenses and other liabilities Total liabilities		713 59 263 4 865	657 58 303 1,930 1,111 4,059
Net assets		486,094	443,245
Contingency	6		
Unitholders' funds (as per statement attached)		486,094	443,245
		Numbe	er of units
Number of units in issue		8,694,923	7,809,472
		Ru	ipees
Net assets value per unit (Rupees)		55.91	56.76

The annexed notes 1 to 9 form an integral part of this condenced interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

CONDENSED INTERIM INCOME STATEMENT For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months Period period ended March 31, March 31,		Quarter Marc	h 31,
	2013	2012	2013	2012
		····· (Rupees	s in '000)	
Income				
Net realised gain on sale of investments	15,011	5,934	10,218	3,363
Dividend income - Net of charity	4,822	5,750	1,314	2,057
Profit on savings accounts with banks	2,106	5,731	1,009	477
Profit on Government of Pakistan (GoP) Ijarah Sukuk	26,627	23,502	7,620	8,849
Back end load	177_	249	111_	53
	48,743	41,166	20,272	14,799
Unrealised gain / (loss) on re-measurement of investments 'at				
fair value through profit or loss' (net)	7,622	7,822	(3,417)	16,724
Total income	56,365	48,988	16,855	31,523
Expenses				
Remuneration to Al Meezan - Management Company of the Fund	5,229	4,422	1,768	1,612
Sindh Sales Tax on management fee	837	707	283	257
Remuneration to CDC - trustee of the Fund	525	520	172	175
Annual fee to SECP	263	220	89	79
Auditors' remuneration	289	267	76	86
Fees and subscription	18	45	4	15
Amortisation of preliminary expenses and floatation costs	542	536	178	180
Amortization of Premium - GoP Ijara Sukuks	649	676	221	198
Brokerage	223	487	96	110
Legal and professional charges	131	131	43	43
Bank and settlement charges	53	105	22	23
Provision for Workers' Welfare Fund	267	-	267	_
Printing charges	113	111	37	38
Total expenses	9,139	8,227	3,256	2,816
Net income from operating activities	47,226	40,761	13,599	28,707
Element of (loss) / income and capital (losses) / gains included in prices of units	,	., .	,	., .
issued less those in units redeemed (net)	(294)	798	(230)	(95)
Net income for the period	46,932	41,559	13,369	28,612
Other comprehensive income for the period		-		-
Total comprehensive income for the period	46,932	41,559	13,369	28,612

The annexed notes 1 to 9 form an integral part of this condenced interim financial information.

For Al Meezan Investment Management Limited (Management Company)

**Mohammad Shoaib, CFA Chief Executive** 



# CONDENSED INTERIM DISTRIBUTION STATEMENT For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31,	Period July 5, 2011 to March 31,		arter ended March 31,	
	2013	2012	2013	2012	
		····· (Rupees	in '000) -		
Undistributed income at the beginning of the period	52,771	-	37,525	12,947	
Final distribution in the form of bonus units @ 12.5% for the year ended June 30, 2012.	(48,809)	-	-	-	
Net income for the period Undistributed income carried forward	46,932 50,894	41,559 41,559	13,369 50,894	28,612 41,559	

The annexed notes 1 to 9 form an integral part of this condenced interim financial information.

For Al Meezan Investment Management Limited (Management Company)

**Mohammad Shoaib, CFA Chief Executive** 

Mar Pil

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31,	Period July 5, 2011 to March 31,		r ended :h 31,
	2013	2012	2013	2012
		· (Rupees	s in '000) -	
Net assets at the beginning of the period	443,245	-	475,299	407,965
Issue of NIL units (2012: 7,900,661 units) and NIL units (2012: NIL units) for nine months and quarter respectively	-	395,926		-
Redemption of 80,876 units (2012 : 20,452 units) and 50,964 units (2012 : 20,155 units) for nine months and quarter respectively	(4,377) (4,377)	(1,117)	(2,804) (2,804)	(1,102)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	294	(798)	230	95
Net income for the period Issue of bonus units during the period	46,932 (48,809)	41,559	13,369	28,612
Issue of 966,327 bonus units for the year ended June 30, 2012	(1,877) 48,809	41,559 -	13,369 -	28,612 -
Net assets at the end of the period	486,094	435,570	486,094	435,570
Net asset value per unit at the beginning of the period - Rupees	56.76		54.35	51.64
Net asset value per unit at the end of the period - Rupees	55.91	55.27	55.91	55.27

The annexed notes 1 to 9 form an integral part of this condenced interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



# CONDENSED INTERIM CASH FLOW STATEMENT For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months period ended March 31,	Period July 5, 2011 to March 31,	Mar	er ended ch 31,
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		(Rupee	s in '000)	
Net income for the period	46,932	41,559	13,369	28,612
Adjustments for: Dividend income Charity Expense Profit on savings accounts with banks Profit on GoP Ijara Sukuk Unrealised (gain) / loss on re-measurement of investments 'at fair	(4,912) 90 (2,106) (26,627)	(5,836) 86 (5,731) (23,502)	(1,343) 29 (1,009) (7,620)	(2,089) 32 (477) (8,849)
value through profit or loss' (net) Amortisation of preliminary expenses and floatation costs Amortization of Premium - GoP Ijara Sukuks Element of loss / (income) and capital losses / (gains) included in prices of units	(7,622) 542 649	(7,822) 536 676	3,417 178 221	(16,724) 180 198
issued less those in units redeemed	<u>294</u> 7,240	<u>(798)</u> (832)	<u>230</u> 7,472	95 978
(Increase)/Decrease in assets Investments Deposits with CDC Deposits, prepayments and other receivables Receivable against sale of Investment	(34,297)	(394,386) (100) (59) - (394,545)	(24,033) - 3 1,329 (22,701)	6,688 - 58 - 6,746
(Decrease) / increase in liabilities Payable to Al Meezan - management company of the Fund Payable to CDC- trustee of the Fund Payable to SECP Payable against purchase of investments Accrued expenses and other liabilities	56 1 (40) (1,926) (246) (2,155)	710 59 220 - 989	19 - 89 4 295	80 - 79 - 71 230
Preliminary expenses and flotation costs paid Profit received on savings accounts with banks Profit received on purchase of GoP Ijara Sukuk Dividend received Net cash (outflow) / inflow from operating activities	2,554 19,902 3,999 (2,757)	(2,252) 5,309 10,430 4,093 (375,819)	1,074 (9) 434 (13,323)	3,972 - 436 12,362
CASH FLOWS FROM FINANCING ACTIVITIES Receipts from sale of units Payments against redemption of units Net cash (outflow) / inflow during the period Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the end of the period	(4,377) (7,134) 21,328 14,194	395,926 (1,117) 18,990 - 18,990	(2,804) (16,127) 30,321 14,194	(1,102) 11,260 7,730 18,990

The annexed notes 1 to 9 form an integral part of this condenced interim financial information.

For Al Meezan Investment Management Limited (Management Company)

**Mohammad Shoaib, CFA Chief Executive** 

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION For the nine months and quarter ended March 31, 2013 (Unaudited)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Capital Protected Fund-II (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the management company and Central Depository Company of Pakistan (CDC) as the trustee of the Fund. The trust deed was executed on May 12, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the management company of the Fund, is situated at Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund is a capital protected fund with an objective to pay unit holders, with certain conditions, their principal investment at maturity and to provide them with high level of total return over the life of the Fund in a shariah compliant manner. Under the trust deed all the conducts and acts of the Fund are based on shariah. Meezan Bank Limited (MBL) acts as its shariah advisor to ensure that the activities of the Fund are in compliance with the principles of shariah.
- 1.3 The Fund is an open-end fund with maturity of three years and six weeks and is listed on the Islamabad Stock Exchange. The issuance of units has been discontinued since August 15, 2011.
- 1.4 The management company of the Fund has been given a quality rating of AM2 and the stability rating of the Fund is AA(cpf) given by JCR VIS. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

## 2. BASIS OF MEASUREMENT

The transactions undertaken by the Fund in accordance with the process prescribed under the shariah guidelines issued by the shariah adviser are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

## 3. STATEMENT OF COMPLIANCE

3.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules and the NBFC Regulations. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the NBFC Rules & NBFC Regulations have been followed.



#### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements and the significant judgements made by management in applying those accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2012.

The accounting policies and method of computation adopted in the preparation of this condensed interim financial information and the significant judgments made by management in applying those accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2012.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2012.

		Note	March 31, 2013,	June 30, 2012,
5	INVESTMENTS		(Rupees	in '000)
	Investments - 'available for sale' Investments - 'held for trading'	5.1 5.2	333,057 126,686 459,743	333,706 84,767 418,473

#### 5.1 INVESTMENTS - 'AVAILABLE-FOR-SALE'

											Percentage i	n relation to
Name of the issuer	Maturity date	Profit rate	As at July 1, 2012	Purchases during the period		Sale / redempti ons during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss)	Total market value of investments	Net assets of the fund
				Numb	er of sukuk	certificates		F	Rupees in '000			
GoP Ijarah Sukuks Certificates - VIII	May 16, 2014	Weighted average 6 months T-Bills	2,800	-	-	-	2,800	281,057	281,057	-	84.00	58.00
GOP Ijara Sukuk Certificates - IX	December 26, 2014	Weighted average 6 months T-Bills	220				220	22.000	22.000			4.53
GoP Ijarah Sukuk Certificates - XII	June 28, 2015	Weighted average 6 months T-Bills		-	-	-	300	22,000 30,000	22,000	-	6.61 9.01	6.17
Total								333,057	333,057	-	_	
Total cost of investments									333,057			

- 5.1.1 The nominal value of the sukuk certificates is Rs 100,000 each and they are stated at their face value.
- 5.1.2 The above securities fulfills the capital protection requirements as outlined in the trust deed and offering document.

# 5.2 Investments 'HELD FOR TRADING'

# 5.2.1 Shares of Listed Companies

							Percentage in relation to				
Name of the investee company	As at July 1, 2012	Purchases during the period		Sales during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013 value	Unrealised gain / (loss) as at March 31, 2013	Net assets of the Fund on basis of market value	Paid-up capital of investee company (with face value of	Total market value of investments
		Nu	mber of sh	nares			Rupees in	'000		investment)	
Construction and Materials											
Akzo Nobel Pakistan Limited	3.843	4.999	_	6.000	2.842	333	331	(2)	0.07	0.01	0.10
DG Khan Cement Company Limited	113,401	169,000	_	282,000	401	21	28	7	0.01	0.00	0.01
Lucky Cement Limited	61,548	7,500	-	15,000	54,048	6,291	9.058	2,767	1.86	0.02	2.72
Kohat Cement	-	60,000	-	-	60,000	4,740	4,678	(62)	0.96	0.02	1.40
Fixed Line Telecommunication											
Pakistan Telecommunication	404 100	412.000	_	FF7.000	250 100	6.563	7 100	F46	1.46	0.01	2.12
Company Limited "A"	494,190	413,000	-	557,000	350,190	6,563	7,109	546	1.46	0.01	2.13
Electricity											
The Hub Power Company Limited	242,870	32,000	-	270,000	4,870	208	245	37	0.05	0.00	0.07
Oil and Gas											
Attock Petroleum Limited	14,000	-	-	-	14,000	6,641	6,832	191	1.41	0.02	2.05
Attock Refinery Limited	-	8,000	-	8,000	-	-	-	-	-	-	0.00
National Refinery Limited.	991				991	229	226	(3)	0.05	0.00	0.07
Oil and Gas Development Company Limited	38,300	2,800	-	-	41,100	6,677	8,382	1,705	1.72	0.00	2.52
Pak Oilfields Limited	16,000	23,300	-	10,800	28,500	12,423	12,928	505	2.66	0.01	3.88
Pakistan Petroleum Limited	27,200	26,000	9,550	62,000	750	121	131	10	0.03	-	0.04
Pakistan State Oil Company Limited	23,707	25,000	15,430	-	64,137	10,991	13,028	2,037	2.68	0.03	3.91
Chemicals											
Fauji Fertilizer Bin Qasim Limited	189,480	143,500	-	93,500	239,480	9,252	9,007	(245)	1.85	0.03	2.70
Fauji Fertilizer Company Limited	120,000	-	-	70,400	49,600	5,508	5,451	(57)	1.12	0.00	1.64
ICI Pakistan Limited	7,641	-	-	5,000	2,641	346	366	20	0.08	0.00	0.11
Engineering											
Millat Tractors Limited	2,302	18,200	460	15,900	5,062	2,552	2,607	55	0.54	0.01	0.78
Food Producers											
Engro Foods Limited	30,000	191,000	-	178,737	42,263	5,098	5,373	275	1.11	0.01	1.61
<b>General industrials</b> Tri-Pack Films Limited	5,000	-	-	-	5,000	1,050	906	(144)	0.19	0.02	0.27
Total						79,044	86,686	7,642	_		
Total cost of investments					:		78,448		=		
וסנמו נספנ טו ווועפפנווופוונפ							/0,440	_			

# 5.2.1.1 All shares have a nominal value of Rs 10 each.

# 5.2.1.2 Net assets are as defined in regulation 66 of NBFC Regulations, 2008.

# 5.2.2 Sukuk Certificates

				Purchases	Sales	Sale /	A	Carrying	Market		Percentage i	n relation to
Name of the issuer	Maturity date	Profit rate	As at July 1, 2012	during the period	during the	redempti ons during the period	As at March 31, 2013	value as at March 31, 2013	value as at March 31, 2013	Unrealised loss	Total market value of investments	Net assets of the fund
				Numb	er of sukuk	ertificates		R	upees in '000			
GOP Ijara Sukuk Cerficates XIV	March 28, 2016	Weighted average 6 months T-Bills	-	400	-	-	400	40,020	40,000	(20)	12	8
Total								40,020	40,000	(20)	_ =	
Total cost of investments									40,020			



- 5.2.2.1 The nominal value of the sukuk certificates is Rs 100,000 each and they are stated at their face value.
- 5.2.2.2 The above securities fulfills the capital protection requirements as outlined in the trust deed and offering document.

#### 6. CONTIGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

The fund has not made WWF provisions upto December 31, 2012 amounting to Rs. 1.69 million. Had the same been made, the net asset value per unit of the Fund would have been lower by Rs. 0.19 (0.35%).

#### 7. OPERATING SEGMENTS

The investment committee of the management company makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the requirements of the trust deed and the reports reviewed by the investment committee for taking strategic decisions.

In accordance with the trust deed, the Fund consists of two segments, a capital protection segment and an investment segment. The capital protected segment includes that part of the fund which is invested in such a way that it grows to the level of principal investment upon the level of maturity of the Fund where as the investment segment includes that portion of the Fund property that is invested in assets with minimum investment grade, wherever applicable, that have the potential to give a high return to investors.

The segment information provided to the investment committee and the Fund manager for the reportable segments is as follows:

	Nine Months period ended March 31, 2013			Nine Months period ended March 31, 201			
	Investment Segment	Capital Protected Segment	Total	Investment Segment	Capital Protected Segment	Total	
			(Rupees	in '000)			
Total Segment Income	30,307	23,775	54,082	19,664	23,344	43,008	
Total Segment Expense	1,829	5,162	6,991	675	5,711	6,386	
Total net segment income	28,478	18,613	47,091	18,988	17,634	36,622	
Unallocated (expenses) / income (net)	-	-	(159)	-	-	4,937	
Total income	28,478	18,613	46,932	18,988	17,634	41,559	

	As at March 31, 2013				As at March 31, 2012			
	Investment Segment	Capital Protected Segment	Total	Investment Segment	Capital Protected Segment	Total		
			- (Rupees	in '000)				
Total segment assets	162,632	309,067	471,699	104,846	311,838	416,684		
Unallocated Assets	-	-	16,299	-	-	20,864		
Total Assets	162,632	309,067	487,998	104,846	311,838	437,548		
Total segment liabilities	376	538	914	253	514	767		
Unallocated Liabilities	-	-	990	-	-	1,211		
Total Liabilities	376	538	1,904	253	514	1,978		

There were no transactions between reportable segments.

# 8. TRANSACTIONS WITH CONNECTED PERSONS

The connected persons include AI Meezan being the management company, CDC being the trustee, MBL being the holding company of the management company and Pakistan Kuwait Investment Company (Private) Limited as associated company of the management company, AI Meezan Mutual Fund, Meezan Islamic Fund, Meezan Tahaffuz Pension Fund, Meezan Balanced Fund, Meezan Cash Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund and KSE Meezan Index Fund being the funds under the common management of the management company.

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

Remuneration payable to the management company and the trustee is determined in accordance with the provision of NBFC Rules and Regulations and the trust deed respectively.



Details of transactions with connected persons and balances with them at period end are as follows:

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	(Rupees	in '000)
Al Meezan - Management Company of the Fund		
Remuneration payable	615	541_
Sindh Sales Tax payable on management fee	98	87
Sales load payable		29
Investment of 2,247,476 units (June 30, 2012: 2,000,000 units)	125,656	113,520
MBL		
Balances with bank	905	556_
Profit receivable	56	22
Investment of 2,247,476 units (June 30, 2012: 2,000,000 units)	125,656	113,520
CDC - trustee of the Fund		
Trustee fee payable	59	58_
Deposit with CDC	100	100
Executive of the management company		
Investment of 1,124 units (June 30, 2012: 1,000 units)	63	57
	Nine months period ended March 31 2013	Period July 5, 2011 to March 31 2012
	(Rupees	s in '000)
Al Meezan - Management Company of the Fund		
Remuneration for the period	5,229	4,422
Sindh Sales Tax on management fee	837	707
Bonus units issued: 247,476 units (2011: NIL units)	12,500	
Purchase of NIL units (2011: 2,000,000 units)		100,000
MBL	2-	70
Profit on savings accounts  Popular units issued: 247,476 units (2011; NIII, units)	12 500	73
Bonus units issued: 247,476 units (2011: NIL units)	12,500	100,000
Purchase of NIL units (2011: 2,000,000 units)		100,000

	Nine months period ended March 31, 2013	Period July 5, 2011 to March 31, 2012
	(Rupees	s in '000)
CDC - trustee of the Fund		
Trustee fee	525	520
CDS charges	9	13
Executive of the management company		
Purchase of nil units (2011: 1,000 units)		50
Bonus units issued: 124 units (2011: NIL units)	6	

# 9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on April 19, 2013 by the Board of Directors of the Management Company of the Fund.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



**Quarterly Report March 31, 2013** 

# **FUND INFORMATION**

#### MANAGEMENT COMPANY

E-mail: info@almeezangroup.com

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 Web site: www.almeezangroup.com

#### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr. Ariful Islam
Mr. P. Ahmed
Director
Mr. Salman Sarwar Butt
Director
Mr. Tasnimul Haq Farooqui
Director
Mr. Mazhar Sharif
Director
Syed Amir Ali
Syed Amir Ali Zaidi
Director
Mr. Mohammad Shoaib, CFA
Chief Executive

#### **CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY**

Syed Owais Wasti

#### **AUDIT COMMITTEE**

Mr. P. Ahmed Chairman
Mr. Mazhar Sharif Member
Syed Amir Ali Member

## **HUMAN RESOURCES & REMUNERATION COMMITTEE**

Mr. Salman Sarwar Butt
Mr. Tasnimul Haq Farooqui
Mr. Mazhar Sharif
Mr. Mohammad Shoaib, CFA
Member

#### TRUSTEE

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

#### **AUDITORS**

KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No.2, Beaumount Road, Karachi- 75530.

## **BANKERS TO THE FUND**

Meezan Bank Limited Habib Metropolitan Bank Limited - Islamic Banking Branch Al Baraka Islamic Bank B.S.C (E.C) Bank Alfalah - Islamic Banking Branch UBL Ameen - Islamic Banking Branch Askari Bank Limited - Islamic Banking Dubai Islamic Bank

#### **SHARIAH ADVISER**

Meezan Bank Limited

## **LEGAL ADVISER**

Bawaney & Partners 404, 4th Floor, Beaumont Plaza, 6-CL-10 Beaumont Road, Civil Lines, Karachi - 75530 Phone: (9221) 3565 7658-59 Fax: (9221) 3565 7673

E-mail: bawaney@cyber.net.pk

#### **TRANSFER AGENT**

THK Associates (Pvt.) Limited Ground Floor, State Life Building-3 Dr. Ziauddin Ahmed Road, Karachi-75536 Phone: (9221) 111-000-322

Fax: (9221) 35655595 P.O. Box No. 8533



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

As at March 31, 2013 (Unaudited)

	Note	(Unaudited) March 31, 2013 (Rupees in	(Audited) June 30, 2012
Assets Balances with banks Investments Dividend receivable Advances, deposits, prepayments and other receivables Total assets	5	59,899 1,539,277 16,191 18,144 1,633,511	72,888 1,470,386 1,482 15,250 1,560,006
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company of the Fund Payable to Central Depository Company of Pakistan Limited (CDC) - trustee of the Fund Payable to Securities and Exchange Commission of Pakistan (SECP) Payable against purchase of investments Brokerage Payable Accrued expenses and other liabilities Unclaimed dividend Total liabilities		3,144 149 996 - 193 6,092 17,417 27,991	2,920 140 1,237 44 213 4,002 16,407 24,963
Net assets Contingency	6	1,605,520	1,535,043
Certificate holders' equity (as per statement attached)			
Issued, subscribed and paid-up capital 120,000,000 ordinary certificates of Rs 10 each Unappropriated income Surplus on revaluation of available for sale investments		1,200,000 269,132 136,388 1,605,520	1,200,000 279,992 55,051 1,535,043
Net assets value per certificate (Rupees)		13.38	12.79

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

# CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

		Nine months   Marc			er ended ch 31,
	Note	2013	2012	2013	2012
			(Rupees	in '000)	
Income		(2.160	- 	22.724	24 211
Net realised gain on sale of investments Dividend income - net of charity		63,169	57,415 47,262	23,734	24,211 20,782
Profit on savings accounts with banks		59,762 7,477	47,262 7,442	21,642 1,680	1,277
Profit on sukuk certificates		48,728	60,419	14,063	18,529
Other Income			52	-	10,529
outer meditic		179,136	172,589	61,119	64,902
Unrealised gain on re-measurement of investments at					
'fair value through profit or loss' (net)		75,391	11,825	26,598	14,834
Total income		254,527	184,414	87,717	79,736
Expenses					
Remuneration to Al Meezan - Management Company of the Fund		23,445	21,454	7,663	7,056
Sindh Sales Tax on management fee		3,751	3,433	1,226	1,129
Remuneration to CDC - trustee of the Fund		1,294	1,216	423	401
Annual fee to SECP		996	912	325	300
Auditors' remuneration		395	397	90	96
Fees and subscription		297	263	98	87
Brokerage		689	373	161	171
Printing charges		540	226	389	74
Legal and professional charges			5	-	-
Bank and settlement charges		387	308	227	145
Provision for Workers' Welfare Fund		1,566	-	1,566	-
Impairment loss on 'available for sale investments'		4,028	12,943	- 12.160	- 0.450
Total expenses		37,388	41,530	12,168	9,459 70,277
Net income for the period		217,140	142,884	75,550	/0,2//
Other comprehensive income for the period					
Net unrealised appreciation / (diminution) on re-measurement of		0.045	50.005		440.453
investments classified as 'available for sale' (net of impairment)		85,365	53,385	22,131	112,430
Total comprehensive income for the period		302,505	196,269	97,681	182,707
Earnings per certificate (Rupees)		1.81	1.19	0.63	0.59

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



# CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months   Marc		•	er ended ch 31,
	<b>2013</b> 2012		2013	2012
		s in '000)		
Unappropriated income brought forward	279,992	236,138	193,582	98,850
Final distribution in the form of cash dividend @ 19% for the year ended June 30, 2012 (June 30, 2011: 17.5%)	(228,000)	(210,000)	-	-
Net income for the period	217,140	142,884	75,550	70,172
Unappropriated income carried forward	269,132	169,022	269,132	169,022

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES PER CERTIFICATE

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months p March		•	r ended :h 31,
	<b>2013</b> 2012		2013	2012
		· (Rupees	in '000)	
Net assets per certificate at the beginning of the period	12.79	12.70	12.57	11.06
Net realised gain on sale of investments	0.53	0.48	0.20	0.20
Dividend income	0.50	0.39	0.18	0.17
Profit on savings accounts with banks	0.06	0.06	0.01	0.01
Profit on sukuk certificates	0.41	0.50	0.12	0.15
Unrealised gain on re-measurement of investments at				
'fair value through profit or loss' (net)	0.63	0.10	0.22	0.12
Expenses	(0.31)	(0.35)	(0.10)	(0.08)
Net income for the period	1.82	1.19	0.63	0.58
Final distribution in the form of cash dividend @ 19% for the year ended June 30, 2012 (June 30, 2011: 17.5%)	(1.90)	(1.75)		-
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale' investments - net of impairment Net assets per certificate at the end of the period	0.67	0.34	0.18 13.38	0.84

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA
Chief Executive



### CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2013 (Unaudited)

	Nine months p Marcl			r ended ch 31,
	2013	2012	2013	2012
		(Rupees	s in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	217,140	142,884	75,550	70,172
Adjustments for:				
Dividend income	(59,762)	(47,262)	(21,642)	(20,782)
Profit on savings accounts with banks	(7,477)	(7,442)	(1,680)	(1,277)
Profit on sukuk certificates	(48,728)	(60,419)	(14,063)	(18,529)
Unrealised gain on re-measurement of investments 'at	(40,720)	(00,419)	(17,003)	(10,329)
fair value through profit or loss' (net)	(75,391)	(11,825)	(26,598)	(14,834)
Impairment loss on 'available for sale' investments	4,028	(11,023)	(20,396)	(12,942)
impairment ioss off available for sale investments	29,810	15,936	11,567	1,808
Decrease / (Increase) in assets	29,010	13,330	11,307	1,000
Investments	83,809	115,832	(25,076)	8,638
Advances, deposits, prepayments and other receivables	(99)	9,501	97	9,674
Advances, deposits, prepayments and other receivables	83,710	125,333	(24,979)	18,312
Increase / (Decrease) in liabilities	03,710	123,333	(27,373)	10,312
Payable to Al Meezan - Management Company of the Fund	224	375	202	240
Payable to CDC - trustee of the Fund	9	(1)	7	9
Payable to SECP	(241)	(279)	325	300
Payable against purchase of investments	(44)	12,411	525	12,452
Brokerage payable	(20)	- 12,111	69	-
Accrued expenses and other liabilities	2,090	738	1,960	267
recided expenses and other habitates	2,018	13,244	2,563	13,268
Cash generated from / (utilised in) operations	115,538	154,514	(10,849)	33,389
90.00000, (a		,	(10/012/	00,007
Dividend income received	45,053	35,860	6,372	6,363
Profit received on savings accounts with banks	8,241	11,785	4,603	2,684
Profit received on sukuk certificates	45,169	60,599	9,507	14,067
Net cash inflow from operating activities	214,001	262,757	9,633	56,502
·				
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(226,990)	(205,149)	(14,428)	(878)
Net cash outflow from financing activities	(226,990)	(205,149)	(14,428)	(878)
Net (decrease) / increase in cash and cash equivalents	(12,989)	57,608	(4,795)	55,624
Cash and cash equivalents at the beginning of the period	72,888	42,186	64,694	44,170
Cash and cash equivalents at the end of the period	<u>59,899</u>	99,794	59,899	99,794

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months and quarter ended March 31, 2013 (Unaudited)

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

- 1.1 Meezan Balanced Fund (the Fund) was established as a closed-end scheme under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan (CDC) as the trustee. The trust deed was executed on June 15, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 8, 2004 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the Management Company of the Fund is situated in Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2 The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality equity securities and Islamic income instruments such as term finance certificates, certificates of Islamic investment, musharaka certificates, Islamic sukuk certificates and other Shariah compliant instruments. Under the trust deed all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Islamic Shariah.
- 1.3 The Fund is a closed-end scheme (mutual fund) and its certificates are listed on Karachi Stock Exchange. The Management Company of the Fund has been given a quality rating of AM2 by JCR VIS Credit Rating Company Limited.
- 1.4 The objective of the Fund is to carry on the business as a closed-end mutual fund and to invest its assets in securities, which are listed or proposed to be listed on the stock exchanges or Mutual Funds Association of Pakistan (MUFAP).
- 1.5 Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.
- 1.6 In accordance with Regulation 65 of the NBFC Regulations an asset Management Company managing a closed end fund on expiry of every five years from November 21, 2007 or the date of launch of the Fund whichever is later was supposed to hold within one month of end of such period a meeting of the certificate holders of a closed end scheme to seek their approval to convert the Fund into an open-end scheme or revoke the closed-end scheme, subject to applicable provisions of NBFC Rules and NBFC Regulations. However, SECP vide SRO 1399 (I)/2012 dated November 28, 2012 extended timeline to hold such meeting till January 31, 2013. Subsequent to extension, the Management Company hold such meeting on Thursday January 31, 2013 and 100% of the certificate holders of MBF present in person or through proxy or who cated their votes through postal ballots have approved the conversion of MBF from closed end scheme into an open end scheme.

#### 2. BASIS OF MEASUREMENT

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

#### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules and the NBFC Regulations. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2012.

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2012.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2012.



5.	INVESTMENTS	Note	(Unaudited) March 31, 2013 (Rupees i	(Audited) June 30, 2012 <b>n '000)</b>
٥.	INVESTIMENTS			
	Investments 'fair value through profit or loss' Investments - 'available for sale'	5.1 5.2	1,103,705 435,572	985,868 484,518
			1,539,277	1,470,386
5.1	Investments 'fair value through profit or loss'			
	Held for trading Investments at fair value through profit or loss	5.1.1	819,139	788,771
	- upon initial recognition	5.1.2	284,566	197,097
			1,103,705	985,868
5.1.1	Held for trading			
	Shares of listed companies Sukuk certificates	5.1.1.1 5.1.1.4	462,139 357,000	353,771 435,000
			819,139	788,771
5.1.2	Investments at fair value through profit or loss upon initial recognition			
	Shares of listed companies Sukuk Certificates	5.1.2.1 5.1.2.2	22,732 261,834	19,746 177,351
			284,566	197,097

### 5.1.1.1 Held for trading - shares of listed companies

									Per	centage in relatio	n to
Name of the investee company	As at July 1, 2012	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss) as at March 31, 2013	Net Assets of the Fund on the basis of investments (note 5.1.1.3)	Paid-up Capital of the investee company (with face value of investments)	Total market value of investments
		Nu	mber of sh	ares			Rupees in '0	00		%	
A											
Automobile and parts Pakistan Suzuki Motor Company Limited	26,800	_	_	19,000	7,800	747	764	17	0.05	0.00	0.05
Chemicals	,,,,,				,						
Fauji Fertilizer Bin Qasim Limited Fauji Fertilizer Company Limited ICI Pakistan Limited	685,000 870,000 2,195	100,000 108,300 -	-	435,000 296,500 -	350,000 681,800 2,195	13,936 76,402 288	13,164 74,930 304		0.82 4.67 0.02	0.00 0.01 0.00	0.86 4.87 0.02
Construction and materials									5.51	0.01	5.75
AkzoNobel Pakistan Limited Attock Cement Pakistan Limited Lucky Cement Limited DG Khan Cement Company Limited	1,104 125,000 230,000 224,660	120,000 245,000	16,350 - -	61,000 81,000 105,000	1,104 80,350 269,000 364,660	145 5,690 31,944 17,096	129 9,089 45,081 25,260	3,399 13,137	0.01 0.57 2.81 1.57	0.00 0.01 0.01 0.00 <b>0.02</b>	0.01 0.59 2.93 1.64
Fixed line telecommunication									4.50	0.02	3.17
Pakistan Telecommunication Company Limited "A"	1,758,365	935,000	-	1,596,855	1,096,510	18,003	22,259	4,256	1.39	0.00	1.45
General industrials											
Thal Limited (note 5.1.1.2) Tri-Pack Films Limited	171,522 83,400	-	12,363	122,885 28,400	61,000 55,000	5,157 11,549	5,977 9,960	820 (1,589)	0.37 0.62	0.01 0.04	0.39 0.65
Packages Limited	220,000	-	-	42,000	178,000	17,747	34,308		2.14	0.02	2.23 <b>3.27</b>
Oil and gas	60.775	04700		44.000	110.475	47.522	50.115	2.502	2.12	0.02	2.26
Pakistan Oilfields Limited Attock Refinery Limited	69,775	84,700 54.000	-	44,000 54.000	110,475	47,522	50,115	2,593	3.12	0.02	3.26
Pakistan Petroleum Limited	106,784	17,000	30,946	77,300	77,430	11,814	13,566		0.84	0.00	0.88
National Refinery Limited	12,900	-	-	12,000	900	208	205	(3)	0.01	0.00	0.01
Pakistan State Oil Company Limited Oil and Gas Development Company Limited	30,000 89,000	50,000 127,000	23,200	55,200	103,200 160,800	19,216 28,832	20,963 32,794	1,747 3,962	1.31 2.04	0.01	1.36
Attock Petroleum	69,000	20,000	-	- 33,200	20,000	9,820	9,760		0.61	0.00	0.63
n 16 1									7.93	0.04	8.27
Personal Goods Nishat Mills Ltd	-	203,000	-	-	203,000	15,689	17,111	1,422	1.07	0.00	1.11
Electricity Hub Power Company Limited	281,097	108,000	-	-	389,097	16,743	19,556	2,813	1.22	0.00	1.27
Food producers											
Engro Foods Limited Unilever Pakistan Limited (note 5.1.1.2)	300,000	281,500 750	-	277,500 -	304,000 750	23,529 7,500	38,648 9,188		2.41 0.57 <b>2.98</b>	0.00 0.06 <b>0.06</b>	2.51 0.60 <b>3.11</b>
Engineering		26 500	1 500	10.600	17 400	0.242	0.000	(225)			
Millat Tractors Limited	-	26,500	1,590	10,600	17,490 -	9,243	9,008		0.56	0.02	0.59
Total					=	388,820	462,139		_		
Total cost of investments							381,352	=			

- 5.1.1.2 All shares have a face value of Rs 10 each except for the shares of Thal Limited and Unilever which have a face value of Rs. 5 and Rs. 50 each respectively.
- 5.1.1.3 Net Assets are as defined in Regulation 66 of NBFC Regulations.

### 5.1.1.4 Held for trading - Sukuk certificates

										Percentage i	n relation to
Name of the investee company	Maturity	Profit rate	As at July 01, 2012	Purchases during the period	Sales during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss) as at March 31, 2013	Net Assets of the Fund on the basis of investments (note 5.1.1.3)	Total market value of investments
				Number of	certificates		(I	Rupees in '00	00)	9	6
Secured .		•									
GoP Ijarah Sukuk Certificates - IV (Note 5.1.1.5)	September 17, 2012	Weighted Average 6 months T-Bills less 5 basis points	30	-	30	-		-	-		-
GoP Ijarah Sukuk Certificates - V (Note 5.1.1.5)	November 15, 2013	Weighted Average 6 months T-Bills	20	-		20	2,000	2,000	-	0.12	0.13
GoP Ijarah Sukuk Certificates - IX (Note 5.1.1.5)	December 26, 2014"	do	950	-	-	950	95,000	95,000	-	5.92	6.17
GoP Ijarah Sukuk Certificates - XI (Note 5.1.1.5)	April 30, 2015	do	600	-	-	600	60,000	60,000	-	3.74	3.9
GoP Ijarah Sukuk Certificates - XII (Note 5.1.1.5)	June 28, 2015	do	2,750	-	1,000	1,750	175,000	175,000	-	10.90	11.37
GoP Ijarah Sukuk Certificates - XIV (Note 5.1.1.5)	March 28, 2016	do	-	250	-	250	25,000	25,000	-	1.56	1.62
Total .							357,000	357,000	-	<del>-</del> -	
Total cost of investments								357,000		-	

5.1.1.5 The nominal value of the sukuk certificates of GoP Ijarah is Rs. 100,000 each and they are stated at face value.

# 5.1.2.1 Investments at fair value through profit or loss upon initial recognition - Shares of listed companies

									Perc	entage in relatio	n to
Name of the investee company	As at July 1, 2012	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss) as at March 31, 2013	Net Assets of the Fund on the basis of investments (note 5.1.1.3)	Paid-up Capital of the investee company (with face value of investments)	Total market value of investments
		Nu	mber of sha	res			Rupees in '0	00		%	
Automobile and parts Indus Motor Company Limited  Banks Meezan Bank Limited (an associate company of the Fund)	50,055 250,084	-	-	-	50,055	12,267 7,232	15,016 7,239	2,749 7	0.94	0.06	0.98
<b>General industrials</b> Packages Limited	2,473	-	-	-	2,473	247	477	230	0.03	0.00	0.03
Total					-	19,746	22,732	2,986	_		
Total cost of investments							12,894	=			



#### 5.1.2.2 Sukuk certificates

									Market		Percent	age in relation	to
Name of the investee company	Maturity	Profit rate	As at July 1, 2012	Purchases during the period	Sales / redemptions during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Provision as at March 31, 2013	value as at March 31, 2013 - net of provision	Unrealised loss as at March 31, 2013	Net Assets of the Fund on the basis of investments (note 5.1.1.3)	Paid-up Capital of the investee company (with face value of investments)	Total market value of investments
				Number of	certificates			Rupees in	000	-		······ %	
Secured													
Engro Fertilizer Pakistan Limited (note 5.1.2.3) (A, PACRA, non-traded)	September 1, 2015	6 months KIBOR plus base rate of 1.5%	10,000	-	-	10,000	50,826	-	49,912	(914)	3.11	1.53	3.24
Security Leasing Corporation Limited II (note 5.1.2.3 & 5.1.2.5)	January 19, 2022	Nil	1,946	-	152	1,794	4,433	-	4,433	-	0.28	2.47	0.29
Century Paper & Board Mills Limited (note 5.1.2.3) (A+, JCR-VIS, non-traded)	September 25, 2014	6 months KIBOR plus base rate of 1.35%	2,500	-	2,500	-	-	-	-	-	-	-	-
Eden Housing Limited (note 5.1.2.3 & 5.1.2.5)	September 29, 2014	6 months KIBOR plus base rate of 2.5%	5,000	-	-	5,000	7,489	-	7,489	-	0.47	0.76	0.49
Arzoo Textile Mills Limited (note 5.1.2.3 & 5.1.2.5)	April 15, 2014	6 months KIBOR plus base rate of 2%	5,000	-	-	5,000	-	-	-	-	-	-	-
Hub Power Company Limited - CP Sukuk (note 5.1.2.3 & 5.1.2.4)	August 2, 2012	6 months Kibor plus base rate of 1.25%	20,000	_	20,000	-	-	-	-	-	-	-	-
Hub Power Company Limited - CP Sukuk (note 5.1.2.3 & 5.1.2.4)	February 16, 2013	6 months Kibor plus base rate of 1.25%	-	20,000	20,000	-	-	-	-	_	-	-	-
Hub Power Company Limited - CP Sukuk (note 5.1.2.3 & 5.1.2.4)	September 12, 2013	6 months Kibor plus base rate of 1.25%	-	20,000	-	20,000	100,000	-	100,000	_	6.23	0.86	6.50
Kot Addu Power Company - CP Sukuk (note 5.1.2.3 & 5.1.2.4)	June 10, 2013	6 months Kibor plus base rate of 1.1%	-	20,000	-	20,000	100,000	-	100,000	-	6.23	1.14	6.50
Total							262,748	-	261,834	(914)			
										V /			
Total cost of investments								_	290,845				

- 5.1.2.3 The nominal value of these sukuk certificates is Rs 5,000 each.
- 5.1.2.4 The securities are carried at face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturity of upto six months.
- 5.1.2.5 Following investments of the Fund are in the sukuk certificates which are below 'investments grade' securities:

Name of the investee company	Type of investments	Value of investments before provision	Provision held as at March 31, 2013	Value of investments after provision	Percentage of net assets (note 5.1.1.3	Percentage of total assets
					%	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	-	-	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	7,489	-	7,489	0.47	0.46
Security Leasing Corporation Limited II	Non-traded sukuk certificates	4,433	-	4,433	0.28	0.27
		11,922	-	11,922	0.74	0.73

#### 5.2 Investments - 'available for sale'

### 5.2.1 Shares of listed companies-'available for sale'

						Carrying		Carrying			Percer	tage in relation	to
Name of the investee company	As at July 1, 2012	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2013	value as at March 31, 2013 (before impairment)	Impairment during the period	value as at March 31, 2013 (after impairment)	Market value as at March 31, 2013	Unrealised gain / (loss) as at March 31, 2013	Net Assets of the Fund on the basis of investments (note 5.1.1.3)	Paid-up Capital of the investee company (with face value of investments)	Total market value of investments
		Num	ber of share	s			Ru	pees in '(	000			%	
Automobile and parts Indus Motor Company Limited Pakistan Suzuki Motor Company Limited	62,375 11,260	-	-	46,300 -	16,075 11,260	3,516 833		3,516 833	4,822 1,103		0.30 0.07 <b>0.37</b>	0.00	0.31 0.07 <b>0.38</b>
Banks Meezan Bank Limited (an associate of the Fund) Bank Islami Pakistan Limited	351,178 500	-	10,029 -	260,000	101,207 500	1,415 2		1,415 2	2,640 3	, .	0.16 - <b>0.16</b>	0.00	0.17 - <b>0.17</b>
Chemicals Fauji Fertilizer Bin Qasim Company Limited Fauji Fertilizer Company Limited ICI Pakistan Limited	3,377 76,599 226,236	- - -	- - -	- - 218,315	3,377 76,599 7,921	120 6,170 999		120 6,170 999	127 8,418 1,099	2,248		0.01 0.01	0 0.55 0.07 <b>0.62</b>
Construction and materials AkzoNobel Pakistan Limited Attock Cement Pakistan Limited Lucky Cement Limited DG Khan Cement Company Limited	113,764 35,000 200,451 699,749	- - -	- 5,250 - -	12,000 - - 149,000	101,764 40,250 200,451 550,749	12,832 1,785 23,864 21,688	4,028	8,804 1,785 23,864 21,688	11,845 4,553 33,594 38,150	2,768 9,730	0.74 0.28 2.09 2.38 <b>5.49</b>	0.04 0.06 0.13	0.77 0.3 2.18 2.48 5.73
Electricity Hub Power Company Limited Fixed line telecommunication Pakistan Telecommunication	2,727,050	-	-	910,000	1,817,050	67,168		67,168	91,325	24,157	5.69	0.16	5.93
Company Limited "A"	103,145	-	-	103,145	-	-		-	-	-	-	-	-
<b>General industrials</b> Tri-Pack Films Limited	10,000	-	-	10,000	-	-		-	-	-	-	-	-
<b>Oil and gas</b> National Refinery Limited Oil and Gas Development Company	20,000	-	-	20,000	-	-		-	-	-	-	-	-
Limited (note 5.2.2) Pakistan Oilfields Limited Pakistan Petroleum Limited Pakistan State Oil Company Limited	395,666 162,250 284,632 221,600	-	71,158 90,804	202,000 33,500	395,666 162,250 153,790 278,904	54,070 40,414 22,658 45,678		54,070 40,414 22,658 45,678	80,692 73,601 26,946 56,654	33,187 4,288	5.03 4.58 1.68 3.53	0.07 0.01 0.11	5.24 4.78 1.75 3.68 <b>15.45</b>
Total						303,212	4,028	299,184	435,572	136,388	-		
Total cost of investments									299,184	_	-		

5.2.2 100,000 shares of Oil and Gas Development Company Limited, having market value of Rs 20.394 million as at March 31, 2013 have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.



#### 6. CONTINGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

The fund has not made WWF provisions upto December 31, 2012 amounting to Rs. 17.055 million. Had the same been made, the net asset value per unit of the Fund would have been lower by Rs. 0.14 (1.05%).

#### 7. SEGMENT REPORTING

The investment committee of the management company makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by that committee for taking strategic decisions.

The committee considers the investments as two sub-portfolios, which are managed by fund manager at the management company. These sub-portfolios consist of an equity portfolio, which focuses on equity securities and related derivatives; the second sub-portfolio consisting of debt instruments.

The reportable operating segments derive their income by seeking investments to achieve targeted returns commensurate with an acceptable level of risk within each portfolio. These returns consist of profit on sukuk certificates, dividends, gain on disposals of investments and unrealised gains on the appreciation in the value of investments.

The segment information provided to the investment committee and the fund manager for the reportable segments is as follows:

		ne months peri March 31, 2013	For the period August 05, 2011 to March 31, 2012			
	Equity sub- portfolio	Debt sub- portfolio	Total	Equity sub- portfolio	Debt sub- portfolio	Total
	· (F	Rupees in '000)		·(Rı	upees in '000)	
Total net segment income	173,663	48,964	222,627	119,318	59,518	178,836
Unallocated expenses	-	-	(5,488)	-	-	(35,952)
Total net income	173,663	48,964	217,140	119,318	59,518	142,884
	As at March 31, 2013			As	at June 30, 2012	<u>)</u>
	Equity sub- portfolio	Debt sub- portfolio	Total	Equity sub- portfolio	Debt sub- portfolio	Total
	· (F	Rupees in '000)		·(Ri	upees in '000)	
Total segment assets	936,634	632,049	1,568,683	859,517	622,007	1,481,524
Unallocated assets			64,828			78,482
Total assets	936,634	632,049	1,633,511	859,517	622,007	1,560,006
Total segment liabilities	3,964	-	3,964	3,597	-	3,597
Unallocated liabilities			24,027	-	-	21,366
Total liabilities	3,964	-	27,991	3,597	<u> </u>	24,963

#### 8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan being the Management Company, CDC being the trustee, MBL being the holding company of the Management Company and Pakistan Kuwait Investment Company (Private) Limited as associate of the Management Company and Al Meezan Mutual Fund, Meezan Sovereign Fund, Meezan Tahaffuz Pension Fund, Meezan Capital Protected Fund - II, Meezan Cash Fund, Meezan Islamic Fund, Meezan Islamic Income and KSE Meezan Index Fund being the funds under the common management of the Management Company.

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

Remuneration payable to the Management Company and the trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

Details of balances with connected persons and transactions with them for the period ended 31 March 2013 are as follows:

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	(Rupe	es in '000)
Al Meezan - Management Company of the Fund		
Remuneration payable	2,710	2,517
Sindh Sales Tax payable on management fee	434	403
Investment of 4,596,824 certificates		
(June 30, 2012: 3,821,824)	54,656	39,594
CDC - trustee of the Fund		
Remuneration payable	149	140_
CDS Charges payable	2	8
Meezan Bank Limited - Shariah Advisor of the Fund		
Bank balance	13,736	10,311
Investment in 351,291 shares		
(June 30, 2012: 601,262 shares)	9,879	17,388
Investment of 16,134,468 certificates		
(June 30, 2012: 16,134,468 certificates)	191,839	167,153
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 11,057,791 in certificates		
(June 30, 2012: 11,057,791 certificates)	131,477	114,559
Directors and Executives of the Management Company Investment of 124,475 certificates		
(June 30, 2012: 22,975 certificates)	1,480	238



	For the nine months period ended March 31,		
	2013	2012	
	(Rupees in '000)		
Al Meezan - Management Company of the Fund			
Remuneration for the period	23,445	21,454	
Sindh Sales Tax for the period	3,751	3,433	
Dividend for the period	8,734	6,688	
CDC - trustee of the Fund			
Remuneration for the period	1,294	1,216	
Charges for the period	249	87	
Meezan Bank Limited - Shariah Advisor of the Fund			
Profit on savings account	9	28_	
Dividend for the period	30,655	28,235	
Bank Charges	2	3	
Pakistan Kuwait Investment Company (Private) Limited			
Dividend for the period	21,010	19,351	
Directors and Executives of the Management Company			
Dividend for the period	237	58	

### 9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised on April 19, 2013 by the Board of Directors of the Management Company of the Fund.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



# STATEMENT OF THE INCOME & EXPENDITURE OF THE INVESTMENT ADVISOR IN RELATION TO THE FUND

For the period ended March 31, 2013

March 31,

**2013** 2012

(Rupees in '000)

N	0		

Remuneration from Meezan Balanced Fund	23,445	21,454
Dividend income	8,734	6,688
	32,179	28,142
OPERATING EXPENSES		
Salaries and other benefits	6,159	4,585
Motor vehicle running expenses	157	150
Fees and subscription	124	161
Takaful	89	71
Stationery and printing	53	31
Communication	167	191
Depreciation	364	322
Travelling and conveyance	36	13
Entertainment	19	26
Legal and professional charges	25	61
Repair and maintenance	785	83
Office supplies	81	52
Training and development	58	12
Rent, rates and taxes	326	335
Utilities	81	54
Shariah advisory fee	107	95
Miscellaneous expenses	7	9
	8,638	6,251
OPERATING PROFIT	23,541	21,891

Note: The above expenses are allocated based on the average net assets of the respective funds managed by the Management Company. Other revenue and expense not relating to the fund have not been included in the above statement.



**Quarterly Report March 31, 2013** 

# **FUND INFORMATION**

#### **Board of Directors of The Pension Fund Manager**

Mr. Ariful Islam Chairman Mr. P. Ahmed Director Mr. Salman Sarwar Butt Director Mr. Tasnimul Haq Farooqui Director Mr. Mazhar Sharif Director Syed Amir Ali Director Syed Amir Ali Zaidi Director Mr. Mohammad Shoaib, CFA **Chief Executive** 

#### **CFO & Company Secretary of The Pension Fund Manager**

Syed Owais Wasti

#### **Audit Committee**

Mr. P. Ahmed Chairman
Mr. Mazhar Sharif Member
Syed Amir Ali Member

#### **Human Resources & Remuneration Committee**

Mr. Salman Sarwar Butt
Chairman
Mr. Tasnimul Haq Farooqui
Mr. Mazhar Sharif
Member
Mr. Mohammad Shoaib, CFA
Member

#### Trustee

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

#### Auditors

Ernst & Young Ford Rhodes Sidat Hyder Chartered Accounts Progressive Plaza, beaumont Road P.O. Box 15541, Karachi 75530, Pakistan

#### **Shariah Adviser**

Meezan Bank Limited

#### **Bankers To The Fund**

Al Baraka Islamic Bank B.S.C (E.C)
Askari Bank Limited - Islamic Banking
Bank Alfalah Limited, Islamic Banking
Bank Al Habib Limited - Islamic Banking Branch
Dubai Islamic Bank
Habib Metropolitan Bank - Islamic Banking Branch
Habib Bank Limited - Islamic Banking
Meezan Bank Limited
MCB Bank Limited
UBL Ameen - Islamic Banking Branch

#### **Legal Adviser**

Bawaney & Partners 404, 4th Floor, Beaumont Plaza, 6-CL-10 Beaumont Road, Civil Lines Karachi - 75530 Phone: (9221) 3565 7658-59 Fax: (9221) 3565 7673 E-mail: bawaney@cyber.net.pk

#### **Transfer Agent**

Meezan Bank Limited SITE Branch Plot # B/9-C, Estate Avenue, SITE, Karachi. Phone: 32062891 Fax: 32552771

Web site: www.meezanbank.com

#### **Distributors**

Al Meezan Investment Management Limited Meezan Bank Limited

# CONDENSED INTERIM BALANCE SHEET

As at March 31, 2013 (Unaudited)

			Unau	dited		Audited
			luna			
		Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	June 30, 2012
	Note			(Rupees in '000)		
Assets				-		
Bank balances	5	17,427	7,988	139,828	165,243	118,341
Investments at fair value		•	•	,	,	,
through profit or loss	6	519,137	465,006	135,933	1,120,076	745,347
Dividend receivable		8,247	· -	· -	8,247	495
Profit receivable		1,365	8,560	7,191	17,116	12,290
Deposit with Central Depository						
Company (CDC) of Pakistan Limited		100	100	100	300	300
Total assets	-	546,276	481,654	283,052	1,310,982	876,773
Liabilities	_					
Payable against purchase of investment		-	5	5	10	5,134
Payable to Al Meezan Investment						
Management Limited (Al Meezan) -						
Pension Fund Manager		791	791	421	2,003	1,425
Payable to CDC - trustee of the Fund		64	58	33	155	88
Payable to auditors		59	59	59	177	185
Payable to Securities and Exchange						
Commission of Pakistan (SECP)		106	103	60	269	175
Payable on redemption of units		1,203	1,793	620	3,616	1,972
Workers welfares fund(WWF)		1,191	186	113	1,490	-
Charity payable		696	-	-	696	244
Total liabilities		4,110	2,995	1,311	8,416	9,223
Net assets	-	542,166	478,659	281,741	1,302,566	867,550
Participants' Sub-Funds						
(as per statement attached)	=	542,166	478,659	281,741	1,302,566	867,550
Number of units in issue	_	2,531,330	2,851,088	1,672,845		
Net assets value per unit (Rupees)	=	214.18	167.89	168.42		

7 The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

> For Al Meezan Investment Management Limited (Management Company)

**Mohammad Shoaib, CFA Chief Executive** 

Contingencies



## CONDENSED INTERIM INCOME STATEMENT

For the nine months ended March 31, 2013 (Unaudited)

	For the nine months ended March 31, 2013				For the nine months
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	ended March 31, 2012
			(Rupees in '000)		
Income					
Profit on sukuk certificates	-	26,652	9,637	36,289	17,862
Profit on savings accounts with banks	1,743	4,671	8,300	14,714	7,107
Unrealised gain / (loss) on					
re-measurement of investments					
at 'fair value through profit or loss'	82,179	(25)	(10)	82,144	19,268
Net gain on sale of investments	19,848	466	32	20,346	3,865
Dividend income - net of charity	23,825	-	-	23,825	11,603
Total income	127,595	31,764	17,959	177,318	59,705
Expenses					
Remuneration of Al Meezan -					
pension fund manager	4,748	4,624	2,705	12,077	5,274
Sales tax on management fee	762	760	435	1,957	846
Remuneration of CDC - trustee of the Fund	459	448	264	1,171	531
Annual fee of SECP	106	103	60	269	130
Provisions against WWF	1,191	186	113	1,490	-
Auditors' remuneration	63	63	63	189	270
Securities' transaction cost	635	13	7	655	240
Custody and settlement charges	13	4	5	22	17
Bank charges	3	14	10	27	29
Total expenses	7,980	6,215	3,662	17,857	7,337
Net income from operating activities	119,615	25,549	14,297	159,461	52,368
Element of income and capital gains included in prices of units issued less					
those in units redeemed	16,445	3,673	1,998	22,116	5,150
Net income	136,060	29,222	16,295	181,577	57,518
Earnings per unit - basic (Rupees)	53.75	10.25	9.74		

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

Mar Pil

### **CONDENSED INTERIM INCOME STATEMENT**

For the quarter ended March 31, 2013 (Unaudited)

	For	For the quarter ended March 31, 2013				
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	quarter ended March 31, 2012	
			(Rupees in '000)			
Income						
Profit on sukuk certificates	-	7,990	2,414	10,404	8,050	
Profit on savings accounts with banks	854	2,918	3,592	7,364	811	
Unrealised gain on re-measurement of investments at 'fair value						
through profit or loss'	29,987	-	-	29,987	36,560	
Net gain on sale of investments	10,294	159	16	10,469	969	
Dividend income - net of charity	9,162	-	-	9,162	6,183	
Total income	50,297	11,067	6,022	67,386	52,573	
Expenses						
Remuneration of Al Meezan -						
pension fund manager	1,819	1,784	998	4,601	1,962	
Sales tax on management fee	292	306	162	760	316	
Remuneration of CDC - trustee						
of the Fund	167	166	94	427	196	
Annual fee of SECP	41	40	22	103	43	
Provisions against WWF	1,191	186	113	1,490	-	
Auditors' remuneration	15	15	15	45	46	
Securities' transaction cost	240	5	5	250	118	
Custody and settlement charges	7	1	2	10	6	
Bank charges	3	3	3	9	14	
Total expenses	3,775	2,506	1,414	7,695	2,701	
Net income from operating activities	46,522	8,561	4,608	59,691	49,872	
Element of income and capital gains included in prices of units issued						
less those in units redeemed	13,036	746	1,063	14,845	4,626	
Net income	59,558	9,307	5,671	74,536	54,498	
Earnings per unit outstanding - basic (Rupees)	23.53	3.26	3.39			

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

Mar Pil



## CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine months ended March 31, 2013 (Unaudited)

	For th	For the nine months ended March 31, 2013			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	ended March 31, 2012
N	lote		(Rupees in '000)-		
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	136,060	29,222	16,295	181,577	57,518
Adjustments for:					
Dividend income	(23,825)	-	-	(23,825)	(11,603)
Profit on sukuk certificates	-	(26,652)	(9,637)	(36,289)	(17,862)
Profit on savings accounts with banks	(1,743)	(4,671)	(8,300)	(14,714)	(7,107)
Unrealised (gain) / loss on re-measurement of					
investments at 'fair value through profit or loss'	(82,179)	25	10	(82,144)	(19,268)
Element of income and capital					
gains included in prices of units					
issued less those in units redeemed - net	(16,445)	(3,673)	(1,998)	(22,116)	(5,150)
	11,868	(5,749)	(3,630)	2,489	(3,472)
(Increase) / decrease in assets	(4.50.054)	(4.50, 4.40)		(222 525)	(4.50.450)
Investments at fair value through profit or loss	(162,361)	(163,442)	33,218	(292,585)	(169,460)
(Dogwood) / ingresses in linkilities	(162,361)	(163,442)	33,218	(292,585)	(169,460)
(Decrease) / increase in liabilities	(5,128)	(1)	5	(5.124)	7.064
Payable against purchase of investments Payable to Al Meezan - Pension Fund Manager	154	(1)	145	(5,124) 578	7,064 (220)
Payable to CDC - trustee of the Fund	30	279	12	67	23
Payable to SECP	31	42	21	94	9
Payable to auditors	(3)	(3)	(2)	(8)	(41)
Provision for workers welfares fund(WWF)	1,191	186	113	1,490	- (41)
Other Liabilities	(730)	(843)	(643)	(2,216)	369
Payable for withdrawal	1,203	1,793	620	3,616	-
Charity payable	696	- 1,755		696	_
chany payable	(2,556)	1,478	271	(807)	7,204
Dividend received	16,073	_	-	16,073	7,324
Profit received on savings accounts with banks	868	3,429	3,142	7,439	8,964
Profit received on sukuk certificates	-	25,336	13,402	38,738	16,976
Net cash (outflow) / inflow from operating activities	(136,108)	(138,948)	46,403	(228,653)	(132,464)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of contribution	159,029	205,396	91,255	455,680	152,483
Payment against withdrawal	(60,921)	(84,553)	(34,651)	(180,125)	(24,728)
Net cash inflow from financing activities	98,108	120,843	56,604	275,555	127,755
Net cash (outflow) / inflow during the period	(38,000)	(18,105)	103,007	46,902	(4,709)
Cash and cash equivalents					
at the beginning of the period	55,427	26,093	36,821	118,341	81,964
Cash and cash equivalents at the end of the period	5 17,427	7,988	139,828	165,243	77,255

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the quarter ended March 31, 2013 (Unaudited)

		For t	he quarter end	led March 31, 201	3	For the quarter
		Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	ended March 31, 2012
	Note			(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income		59,558	9,307	5,671	74,536	54,498
Adjustments for:						
Dividend income		(9,162)	-	-	(9,162)	(6,183
Profit on sukuk certificates		-	(7,990)	(2,414)	(10,404)	(8,05)
Profit on savings accounts with banks		(854)	(2,918)	(3,592)	(7,364)	(811
Unrealised (gain) / loss on re-measurement of		,	,	,		
investments at 'fair value through profit or loss'		(29,987)	-	-	(29,987)	(36,560
Element of income and capital gains included in prices						
of units issued less those in units redeemed - net		(13,036)	(746)	(1,063)	(14,845)	(4,626
		6,519	(2,347)	(1,398)	2,774	(1,732
(Increase) / decrease in assets						
Investments at fair value through profit or loss		(68,211)	(128,983)	(37,982)	(235,176)	(37,08
		(68,211)	(128,983)	(37,982)	(235,176)	(37,08
(Decrease) / increase in liabilities						
Payable against purchase of investments		-	5	5	10	7,06
Payable to Al Meezan - Pension Fund Manager		144	137	45	326	14
Payable to CDC - trustee of the Fund		6	4	3	13	1
Payable to SECP		41	40	22	103	4
Payable to auditors		15	15	15	45	(6
Provision for workers welfares fund(WWF)		1,191	186	113	1,490	`.
Other Liabilities		(730)	(843)	(643)	(2,216)	3
Payable for withdrawal		1,203	1,793	620	3,616	-
Charity payable		898	843	643	2,384	-
, , ,		2,768	2,180	823	5,771	7,23
Dividend received		1,303	· -	-	1,303	1,30
Profit received on savings accounts with banks		489	2,316	2,526	5,331	3,79
Profit received on sukuk certificates			7,715	3,381	11,096	8,05
Net cash (outflow) from operating activities		(57,132)	(119,119)	(32,650)	(208,901)	(18,429
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts of contribution		75,105	65,050	28,243	168,398	88,29
Payment against withdrawal		(11,066)	(45,142)	(6,407)	(62,615)	(17,20
Net cash inflow from financing activities	l	64,039	19,908	21,836	105,783	71,08
Net cash inflow / (outflow) during the period		6,907	(99,211)	(10,814)	(103,118)	52,65
Cash and cash equivalents at the beginning of the period		10,520	107,199	150,642	268,361	24,60
Cash and cash equivalents at the end of the period	5	17,427	7,988	139,828	165,243	77,25

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

Motor Pil



# CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS

For the nine months and quarter ended March 31, 2013 (Unaudited)

	For the	e nine months e	ended March 31, 2	013	For the nine months
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	ended March 31, 2012
			(Rupees in '000)		
Net Assets at the beginning of the period	324,443	332,267	210,840	867,550	416,343
Amount received on issue of units (2013: Equity sub fund: 796,737 units; Debt sub fund: 1,264,562 units; Money market sub fund: 558,125 units) (2012: Equity sub fund: 490,912 units; Debt sub fund: 380,796 units; Money market sub fund: 165,665 units)  Amount paid on redemption of units (2013: Equity sub fund: 287,686 units; Debt sub fund:	159,029	205,396	91,255	455,680	152,483
521,271 units; Money market sub fund: 213,986 units) (2012: Equity sub fund: 27,336 units; Debt sub fund:					
114,773 units; Money market sub fund: 22,391 units)	(60,921)	(84,553)	(34,651)	(180,125)	(24,728)
	98,108	120,843	56,604	275,555	127,755
Element of income and capital gains included in prices of units issued less those in units redeemed	(16,445)	(3,673)	(1,998)	(22,116)	(5,150)
Net income for the period	136,060	29,222	16,295	181,577	57,518
Net assets at the end of the period	542,166	478,659	281,741	1,302,566	596,466
	For the quarter ended March 31, 2013				For the quarter
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	ended March 31, 2012
			(Rupees in '000)		
Net assets at the beginning of the quarter	431,605	450,190	255,297	1,137,092	475,513
Amount received on issue of units (2013: Equity sub fund: 371,492 units; Debt sub fund: 391,333 units; Money market sub fund: 169,241 units) (2012: Equity sub fund: 263,928 units; Debt sub fund: 220,017 units; Money market sub fund: 103,354 units)	75,105	65,050	28,243	168,398	88,290
Amount paid on redemption of units (2013: Equity sub fund: 53,570; Debt sub fund: 269,777 units; Money market sub fund: 38,324 units) (2012: Equity sub fund: 12,196; Debt sub fund: 88,916 units; Money market sub fund: 12,448 units)	(11,066)	(45 142)	(6,407)	(62,615)	(17,209)
,	64,039	(45,142) 19,908	21,836	105,783	71,081
Element of income and capital gains included in prices of units issued less those in units redeemed	(13,036)	(746)	(1,063)	(14,845)	(4,626)
Net income for the quarter	59,558	9,307	5,671	74,536	54,498
Net assets at the end of the quarter	542,166	478,659	281,741	1,302,566	596,466

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive

### **CONDENSED INTERIM CONTRIBUTION TABLE**

For the nine months and quarter ended March 31, 2013 (Unaudited)

	For the nine months ended March 31, 2013							
Contributions net of front end fee received during the period	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Total (Rupees in	ended March 31,
ree received during the period	Units F	Rs in '000	Units	Rs in '000	Units	Rs in '000	'000)	2012
Individuals - issue of units	796,737	159,029	1,264,562	205,396	558,125	91,255	455,680	152,483
Total	796,737	159,029	1,264,562	205,396	558,125	91,255	455,680	152,483
For the quarter ended March 31, 2013								
Contributions net of front end fee received during the quarter	Equity Sub	Fund	Debt Sub Fund		Money Market Sub Fund		Total (Rupees in	ended March 31,
ree received during the quarter	Units F	Rs in '000	Units	Rs in '000		Rs in '000	'000)	2012
Individuals - issue of units	371,492	75,105	391,333	65,050	169,241	28,243	168,398	88,290
Total	371,492	75,105	391,333	65,050	169,241	28,243	168,398	88,290

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



# CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE For the nine months ended March 31, 2013 (Unaudited)

	For the n	For the nine months ended March 31, 2013					
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund				
		Number of units					
Total units outstanding at the beginning of the period	2,022,279	2,107,797	1,328,706				
Add: Units issued	796,737	1,264,562	558,125				
Less: Units redeemed	(287,686)	(521,271)	(213,986)				
Total units in issue	2,531,330	2,851,088	1,672,845				
	For the r	nine months ended March	n 31, 2012				
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund				
		Number of units					
Total units outstanding at the beginning of the period	1,303,988	999,506	652,463				
Add: Units issued	490,912	380,796	165,665				
Less: Units redeemed	(27,336)	(114,773)	(22,391)				
Total units in issue	1,767,564	1,265,529	795,737				

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the nine months and guarter ended March 31, 2013 (Unaudited)

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

- 1.1 Meezan Tahaffuz Pension Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as pension fund manager and CDC as trustee. The trust deed was executed and approved by the SECP on May 30, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the pension fund manager of the Fund is situated at Finance and Trade Centre, Sharah-e-Faisal, Karachi, Pakistan.
- 1.2 The Fund offers a saving mechanism where an individual saves from his / her income during work life in order to retain financial security and comfort in terms of regular income stream after retirement. The Fund comprises of three sub funds namely equity sub-fund, debt sub-fund and money market sub-fund. Participants are offered various investment allocation schemes depending on their investment horizon, return requirements, risk tolerance and any unique circumstances. Allocation scheme can be selected initially at the time of opening of account and subsequently at anniversary of the account. The contributions from participants are invested in various instruments belonging to different asset classes to get full benefits of risk minimisation through diversification.
- 1.3 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are shariah compliant. Under the trust deed, all the conducts and acts of the Fund are based on shariah. The pension fund manager has appointed Meezan Bank Limited (MBL) as its shariah adviser to ensure that the activities of the Fund are in compliance with the principles of shariah. The pension fund manager of the Fund is registered with SECP as a Non-Banking Finance Company under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.4 The Fund is an open-ended unlisted fund. Units are offered for public subscription on a continuous basis. The units are non-transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

#### 2. BASIS OF MEASUREMENT

The transactions undertaken by the Fund in accordance with the process prescribed under the shariah guidelines issued by the shariah adviser are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

#### 3. STATEMENT OF COMPLIANCE

- 3.1 These interim condensed financial statements of the Fund for the nine months period ended March 31, 2013 have been prepared in accordance with the requirements of the International Accounting Standard 34 Interim Financial Reporting, the Trust Deed, the VPS Rules and the directives issued by the SECP.
  - Wherever the requirements of the Trust Deed, the VPS Rules or the said directives differ with the requirements of IFRSs, the requirements of the Trust Deed, the VPS Rules and the said directives take precedence.
- 3.2 These condensed interim financial statements comprise of the condensed interim balance sheet as at March 31, 2013 and the condensed interim income statement, condensed interim statement of movement in participants' sub funds, condensed interim statement of cash flows, condensed interim contribution table, condensed interim number of units in issue and notes thereto for the nine months and quarter ended March 31, 2013. They do not include all the disclosures required for annual financial statements, and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2012.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2012.

#### 5. BANK BALANCES

		(Audited)			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	June 30, 2012
			(Rupees in '000)		
Current accounts	547	-	-	547	35
Savings accounts	16,880	7,988	139,828	164,696	118,306
•	17,427	7,988	139,828	165,243	118,341

### 6. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

			June			
		Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	30, 2012
				(Rupees in '000)		
Held-for-trading - shares of listed companies	6.1	519,137	-	-	519,137	274,597
- sukuk certificates	6.2	-	463,647	135,323	598,970	468,500
		519,137	463,647	135,323	1,118,107	743,097
Investments designated at fair value						
through profit or loss upon initial recognition	6.3	-	1,359	610	1,969	2,250
		519,137	465,006	135,933	1,120,076	745,347



### 6.1 'Held-for-trading' - shares of listed companies

Name of the investee company	As at July 1, 2012	Purchases during the period	Cost of purchase	Bonus / rights issue	Sales during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note 6.1.2 below)	Percentage of paid-up capital of investee company
	Number of	shares	Rs in '000	N	lumber of sh	ares		Rupees in '000-		]	
Equity sub fund :	·										
Automobile and parts											
Indus Motor Company Limited	25,655	-	-	-	5,000	20,655	5,062	6,196	1,134	1.14	0.03
Pak Suzuki Motor Company Limited	49,733	35,000	3,317	-	29,000	55,733	5,302	5,459	157	1.01	0.07
Agriauto Industries Limited (note 6.1.1)	25,000	20,000	1,848	-	10,000	35,000	3,012	2,660	(352)	0.49	0.12
Chemicals											
Fauji Fertilizer Bin Qasim Limited	349,000	392,451	15,459	-	153,000	588,451	23,435	22,132	(1,303)	4.08	0.0
Fauji Fertilizer Company Limited	243,187	231,011	26,862	-	75,000	399,198	45,465	43,872	(1,593)	8.09	0.03
ICI Pakistan Limited	67,805	12,000	1,980	-	77,835	1,970	272	273	1	0.05	0.00
Construction and materials											
AkzoNobel Pakistan Limited	34,096	-	-	-	16,900	17,196	2,254	2,002	(252)	0.37	0.04
Attock Cement Pakistan Limited	57,992	-	-	8,698	66,690	-	-	-	-	-	-
DG Khan Cement Company Limited	402,897	471,500	25,477	-	59,000	815,397	38,766	56,483	17,717	10.42	0.19
Kohat Cement	-	57,000	4,503	-	-	57,000	4,503	4,444	(59)	0.82	0.04
Lucky Cement Limited	131,995	122,011	17,055	-	-	254,006	32,286	42,569	10,283	7.85	0.08
Electricity											
The Hub Power Company Limited	617,575	343,170	15,518	-	200,000	760,745	32,773	38,235	5,462	7.05	0.07
Automobile assembler											
Millat Tractors Company Limited	6,000	36,800	20,426	1,620	26,600	17,820	8,864	9,178	314	1.69	0.05
Fixed line telecommunication											
Pakistan Telecommunication	200 700	650.000	42.020		450.000	700	40.700	42.257	4.640	2.20	0.00
Company Limited ""A""	399,700	659,000	12,839	-	450,000	608,700	10,709	12,357	1,648	2.28	0.02
Food producers											
Unilever Pakistan Limited (note 6.1.1)	526	460	4,831	-	-	986	8,554	12,078	3,524	2.23	0.01
Engro Foods Limited	82,000	363,300	31,876	-	187,000	258,300	23,953	32,837	8,884	6.06	0.17
General industrials	400.054	25.000	2.050		4.000	424.054	42.545	25.442	44.000	4.60	0.4
Packages Limited	100,851	35,000	3,859	-	4,000	131,851	13,515	25,413	11,898	4.69	0.10
Thal Limited (note 6.1.1)	53,769	-	-	4,876	25,000	33,645	2,844	3,297	453	0.61	0.0
Tri-Pack Films Limited	51,187	-	-	-	25,000	26,187	5,499	4,742	(757)	0.87	0.09
Oil and gas		10.00-	2.020		10.000						
Attock Refinery Limited	-	18,000	2,838	-	18,000	-	-	-	-	-	-
National Refinery Limited	9,655	120.015	-	-	9,655	- 240.716	42.261	-	0.563	- 0.20	-
Oil and Gas Development Company Limited	130,900	129,816	23,177	-	11,000	249,716	42,364	50,927	8,563	9.39	0.0
Pakistan Oilfields Limited Pakistan Petroleum Limited	77,150	34,400	15,231	-	4,500	107,050	41,874	48,561	6,687	8.96	0.05
	124,240	73,305	14,189	44,636	75,800	166,381	25,832	29,152	3,320	5.38	0.01
Pakistan State Oil Company Limited Attock Petroleum Limited	64,300 19,000	78,428 16,000	18,794 7,792	45,539 -	12,500	175,767 35,000	31,340 16,805	35,704 17,080	4,364 275	6.59 3.15	0.09
Personal goods Nishat Mills limited	_	160,000	11,676	_	_	160,000	11,675	13,486	1,811	2.49	0.05
	-	100,000	11,070	-	-	100,000	11,073	13,400	1,011	2.49	0.03
Pharma and bio tech Glaxo Smithkline Pakistan Limited	46,300	_	_	_	46,300	_	_	_	_	-	_
	<del>1</del> 0,500	_		-	+0,500	-				_	-
Total		_	279,547				436,958	519,137	82,179	_	

- 6.1.1 All shares have a nominal value of Rs.10 each except Thal Limited and Agriauto Industries Limited of Rs.5 each and Unilever Pakistan Limited having nominal value of Rs.50 each.
- 6.1.2 Net assets are as defined in rule 2(1)(m) of VPS Rules.

### 6.2 'Held-for-trading' - sukuk certificates

Name of the investee company	Maturity date	Profit rate	As at July 01, 2012	Purchases during the period	Cost of purchase	Sales during the period	Maturity during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised loss	Percentage of net assets on the basis of market value (see note 6.1.2)
			Number of	certificates	Rupees in '000	Nun	nber of certificate	25		Rupees in '000		(See Hote 0.1.2)
Debt Sub Fund :					1							
GoP - Ijara sukuk (note 6.2.1)	September 17, 2012	weighted average										
		6 months T-Bills	30	-	-	-	30	-	-	-	-	-
GoP - Ijara sukuk (note 6.2.1)	November 15, 2013	weighted average										
		6 months T-Bills	580	-	-	500	-	80	8,000	8,000	-	1.67
GoP - Ijara sukuk (note 6.2.1)	December 20, 2013	weighted average										
		6 months T-Bills	30	-	-	-	-	30	3,000	3,000	-	0.63
GoP - Ijara sukuk (note 6.2.1)	March 07, 2014	weighted average										
		6 months T-Bills	50	-	-	-	-	50	5,000	5,000	-	1.04
GoP - Ijara sukuk (note 6.2.1)	May 16, 2014	weighted average										
		6 months T-Bills	130	-	-	-	-	130	13,000	13,000	-	2.72
GoP - Ijara sukuk (note 6.2.1)	December 26, 2014	weighted average	540			250		200	20.000	20.000		
C-D lines colorly (notes C 2.1)	M	6 months T-Bills	540	-	-	250	-	290	29,000	29,000	-	6.06
GoP - Ijara sukuk (note 6.2.1)	March 02, 2015	weighted average 6 months T-Bills	540	200	20,000			740	74,000	74,000		15.46
GoP - Ijara sukuk (note 6.2.1)	April 30, 2015	weighted average	340	200	20,000	-	-	740	74,000	74,000	-	13.40
GOF - IJala SUKUK (HOLE 0.2.1)	April 30, 2013	6 months T-Bills	600					600	60,000	60,000		12.54
GoP - Ijara sukuk (note 6.2.1)	June 28, 2015	weighted average	000					000	00,000	00,000		12.54
Gor - Ijala sukuk (liote 0.2.1)	Julie 20, 2015	6 months T-Bills	500					500	50,000	50,000	_	10.45
GoP - Ijara sukuk (note 6.2.1)	September 18, 2015	weighted average	500					500	50,000	30,000		10.45
oor ijara sanan (note oizir)	5eptember 10, 2015	6 months T-Bills	_	826	82,672	_	_	826	82,672	82,647	(25)	17.27
GoP - Ijara sukuk (note 6.2.1)	March 28, 2016	weighted average		020	02,072			020	02,072	02/01/	(23)	.,,
, , ,	, , , , ,	6 months T-Bills	-	1,390	139,000	-	-	1,390	139,000	139,000	-	29.04
			3,000	2,416	241,672	750	30	3,246	463,672	463,647	(25)	_
Money Market Sub Fund :												
GoP - Ijara sukuk (note 6.2.1)	November 15, 2013	weighted average										
GOT IJUTU SUKUK (HOLE 0.2.1)	November 13, 2013	6 months T-Bills	20	-	_	_	_	20	2,000	2,000	_	0.71
GoP - Ijara sukuk (note 6.2.1)	March 07, 2014	weighted average	20					20	2,000	2,000		0.7 1
Jan		6 months T-Bills	300			-		300	30,000	30.000	-	10.65
GoP - Ijara sukuk (note 6.2.1)	May 16, 2014	weighted average							,			
	•	6 months T-Bills	20	-	-	20	-	-	-	-	-	-
GoP - Ijara sukuk (note 6.2.1)	September 17, 2012	weighted average										
		6 months T-Bills	950	-	-	-	950	-	-	-	-	-
GoP - Ijara sukuk (note 6.2.1)	March 02, 2015	weighted average										
		6 months T-Bills	130	50	5,000	-	-	180	18,000	18,000	-	6.39
GoP - Ijara sukuk (note 6.2.1)	April 30, 2015	weighted average										
		6 months T-Bills	120	-	-	-	-	120	12,000	12,000	-	4.26
GoP - Ijara sukuk (note 6.2.1)	June 28, 2015	weighted average										
		6 months T-Bills	145	-	-	-	-	145	14,500	14,500	-	5.15
GoP - Ijara sukuk (note 6.2.1)	September 18, 2015	weighted average										
		6 months T-Bills	-	588	58,833	-	-	588	58,833	58,823	(10)	20.88
			1,685	638	63,833	20	950	1,353	135,333	135,323	(10)	_
					35,033		,,,,	.,555	.55,555	.55,525	(10)	=

6.2.1 The nominal value of the sukuk certificates is Rs.100,000 each.



6.3 Investments 'designated at fair value through profit or loss upon initial recognition' - sukuk certificates

Name of the investee company	Maturity date	Profit rate per annum	As at July 1, 2012	Purchases during the period	Cost of purchase	Sales during the period	Redemptions during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss)	Percentage of net assets on the basis of market value (see note
			Number of	certificates	Rupees in '000	Num	ber of certificat	es		Rupees in '000	)	6.1.2)
Debt Sub Fund :	'											
Eden Housing Limited	September	6 months										
(note 6.3.1 )	29, 2014	Kibor plus base	2									
		rate of 2.5%	500	-	-	-	-	500	749	749	-	0.16
Security Leasing												
Corporation Limited II	January											
(note 6.3.2)	19, 2022	-	195	-	-	-	15	180	610	610	-	0.13
			695	-		-	15	680	1,359	1,359		
Money Market Sub Fund :												
Security Leasing												
Corporation Limited II	January											
(note 6.3.2)	19, 2022	-	195	-	-	-	15	180	610	610	-	0.22
			195	-	-	-	15	180	610	610	-	

- 6.3.1 The principal buy out reduces the face value per certificate instead of number of certificates. The face value of the sukuk certificates is Rs.1,875 each.
- 6.3.2 The nominal value of these sukuk certificates is Rs.5,000 each.

#### 7. CONTINGENCIES

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

The fund has not made WWF provisions upto December 31, 2012 amounting to Rs. 3.74 million, 1.60 million and 0.98 million in Equity sub fund, Debt sub fund and Money market sub fund respectively. Had the same been made, the net asset value per unit of the Fund would have been lower by Rs. 1.48 (0.69%),Rs. 0.56 (0.33%) per unit and Rs. 0.58 (0.35%) per unit for Equity sub fund, Debt sub fund and Money market sub fund respectively.

#### 8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited being the pension fund manager, CDC being the trustee, MBL being the shariah advisor of the Fund and the holding company of the pension fund manager, directors and officers of the pension fund manager, Meezan Islamic Fund, Meezan Islamic Income Fund, Al Meezan Mutual Fund , Meezan Balanced Fund, Meezan Capital Protected Fund-II, Meezan Cash Fund, Meezan Sovereign Fund and Meezan Index fund being the funds under the common management of the pension fund manager.

Remuneration payable to the pension fund manager and the trustee is determined in accordance with the provisions of VPS Rules and the trust deed respectively. Transactions with connected persons are carried out in the normal course of business at contracted rates.

Details of transactions with connected persons and balances with them as of March 31, 2013 and for the year then ended are as follows:

		I			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	June 30, 2012
			(Rupees in '000)-		
Investment by: Al Meezan - pension fund manager (Equity sub fund: 260,077 units; debt sub fund: 208,442 units; money market sub fund: 500,000 units)	55,704	34,995	84,210	174,909	184,501
Directors and executives of the Pension Fund Manager					
As at March 31, 2013 (Equity sub fund: 429,534 units; debt sub fund: 323,454 units, money market sub fund: 77,261 units) (June 30, 2012: Equity sub fund: 328,631 units; Debt sub fund: 158,645 units Money market sub fund: 32,961 units)	91,999	54,304	13,012	159,314	82,961
Units issued during the period (Equity sub fund: 299,339 units; debt sub fund: 205,578 units, money market sub fund: 14,032 units)	59,703	34,218	2,325	96,246	77
Units reallocated during the period (Equity sub fund: (198,436) units; debt sub fund: (40,767) units, money market sub fund: 30,268 units)	(2,430)	2,231	5,093	4,894	<u>-</u>



		Marrah			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	March 31, 2012
			(Rupees in '000)		
Al Meezan Investment Management Limited Pension Fund Manager <i>Remuneration</i>					
Remuneration payable at the beginning of the peri	od 369	341	217	927	484
Front-end fee at the beginning of the period	211	116	24	351	313
Formation cost payable at the beginning of the per		-	-	-	237
Remuneration for the period	4,748	4,624	2,705	12,077	5,274
Front-end fee for the period	2,159	2,030	784	4,973	
	7,487	7,111	3,730	18,328	6,308
Amount paid during the period	(6,804)	(6,441)	(3,368)	(16,613)	(5,607)
Remuneration payable at the end of the period	673	631	356	1,660	701
Front-end fee at the end of the period	10	39	6	55	-
Sales tax on management fee					
Sales tax payable at the beginning of the period	57	55	35	147	-
Sales tax for the period	762	760	435	1,957	846
·	819	815	470	2,104	846
Amount paid during the period	(711)	(694)	(411)	(1,816)	(733)
Balance at the end of the period	108	121	59	288	113
Total payable at the end of the period	791	791	421	2,003	814
Meezan Bank Limited					
Bank balances	661	1,759	3,928	6,348	473
Profit on bank balances	130	177	157	464	11
Central Depository Company Limited - trustee of the Fund					
Balance at the beginning of the period	34	33	21	88	47
Remuneration for the period	459	448	264	1,171	531
CDS charges for the period	13	4	5	22	17
	506	485	290	1,281	595
Amount paid during the period	(442)	(427)	(257)	(1,126)	(483)
Balance at the end of the period	64	58	33	155	70

#### 9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 19,2013 by the Board of Directors of the Pension Fund Manager.

For Al Meezan Investment Management Limited (Management Company)

Mohammad Shoaib, CFA Chief Executive