



Pure. Profit.

Quarterly Report March 31, 2014



Meezan Islamic Fund (MIF)

Al Meezan Mutual Fund (AMMF)

KSE-Meezan Index Fund (KMIF)

Meezan Islamic Income Fund (MIIF)

Meezan Sovereign Fund (MSF)

Meezan Cash Fund (MCF)

Meezan Capital Protected Fund - II (MCPF-II)

Meezan Capital Preservation Fund - III

Meezan Financial Planning Fund of Funds (MFPP)

Meezan Balanced Fund

Meezan Tahaffuz Pension Fund



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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 un-audited financial statements of the following open end funds and a voluntary pension scheme for the nine months ended March 31, 2014.

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

- Meezan Cash Fund

Balanced Fund

- Meezan Balanced Fund

Fund of Funds

- Meezan Financial Planning Fund of Funds
- Meezan Capital Preservation Fund -III

Capital Protected Fund

- Meezan Capital Protected Fund -II

Pension Fund

- Meezan Tahaffuz Pension Fund

Economic Review:

The fiscal year 2014 progressed with the economy continuing to flare well on its path of swift recovery with IMF program dictating the government's course of action. The loan program signed in September 2013 outlined a series of wrenching structural adjustments to prevent the digression from macro targets set as pre-conditions for the release of the remaining tranches. A rebound in manufacturing growth led by availability of power has already led to improvements in GDP growth rate expectations. Other developments on the macro-front included: i) a rapid rise and subsequent tapering off of inflationary pressure, ii) reversal in the monetary easing stance of the Central Bank to tackle rising inflation, iii) recovery of the entire 6% depreciation posted by Rupee against the USD in current fiscal year, iv) increase in the forex reserves of the Central Bank through inflows from friendly countries, v) narrowing trade deficit with exports picking up at a faster pace than imports.

Rationalization of electricity tariffs with removal of subsidies, rising food inflation and a devaluing PKR had led to a rapid resurgence of inflationary pressure which settled at an average of 8.9% during 9MFY14, after touching a high of 10.9% in November'13. This led the Central Bank to raise its key policy rate by 100 bps, reversing its earlier monetary easing stance. However with the effects of fiscal consolidation tapering off and stability seen in the Rupee, inflation has now receded back to comfortable levels. The Central Bank, lowering its full year inflation forecast to 8.5-9.5%, decided to keep its policy rate unchanged in the last two monetary policy announcements.

Increase in forex reserves of the Central Bank improved market sentiments and dispirited speculators which acutely reflected in the appreciation of the Rupee against the USD after December 2013 whereby it has appreciated by 7% to close at Rs. 99/USD. The receipt of USD 1.5 billion dollars from friendly countries in the Pakistan Development Fund (PDF), deferment of payments against imported oil and utilization of domestic foreign currency deposits to settle oil import bills resulted in a temporary halt in the demand for the greenback in the local markets. Reserves of the Central Bank have recovered from the low levels of USD 3.0 billion seen in December'13 and stood at USD 5.4 billion at the end of March 2014. A substantial and consistent accumulation of forex reserves still remains crucial. Later during the first week of April 2014, overwhelming response in the Euro Bond Auction with a subscription of USD 2 billion (while the government had been eyeing only USD 500 million) has added to the forex reserves of the country; more importantly, this highlights the increased confidence of the international community in the improving economic fundamentals of Pakistan.

The external account continues to be marred with challenges as it posted a deficit of USD 2.0 billion in 8MFY14. With growth in imports and exports in tandem, the trade deficit has expanded narrowly. Grant of the coveted GSP+ status by the EU to the country will help in boosting textile exports to the region and rake in an additional USD 2.0 billion. The disbursement of impending dues under the Coalition Support Fund and a timely materialization of anticipated foreign inflows is likely to improve the overall external position during the last quarter of FY14.

Implementation of the much needed fiscal consolidation reforms resulted in tax collection of Rs. 1.5 trillion translating into a 17% YoY increase. The fiscal deficit of 3.1% during 9MFY14 was met with considerable margin. In order to bridge the gap between expenditures and revenue collection the government has slashed several funds including secret service expenditures, discretionary funds and current expenditure allocation of ministries. These steps along with issuance of tax notices and rationalization of concessionary SROs will not only help in restricting the fiscal deficit but shall also improve the low tax-to-GDP ratio.

The fundamentals of the economy appear stable going forward in the backdrop of recent policy and reform measures. Challenges for macroeconomic stability on the external front will be dealt with realization of multiple budgeted inflows including 3G auction, privatizations under the IMF program, and Eitsalat dues. With government speeding up the aforementioned, it may well be able to achieve its target set for the year.

Equity Review

The KSE-100 Index continued on its positive momentum closing at the level of 27,160 on March 31, 2014, yielding an impressive 29% return for the nine months period. This follows the 52.2% return witnessed in FY'13. With a smooth political transition and achievement of simple majority, the PML-N government triggered optimism by bringing the economy back on track and averting the balance of payment crisis. Post the general elections, a smooth change of guards at major power centers including presidency, army and judiciary further helped in strengthening the foundations of democracy. Softening inflationary pressures, strengthening PKR and considerable improvement in the country's forex reserves helped restore investors' confidence which was reflected in the form of increased average trading volume of 214 million shares (compared to 170 million shares in the corresponding period last year) while the average traded value also rose by 64% to Rs. 8 billion.

The KSE Meezan Index (KMI-30), our benchmark index, during the period under review also appreciated by 21.5% closing at 44,607.

After going through a consolidation phase during the first three months of this fiscal year, the market started regaining its momentum on the back of foreign flows and robust economic activity. Initially the potential decrease in cement prices, abnormal PKR devaluation, rising inflation numbers along with SBP's return to a monetary tightening stance were the major factors limiting the market growth. Later, cement prices gradually increased, SBP intervened and controlled the PKR decline, the monthly CPI numbers also dropped to 7.99% in February 2014 from a lofty 10.9% in the month of November 2013 and SBP kept its key rate stable.

Alongside, the award of GSP plus status to Pakistan, launch of a money whitening investment scheme, improved economic indicators (strengthening of PKR from Rs. 109/\$ to below Rs. 100/\$, 1QFY14 GDP growth at 5%, FBR revenue increase of 17% YoY) and initiation of Government's peace talks with the Taliban which was followed by a cease fire announcement, helped the KSE-100 index and KMI-30 in touching their all time highs of 27,427 and 45,730 respectively.

Major contributors to Index

During the period under review, corporate earnings showed a significant growth of 15% YoY compared to flat earnings growth in FY'13. With the expectation of Engro to be granted a continuous gas supply on concessional rates, Chemicals turned out to be one of the best performing sectors. Pharmaceuticals were also among the top gainers due to an increase in their price ceiling allowed by the government. SBP's return to a monetary tightening stance took the banking sector among the top performing sectors as well while the growth in the KSE-100 index was further augmented by the Automotive Parts sector which gained majorly from the strengthening rupee.

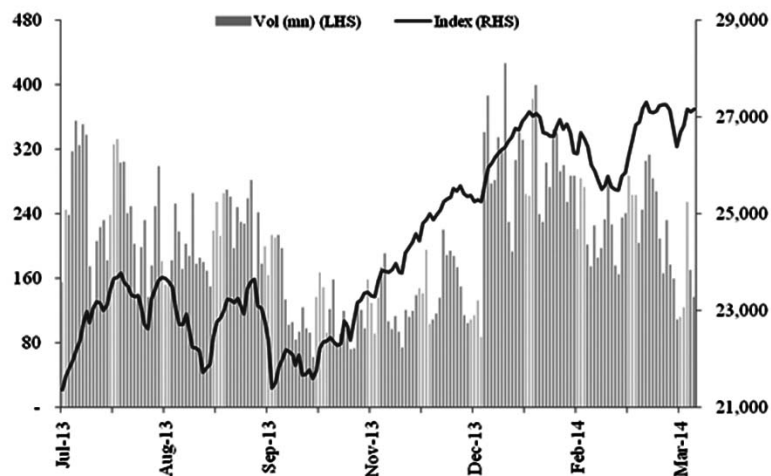
Among the laggards, the Electricity sector continued to underperform mainly on account of HUBCO's continuous operational halts resulting from its ongoing plant maintenance program. The food producers were also among the under performers mainly due to Engro Foods which could not achieve the expected performance results. The Oil and Gas sector was pulled back by the volatility stemming in the prices of PPL and OGDC owing to an expectation of their Secondary Public Offering.

Key Contributors to the rise in Index

Company Name	KSE -100 Index Points	Total Return in %
Pakistan Petroleum Ltd	442	33.58
United Bank Ltd	402	59.46
MCB Bank Ltd	345	18.23
Engro Corporation Ltd	334	57.71
Lucky Cement Ltd	285	56.43

Key contributors to the decline in Index

Company Name	KSE -100 Index Points	Total Return in %
Engro Foods Ltd	-50	-16.48
The Hub Power Company Ltd	-34	-3.79
Nishat (Chunian) Ltd	-9	-9.72
Agritech Ltd	-7	-1.20
Jahangir Siddiqui & Co. Ltd	-5	-5.19



Equity Flows

Net foreign participation in the equity market, after remaining weak (USD 9 million net outflow during the first six months of FY'14), regained massive momentum during the third quarter taking the fiscal year to date foreign portfolio investment to a net inflow of USD 19 million. Banks with a net buy of USD 143 million were the leading buyers in the market followed by individuals who invested USD 32 million during the same period. However, Mutual Funds remained net sellers in the market with a net sell of USD 69 million. During the month of March 2014 however, Mutual Funds were net buyers with a net buying of over USD 54 million.

Money Market Review

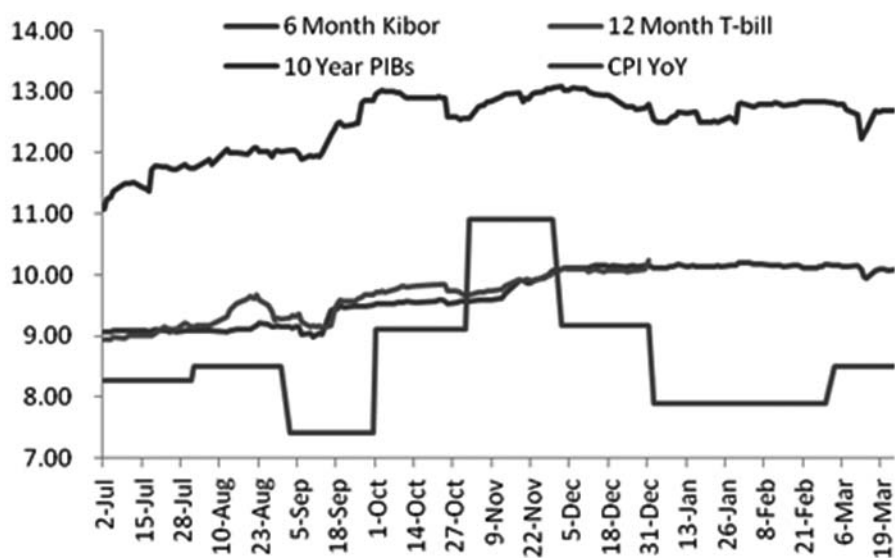
The third quarter of FY'14 ending March 31, 2014 saw yet another change in market expectations regarding the future direction of SBP's key rate; up till the first half of this fiscal year, the market had swung between an expectation of further monetary tightening and a status quo expectation but later towards the end of third quarter of FY-14, the revised/lower inflation forecasts and continuously strengthening dollar reserves (on account of realizations from CSF, IMF, PDF, etc) lead the market to agree on the anticipation of a discount rate cut, taking the interest rates and yields through another round of volatility which plunged down by around 30-50 bps. Later, post the announcement of SBP's fourth bi-monthly MPS in March 2014, the discount rate was maintained at its existing level of 10% due to which the interest rates and yields recovered their downward plunge and returned to trading within their usual ranges of 9.90%-10% for T-bills, 10.00%-10.50% for KIBORs and 11.75%-12.95% for PIBs.

On the liquidity front, the market faced a mixed scenario and the same was reflective in SBP's OMOs as well whereby during these nine months, Rs. 2.3 trillion was injected while Rs. 2.8 trillion was mopped up. Alongside, nineteen T-bill auctions and nine PIB auctions were conducted during this period; cumulatively, Rs. 5.3 trillion was accepted against a participation of Rs. 5.9 trillion in T-bills and Rs. 1.1 trillion was accepted against a participation of Rs. 1.3 trillion in PIBs. More importantly, record participation and acceptance levels were witnessed in case of PIBs especially during this most recent quarter which is clearly reflective of improved investor confidence in the economy along with stronger anticipation of monetary easing as mentioned above.

On the Shariah compliant front, the last Ijarah auction was conducted in March 2013. Since the end of the first half of this fiscal year, the market has continued to face excess liquidity pressure as the banking deposits have been on a consistent rise without any increase in deployment avenues; instead the avenues have been decreasing given the fact that three Ijarahs have already matured during this fiscal year. The announcement of a new Ijarah has been continuously delayed and this excess liquidity situation has resulted in large premiums on the running Ijarah issues causing the investment yields to decline sharply. An Ijarah auction is now being expected early during the current quarter.

On the forex front, government's efforts to harness the consistently declining rupee proved fruitful. During the first half of FY'14, the local currency had declined to as low as Rs. 108.69/\$ in the interbank market and Rs. 110.10/\$ in the open market; during the third quarter of FY'14 however, the rupee not only regained its decline but also appreciated by Rs. 1.28 in the interbank market closing at Rs. 98.52/\$, and Rs. 0.65 in the open market closing at Rs. 100.10/\$, for the nine months ended March 2014.

Graphically, the overall interest rate, T-bill/PIB yield and inflation rate behaviors can be observed as under:



Mutual Fund Industry Review

During the nine months of FY13-14, AUMs of the mutual fund industry witnessed an increase of 14.8% reaching the level of Rs. 412 billion. Islamic funds also showed a modest increase of 17.9% during the period under review to over Rs. 79 billion. This brings contribution of Islamic funds at 19.3% in the total mutual fund industry.

Looking at net assets composition, fixed income funds (comprising sovereign, money market and income fund) showed a rising trend during these nine months. The overall industry's combined category increased by 9.5% to reach Rs 260 billion at period end while Islamic funds in the same category increased by 8.6%.



Open-end Equity funds (including capital protected, index tracker, and asset allocation) posted a commendable increase of 22.8% to Rs. 146 billion as on March 31, 2014 compared to Rs. 119 billion at June 30, 2013. Islamic equity based funds also showed a growth of 30.6% in the period under review and stood at Rs. 27 billion.

In Pension Funds, the size of funds of the overall industry reached Rs 6.6 billion as at March 31, 2014, showing a massive increase of 38.5% from June 2013. Islamic Pension Funds also witnessed a growth of 36.2% in the period under review to clock in at Rs 4.0 billion.

Al Meezan's market share in the overall mutual fund's industry stands at 13.0% as at March 31, 2014 while it represents 67.4% of the Islamic mutual funds industry. In Pension Funds, Al Meezan holds the largest pension funds' portfolio in the industry representing an overall market share of 35.6% while representing 58.6% of the Islamic Pension Funds in the industry.

Performance Review:

Meezan Islamic Fund

During the nine months of FY14, Meezan Islamic Fund (MIF) provided a net return of 20.34% while the benchmark index KMI-30 appreciated by 21.50%. During the period under review, net assets of the fund increased by 43.06% to stand at Rs 13.5 billion. As of period end, the fund was 90.99% invested in equities with major exposure in oil & gas, construction and material and electricity sectors.

Al Meezan Mutual Fund

During the nine months of FY14, the fund provided a net return of 19.56% while the benchmark index KMI-30 appreciated by 21.50%. During the period under review, net assets of the fund increased by 20.27% to stand at Rs 2.62 billion. As of period end, the fund was 90.76% invested in equities with major exposure in oil & gas, construction & material and electricity sectors.

KSE Meezan Index Fund

During the nine months of FY14, KSE Meezan Index Fund provided a return of 19.09% while the benchmark index KMI-30 appreciated by 21.50%. During the period under review, net assets of the fund increased by 11.88% to stand at Rs 1,008 million.

Meezan Islamic Income Fund

During the nine months of FY'14, Meezan Islamic Income Fund provided an annualized return of 10.37% as compared to benchmark return of 5.78%. The net assets of the fund increased by 196% to stand at Rs 5.23 billion. As of period end, the fund was invested 6% in Islamic Corporate Sukuks, 6% in GoP Ijarah Sukuks, 4% in Islamic commercial papers and 83% in Islamic banks.

Post the end of 3QFY14, the fund has carried out a provisioning pertaining to its investment in a sukuk of Eden Housing Limited which has been paying its installments with a lag beyond the permissible duration of fifteen days post the due date. This sukuk was already classified in the non-performing category by MUFAP. Its residual exposure in the fund stands at Rs. 35.1 million which constitutes to be 0.71% of the fund's net assets.

Meezan Sovereign Fund

During the nine months of FY'14, Meezan Sovereign Fund provided an annualized return of 9.01% as compared to its benchmark return of 6.52%. During the period under review, net assets of the fund increased by 8.78% to stand at Rs 21.31 billion. As of the period end, the fund was invested 67% in Ijarah Sukuks and 31% in AA and above rated Islamic banks.

Meezan Cash Fund

During the nine months of FY'14, Meezan Cash Fund provided an annualized return of 7.29% as compared to its benchmark return of 6.52%. During the period under review, net assets of the fund decreased by 19.48% to stand at Rs 5.16 billion on March 31, 2014. As of the period end, the fund was invested 4% in Islamic in Islamic commercial papers and 94% in AA and above rated Islamic banks.

Meezan Capital Protected Fund- II

During the nine months of FY14, the fund provided a return of 9.5%. During the period under review, net assets of the fund increased by 4.06% to stand at Rs 527 million. As of period end, the fund was 19.4% invested in equities, 56.2% in GoP Ijarah Sukuks and 22.5% in cash and cash equivalents. The Fund will mature in August 2014.

Meezan Balanced Fund

Meezan Balanced Fund was converted from a closed end fund to an open end scheme effective July 1, 2013. It 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 nine months of FY14, Meezan Balanced Fund provided a return of 13.94% against the benchmark return of 13%.

During the period under review, net assets of the fund increased by 3.5% to stand at Rs 1.77 billion on March 31, 2014. As of period end, the fund was 53% invested in equities, 13% in Government Ijarah Sukuks, 7% in Islamic Commercial Papers, 3% in corporate Sukuks and 24% in cash.

Meezan Financial Planning Fund of Funds

Meezan Financial Planning Fund of Funds (MFPF) was launched by Al Meezan Investments on April 12, 2013. It is an open-end Shariah Compliant (Islamic) Fund of Funds Scheme that aims to generate returns on Investments as per respective Allocation Plans by investing in Shariah Compliant Fixed Income and Equity Mutual Funds in line with risk tolerance of the investor. MFPF has three Allocation Plans which allow investors to invest according to their risk tolerance levels.

The Aggressive Allocation Plan

During the nine months of FY14, the aggressive allocation plan provided a net return of 15.8% against its benchmark return of 15.7%. The net assets grew by 19.1% to stand at Rs. 304 million by the end of this period.

The Moderate Allocation Plan

During the nine months of FY14, the moderate category earned a net return of 12.6% against a benchmark return of 13.2%. The net assets grew by 24.01% and stood at Rs. 196 million by the end of this period.

The Conservative Allocation Plan

During the nine months of FY14, this allocation category earned a net return of 9.4% for its investors against a benchmark return of 8.2%. The net assets grew by 16.1% to stand at Rs. 331 million at the end of this period.

Meezan Capital Preservation Fund III

Meezan Capital Preservation Fund III (MCPF III) was launched by Al Meezan Investments on January 31, 2014. It is a Shariah Compliant (Islamic) Fund of Funds Scheme that aims to earn a potentially high return through dynamic asset allocation by using the Constant Proportion Portfolio Insurance (CPPI) methodology between Shariah Compliant Equities/Index and Shariah Compliant Income/Money Market Collective Investment Schemes. Dynamic asset allocation is aimed at providing higher returns through participation in Equity Mutual Funds, while aiming to protect downside risk of the principal through participation in Income & Money Market Mutual Funds.

During the period from January 31, 2014 to March 31, 2014, Meezan Capital Preservation Fund III provided a return of 1.20% against the benchmark return of 1.00%. The net assets of the fund were Rs. 2.99 billion as at March 31, 2014. As of period end, the fund was 37% invested in equity fund & 63% in Income/Sovereign funds being managed by Al Meezan Investment Management Ltd.

Meezan Tahaffuz Pension Fund

Meezan Tahaffuz Pension Fund (MTPF) 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 618 million (35.4%) and stood at Rs 2.36 billion as on March 31, 2014. It is the largest voluntary pension fund in Pakistan with a market share of 35.6% as of March 31, 2014. Performance review of each sub fund for the nine months of FY14 is given as under:

Equity Sub Fund

During the nine months of FY14, Equity Sub Fund provided a return of 23.63%. The net assets of the sub fund increased by 51.5% to stand at Rs 1,218 million on March 31, 2014. As of period end, the fund was 90% invested in equities with major exposure in oil & gas, construction and material and power sectors.

Debt Sub Fund

During the nine months of FY14, Debt Sub Fund provided an annualized return of 8.33%. During the period under review, net assets of the sub fund increased by 34.37% to stand at Rs 860 million. As of period end, the fund was 77.2% invested in GoP Ijarah Sukuks, 0.1% in Sukuks and 22.7% in Islamic Banks.

Money Market Sub Fund

During the nine months of FY14, Money Market Sub Fund provided an annualized return of 7.30%. During the period under review, net assets of the sub fund decreased by 6.26% to stand at Rs 284 million. As of period end, the fund was 58.7% invested in GoP Ijarah Sukuks and 41.3% in Islamic Banks.

Outlook

The current government has a clear cut mandate and with a simple majority in the national assembly, it is now in a better position to deliver on its manifesto. Right from the start, PML-N has undertaken some painful economic reforms, the pace of which has been affected due to an inevitable need of the government to focus on issues pertinent to external account. The government's efforts coupled with the IMF program helped the country in averting its balance of payment risk and achievement commendable improvement in macro indicators has strengthened the country's fiscal and economic profile. With the IMF hinting on the requirement of keeping interest rates elevated to support external account, monetary policy direction (which currently appears to be tilted towards monetary easing) will depend on further improvement in the current forex reserves position which has been largely supported by materialization of expected inflows such as issuance of euro bond, timely release of CSF payments and committed flows from other lenders. Moreover, proceeds realizations from 3G/4G auction are expected to bring further comfort to the external account over the next few months. On local fronts, broadening of tax revenue (SRO's removal) and restructuring/privatization of State Owned Enterprises (SOEs) are challenges in the near term that the government will need to tackle to reduce fiscal deficit and divert funds to more productive developments.

We expect the government to focus more on infusing economic growth, improving transparency and bring about administrative efficiencies. Resultantly the stock market is also expected to gain on the back of a positive economic outlook, stable government with a focus on good governance and attractive valuations of fundamentally strong scrips.

The KSE-100 index has already rallied in these nine months and is expected to consolidate at current levels; the index is currently trading at a PER of 8.7x, with FY'14 earnings growth of 15%. Following improved economic statistics, the potential of Pakistan's higher weight age in the MSCI Frontier Market (FM) index is expected to create positive vibes in the market and sustain positive momentum.

Acknowledgement

We take this opportunity to thank our valued investors for reposing their 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 and our Trustee, The 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 29, 2014

**Mohammad Shoaib, CFA
Chief Executive**



Quarterly Report March 31, 2014

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
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. 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, Beaumont 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
Habib Metropolitan Bank Limited - Islamic Banking	MCB Bank Limited
Meezan Bank Limited	UBL Ameen
Standard Chartered Bank (Pakistan) Limited - Islamic Banking	National Bank of Pakistan

LEGAL ADVISER

Bawaney & Partners
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E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Meezan Bank Limited
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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, 2014

	Note	(Unaudited) March 31, 2014 (Rupees in '000)	(Audited) June 30, 2013
Assets			
Balances with banks		1,101,789	786,424
Investments	5	12,490,900	8,878,719
Dividend receivable		110,124	7,849
Deposits and other receivables		24,309	22,411
Total assets		13,727,122	9,695,403
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		58,566	32,341
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		1,223	879
Payable to Meezan Bank Limited (MBL)		650	329
Payable to Securities and Exchange Commission of Pakistan (SECP)		7,988	6,686
Payable on redemption and conversion of units		1,583	26,412
Payable against purchase of investments		1,061	99,386
Accrued expenses and other liabilities		92,626	53,057
Total liabilities		163,697	219,090
Net assets		13,563,425	9,476,313
Unitholders' funds (as per statement attached)		13,563,425	9,476,313
Number of units			
Number of units in issue		250,925,683	151,821,956
Rupees			
Net assets value per unit		54.05	62.42

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
Income				
Net realised gain on sale of investments	121,126	390,771	97,886	219,622
Dividend income	513,629	405,664	181,731	159,015
Profit on saving accounts with banks - net	62,083	17,787	24,564	7,078
Other income	14,230	6,271	6,483	2,455
	<u>711,068</u>	<u>820,493</u>	<u>310,664</u>	<u>388,170</u>
Unrealised gain on re-measurement of investments - 'at fair value through profit or loss' (net) 5.1.1 & 5.1.4	1,018,433	1,062,722	352,240	315,193
Impairment loss on 'available for sale' investments	-	(29,825)	-	-
	<u>1,018,433</u>	<u>1,032,897</u>	<u>352,240</u>	<u>315,193</u>
Total income	<u>1,729,501</u>	<u>1,853,390</u>	<u>662,904</u>	<u>703,363</u>
Expenses				
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company	168,173	98,211	61,594	36,196
Sindh Sales Tax and Federal Excise Duty on management fee	57,211	15,714	21,287	5,792
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	9,159	5,661	3,326	2,056
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	7,988	4,665	2,925	1,719
Auditors' remuneration	475	492	118	118
Charity expense	7,638	7,117	2,261	2,591
Fees and subscription	30	30	10	10
Legal and professional charges	139	139	46	46
Brokerage	9,408	6,075	3,555	2,876
Bank and settlement charges	3,335	1,700	1,149	799
Provision for Workers' Welfare Fund (WWF) 6	33,193	11,237	14,899	11,237
Printing charges	355	525	2	172
Total expenses	<u>297,104</u>	<u>151,566</u>	<u>111,172</u>	<u>63,612</u>
Net income from operating activities	<u>1,432,397</u>	<u>1,701,824</u>	<u>551,732</u>	<u>639,751</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)	194,054	34,792	178,305	(77,902)
Net income for the period before taxation	<u>1,626,451</u>	<u>1,736,616</u>	<u>730,037</u>	<u>561,849</u>
Taxation	-	-	-	-
Net income for the period after taxation	<u>1,626,451</u>	<u>1,736,616</u>	<u>730,037</u>	<u>561,849</u>
Other comprehensive income for the period				
Items that can be reclassified to income statements in subsequent periods				
Net unrealised appreciation on re-measurement of investments classified as 'available for sale' 5.2.3	550,174	23,516	104,194	4,417
Total comprehensive income for the period	<u>2,176,625</u>	<u>1,760,132</u>	<u>834,231</u>	<u>566,266</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
Undistributed income / Accumulated (loss) brought forward:				
- Realised	1,838,271	(67,617)	(29,158)	(406,655)
- Unrealised	536,167	117,085	666,193	747,529
	<u>2,374,438</u>	<u>49,468</u>	<u>637,035</u>	<u>340,874</u>
Final distribution on July 8, 2013 for the year ended June 30, 2013				
- bonus units @ 35.00% (Rs. 17.50 per unit) (June 30, 2012 @ Rs 8.25 per unit)	(2,655,025)	(886,753)	-	-
- cash dividend @ 35.00% (Rs. 17.50 per unit) (June 30, 2012 @ Rs 8.25 per unit)	(1,859)	(927)	-	-
Total distribution	<u>(2,656,884)</u>	<u>(887,680)</u>	-	-
Net income for the period	1,626,451	1,736,616	730,037	561,849
Element of income and capital gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments (net)	114,271	4,575	91,204	256
Undistributed income carried forward	<u>1,458,276</u>	<u>902,979</u>	<u>1,458,276</u>	<u>902,979</u>
Undistributed income carried forward:				
- Realised	439,843	(159,743)	439,843	(159,743)
- Unrealised	1,018,433	1,062,722	1,018,433	1,062,722
	<u>1,458,276</u>	<u>902,979</u>	<u>1,458,276</u>	<u>902,979</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Net assets at beginning of the period	9,476,313	5,343,159	11,261,419	7,253,188
Issue of 116,634,401 units (2013: 49,983,031 units) and 48,110,774 units (2013: 18,537,354 units) for nine months and quarter respectively	5,849,516	2,455,358	2,571,191	962,746
Redemption of 76,636,307 (2013: 39,760,305 units) and 17,465,794 units (2013: 25,527,174 units) for nine months and quarter respectively	(3,743,116)	(1,992,742)	(925,111)	(1,329,914)
	2,106,400	462,616	1,646,080	(367,168)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(194,054)	(34,792)	(178,305)	77,902
Issue of 59,105,633 bonus units for the year ended June 30, 2013 (June 30, 2012: 21,413,976 bonus units)	2,655,025	886,753	-	-
Net realised gain on sale of investments	121,126	390,771	97,886	219,622
Unrealised appreciation in the value of investments (net)	1,568,607	1,056,413	456,434	319,610
Total other comprehensive income for the period less distribution	486,892	312,948	279,911	27,034
Final distribution on July 8, 2013 for the year ended June, 30 2013				
- Issue of 59,105,633 bonus units for the year ended June 30, 2013 (June 30, 2012: 21,413,976 bonus units)	(2,655,025)	(886,753)	-	-
- Cash distribution	(1,859)	(927)	-	-
Net income for the period less distribution	(480,259)	872,452	834,231	566,266
Net assets at end of the period	13,563,425	7,530,188	13,563,425	7,530,188
	----- (Rupees) -----			
Net assets value per unit at beginning of the period	62.42	49.66	51.12	49.60
Net assets value per unit at end of the period	54.05	54.08	54.05	54.08

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	1,626,451	1,736,616	730,037	561,849
Adjustments for:				
Unrealised gain on re-measurement of investments - 'at fair value through profit or loss' (net)	(1,018,433)	(1,062,722)	(352,240)	(315,193)
Impairment loss on 'available for sale' investments	-	29,825	-	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(194,054)	(34,792)	(178,305)	77,902
	<u>413,964</u>	<u>668,927</u>	<u>199,492</u>	<u>324,558</u>
(Increase) / decrease in assets				
Investments (net)	(2,043,574)	(1,017,651)	(1,841,015)	(175,568)
Receivable against sale of investments	-	2,307	-	6,658
Dividend receivable	(102,275)	(135,897)	(100,247)	(139,005)
Deposits and other receivables	(1,898)	1,427	11,597	2,998
	<u>(2,147,747)</u>	<u>(1,149,814)</u>	<u>(1,929,665)</u>	<u>(304,917)</u>
(Decrease) / increase in liabilities				
Payable to Al Meezan Investment Management Limited - Management Company	26,225	8,965	13,624	5,909
Payable to Central Depository Company of Pakistan Limited - Trustee	344	117	169	56
Payable to Meezan Bank Limited	321	(67)	650	-
Payable to Securities and Exchange Commission of Pakistan	1,302	66	2,925	1,719
Payable against purchase of investments	(98,325)	1,038	(3,876)	1,038
Accrued expenses and other liabilities	39,569	16,065	19,145	14,404
	<u>(30,564)</u>	<u>26,184</u>	<u>32,637</u>	<u>23,126</u>
Net cash (used in) / generated from operating activities	<u>(1,764,347)</u>	<u>(454,703)</u>	<u>(1,697,536)</u>	<u>42,767</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts against issuance of units	5,849,516	2,455,358	2,571,191	962,746
Dividend paid	(1,859)	(927)	-	-
Payment against redemption of units	(3,767,945)	(1,984,231)	(935,373)	(1,325,335)
Net cash inflow from / (used in) financing activities	<u>2,079,712</u>	<u>470,200</u>	<u>1,635,818</u>	<u>(362,589)</u>
Net increase / (decrease) in cash and cash equivalents during the period	315,365	15,497	(61,718)	(319,822)
Cash and cash equivalents at beginning of the period	786,424	185,660	1,163,507	520,979
Cash and cash equivalents at end of the period	<u>1,101,789</u>	<u>201,157</u>	<u>1,101,789</u>	<u>201,157</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2014 (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 the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008). 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 of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders 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 a management quality rating of AM2 by JCR-VIS Credit Rating Company Limited. The Fund is ranked at 'MFR 3-star' 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 PRESENTATION

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, 2013.

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, 2013.

The Fund's financial and unit holder's fund risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2013.

	Note	March 31, 2014 (Rupees in '000)	June 30, 2013
5. INVESTMENTS			
Investments - 'at fair value through profit or loss'	5.1	8,231,653	4,670,683
Investments - 'available for sale'	5.2	4,259,246	4,208,036
		<u>12,490,899</u>	<u>8,878,719</u>
5.1 Investments - 'at fair value through profit or loss'			
Held for trading	5.1.1	8,008,058	4,462,743
Investments - 'at fair value through profit or loss upon initial recognition'	5.1.5	223,595	207,940
		<u>8,231,653</u>	<u>4,670,683</u>

5.1.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2013	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss) as at March 31, 2014	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 5.1.4)	Total market value of investments	Paid-up capital of investee company (with face value of investment)
					-----Number of shares-----			-----Rupees in '000-----			
Automobile and Parts											
Agriauto Industries Limited (note 5.1.2)	596,700	70,000	-	-	666,700	50,809	47,336	(3,473)	0.35	0.38	2.31
Indus Motor Company Limited	384,944	11,000	-	60,200	335,744	104,603	133,948	29,345	0.99	1.07	0.43
Pak Suzuki Motor Company Limited	220,322	35,000	-	50,000	205,322	30,592	41,949	11,357	0.31	0.34	0.25
											2.99
Chemicals											
Fauji Fertilizer Bin Qasim Limited	3,506,249	630,000	-	1,345,500	2,790,749	106,010	120,114	14,104	0.89	0.96	0.30
Fauji Fertilizer Company Limited	5,085,859	725,000	-	1,323,900	4,486,959	485,762	497,335	11,573	3.67	3.98	0.35
ICI Pakistan Limited	13,000	470,200	-	50,000	433,200	107,918	157,403	49,485	1.16	1.26	0.47
Sitara Chemicals Ind. Ltd.	-	500	-	-	500	111	145	34	0.00	0.00	0.00
											1.12
Construction and Materials (Cement)											
Attock Cement Pakistan Limited	683	1,000	4	650	1,037	151	147	(4)	0.00	0.00	0.00
Cherat Cement Co. Ltd.	-	1,316,000	101,400	-	1,417,400	106,399	105,256	(1,143)	0.78	0.84	1.35
DG Khan Cement Company Limited	91,722	3,207,000	-	1,950,000	1,348,722	118,752	124,109	5,357	0.92	0.99	0.31
Fauji Cement Company Limited	-	22,484,000	-	4,100,000	18,384,000	289,173	314,183	25,010	2.32	2.52	1.38
Kohat Cement	-	4,400	-	-	4,400	497	515	18	0.00	0.00	0.00
Lucky Cement Limited	207,179	1,069,100	-	492,900	783,379	242,191	248,292	6,101	1.83	1.99	0.24
											3.28
General Industries											
Packages Limited	1,488,779	558,000	-	108,700	1,938,079	446,394	666,157	219,763	4.91	5.33	2.30
Thal Limited (note 5.1.2)	195,205	6,102	-	75,000	126,307	16,201	21,439	5,238	0.16	0.17	0.16
Tri-pack Films Limited	218,300	-	-	122,400	95,900	19,372	19,001	(371)	0.14	0.15	0.32
											2.77
Fixed Line Telecommunication											
Pakistan Telecommunication Company Limited "A"	10,737,537	9,027,000	-	6,225,000	13,539,537	323,111	413,904	90,793	3.05	3.31	0.36
Banks											
Meezan Bank Limited (an associate of the Fund)	-	3,606,000	-	1,518,000	2,088,000	79,176	82,580	3,404	0.61	0.66	0.21
Oil and gas											
Attock Petroleum Limited	20,066	174,400	4,013	-	198,479	99,743	107,363	7,620	0.79	0.86	0.24
Attock Refinery Limited	400	376,100	-	375,200	1,300	280	287	7	0.00	0.00	0.00
Pakistan Oilfields Limited	2,050,047	675,400	-	299,400	2,426,047	1,221,652	1,320,206	98,554	9.73	10.57	1.03
Pakistan Petroleum Limited	3,526,575	1,234,400	787,675	868,700	4,679,950	863,723	1,047,186	183,463	7.72	8.38	0.24
Pakistan State Oil Company Limited	170,302	1,987,000	-	832,099	1,325,203	446,654	565,477	118,823	4.17	4.53	0.54
Shell Pak. Ltd.	-	1,200	-	-	1,200	249	323	74	0.00	0.00	0.00
National Refinery Limited	1,505	28,500	-	-	30,005	6,343	6,866	523	0.05	0.05	0.04
Oil and Gas Development Company Limited (note 5.1.3)	1,290,194	756,700	-	434,800	1,612,094	391,402	388,724	(2,678)	2.87	3.11	0.04
											2.12
Electricity											
The Hub Power Company Limited	692,216	3,799,500	-	1,502,000	2,989,716	185,050	158,963	(26,087)	1.17	1.27	0.26
Kohinoor Energy Limited	700,000	612,000	-	156,500	1,155,500	41,455	40,558	(897)	0.30	0.32	0.68
Pakgen Power Limited	-	2,000,000	-	2,000,000	-	-	-	-	-	-	-
											0.94
Engineering											
Millat Tractors Co. Ltd.	-	2,700	-	-	2,700	1,279	1,258	(21)	0.01	0.01	0.01
Pharma & Bio Tech											
Abbott Laboratories (Pakistan) Limited	-	367,400	-	-	367,400	144,030	153,966	9,936	1.14	1.23	0.38
Ferozsons Laboratories Ltd.	-	25,000	-	-	25,000	3,866	4,856	990	0.04	0.04	0.08
Glaxo Smithkline Pak. Ltd.	-	53,200	-	-	53,200	9,123	8,651	(472)	0.06	0.07	0.02
Multiutilities (Gas and Water)											
Sui Northern Gas Pipelines Ltd.	-	2,865,000	-	-	2,865,000	66,209	64,176	(2,033)	0.47	0.51	0.45
Food Producers											
Engro Foods limited	2,392,021	4,946,500	-	3,854,600	3,483,921	376,110	409,570	33,460	3.02	3.28	0.45
Personal Goods (Textile)											
Nishat Mills Ltd.	3,836,500	4,434,600	-	1,957,800	6,313,300	664,890	735,815	70,925	5.42	5.89	1.80
Grand total						7,049,280	8,008,058	958,778			
Total cost of investments							6,547,046				

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.

5.1.3 439,500 shares (June 2013: 439,500 shares) of Oil and Gas Development Company Limited, having market value of Rs 105.98 million (June 2013: Rs 100.536 million) as at March 31, 2014, 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

Name of the investee company	As at July 01, 2013	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss) as at March 31, 2014	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 5.1.4)	Total market value of investments	Paid-up capital of investee company (with face value of investment)
					-----Number of shares-----	-----Rupees in '000-----					
Banks											
Meezan Bank Limited (an associate of the Fund)	7,167,442	-	-	1,517,236	5,650,206	163,856	223,466	59,610	1.65	1.79	0.56
General industrials											
Packages Limited	374	-	-	-	374	84	129	45	0.00	0.00	0.00
Grand total						163,940	223,595	59,655			
Total cost of investments							57,329				

5.2 Investments categorised as 'available for sale'

5.2.1 Shares of listed companies

Name of the investee company	As at July 01, 2013	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss) as at March 31, 2014	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Total market value of investments	Paid-up capital of investee company (with face value of investment)
					-----Number of shares-----	-----Rupees in '000-----					
Automobile and parts											
Indus Motor Company Limited	103,068	-	-	-	103,068	23,627	41,120	17,493	0.30	0.33	0.13
Pak Suzuki Motor Company Limited	24,105	-	-	-	24,105	1,759	4,925	3,166	0.04	0.04	0.03
											0.16
Banks											
Meezan Bank Limited (an associate of the Fund)	715,880	-	-	591,000	124,880	1,552	4,939	3,387	0.04	0.04	0.01
BankIslami Pakistan Limited	500	-	-	-	500	2	5	3	0.00	0.00	0.00
											0.01
Chemicals											
ICI Pakistan Limited	59,975	-	-	-	59,975	7,795	21,792	13,997	0.16	0.17	0.06
Construction and materials											
Attock Cement Pakistan Limited	136,350	-	-	136,350	-	-	-	-	-	-	-
DG Khan Cement Company Limited	7,125,000	-	-	1,418,000	5,707,000	475,334	525,158	49,824	3.87	4.20	1.30
Lucky Cement Limited	3,100,000	-	-	331,000	2,769,000	524,044	877,635	353,591	6.47	7.03	0.86
											2.16
Electricity											
Hub Power Company Limited	15,000,000	-	-	-	15,000,000	949,610	797,550	(152,060)	5.88	6.39	1.30
General industrials											
Packages Limited	250,000	-	-	-	250,000	60,051	85,930	25,879	0.63	0.69	0.30
Tri-Pack Films Limited	10	-	-	-	10	1	2	1	0.00	0.00	-
											0.30
Food producers											
Engro Foods Limited	2,100,000	-	-	2,096,400	3,600	514	423	(91)	0.00	0.00	0.00
Oil and gas											
National Refinery Limited	1,151	-	-	-	1,151	281	263	(18)	0.00	0.00	0.00
Oil and Gas Development Company Limited (note 5.1.3)	3,600,000	-	-	15,600	3,584,400	878,407	864,306	(14,101)	6.37	6.92	0.08
Pakistan State Oil Company Limited	2,426,000	-	-	-	2,426,000	723,475	1,035,198	311,723	7.63	8.29	0.98
											1.07
Grand total						3,646,452	4,259,246	612,794			
Total cost of investments							3,646,452				

6. WORKERS' WELFARE FUND (WWF)

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, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The Management Company believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. However, the management as a matter of abundant caution has recognised WWF charge effective from January 1, 2013 amounting to Rs. 73.783 million which includes Rs. 33.193 million pertaining to current period and Rs. 40.590 million pertaining to prior year. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.294 (0.54%).

The Board of Directors of the management company in its meeting held on October 25, 2013 have resolved that unrecorded accumulated WWF provision in the fund from the date of its application till December 31, 2012, in case is required to be paid, shall be borne by Al Meezan Investment Management Limited (Management Company of the Fund). Therefore, the Fund is not exposed to this unrecorded accumulated WWF provision. The unrecorded accumulated provision for WWF upto December 31, 2012 is Rs. 89.304 million.

7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company and directors and officers of the Management Company and Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Capital Protected Fund - II, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund – III and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Employees Gratuity Fund.

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 for the period ended March 31, 2014 and as of that date along with comparatives are as follows:

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	22,768	15,667
Sindh Sales Tax and Federal Excise Duty on management fee payable	28,251	4,006
Sales load payable	2,350	9,137
Sindh Sales Tax and Federal Excise Duty on sales load payable	5,192	3,526
Certificate charges payable	5	5
Investment of 173,277 units (June 30, 2013: NIL units)	9,366	-
Meezan Bank Limited		
Bank balance	260,485	53,339
Sales load payable	650	329
Investment in 7,863,086 shares (June 30, 2013: 7,883,322 shares)	310,985	228,617
Investment of 18,597,415 units (June 30, 2013: 13,383,465 units)	1,005,256	825,396
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,222	864
CDS Charges payable	1	15
Deposits	100	100
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 104,370 units (June 30, 2013 : 75,109 units)	5,642	4,688
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 3,945,966 units (June 30, 2013: 2,958,967 units)	213,280	184,699
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,805,097 units (June 30, 2013: 1,200,768 units)	97,565	74,952
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 1,527,829 units (June 30, 2013: 1,035,037 units)	82,579	64,607
Meezan Capital Preservation Fund-III		
Investment of 20,600,726 units (June 30, 2013: NIL units)	1,113,469	-
Directors and executives of the Management Company		
Investment of 3,281,704 units (June 30, 2013: 2,750,198 units)	177,388	171,667

**Nine months period ended
March 31,**

**2014 2013
(Rupees in '000)**

Al Meezan Investment Management Limited - Management Company

Remuneration for the period	<u>168,173</u>	<u>98,211</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>57,211</u>	<u>15,714</u>
Units Issued: 4,690,954 units (March 31, 2013: Nil units)	<u>213,488</u>	<u>-</u>
Units Redeemed: 4,517,677 units (March 31, 2013: Nil units)	<u>210,253</u>	<u>-</u>

Al Meezan Mutual Fund

Units Redeemed: Nil units (2013: 10,066,755 units)	<u>-</u>	<u>113,855</u>
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Meezan Bank Limited

Profit on saving accounts	<u>7,243</u>	<u>563</u>
Bonus units issued: 5,213,950 units (2013: 2,223,391 units)	<u>234,211</u>	<u>92,070</u>
Dividend Income	<u>14,857</u>	<u>18,538</u>

Central Depository Company of Pakistan Limited - Trustee

Trustee fee	<u>9,159</u>	<u>5,661</u>
CDS charges	<u>626</u>	<u>66</u>

Al Meezan Investment Management Limited - Employees Gratuity Fund

Bonus units issued: 29,261 units (2013: 12,478 units)	<u>1,314</u>	<u>517</u>
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Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan

Units Issued: 1,512,496 units (2013: Nil units)	<u>74,450</u>	<u>-</u>
Bonus units issued: 1,152,762 units (2013: Nil units)	<u>51,782</u>	<u>-</u>
Units Redeemed: 1,678,259 units (2013: Nil units)	<u>83,344</u>	<u>-</u>
Transaction Cost received from the Fund	<u>187</u>	<u>-</u>

Meezan Financial Planning Fund of Funds - Moderate Allocation Plan

Units Issued: 1,252,777 units (2013: Nil units)	<u>62,685</u>	<u>-</u>
Bonus units issued: 467,797 units (2013: Nil units)	<u>21,013</u>	<u>-</u>
Units Redeemed: 1,116,245 units (2013: Nil units)	<u>55,001</u>	<u>-</u>
Transaction Cost received from the Fund	<u>157</u>	<u>-</u>

Meezan Financial Planning Fund of Funds - Conservative Allocation Plan

Units Issued: 1,043,894 units (2013: Nil units)	<u>50,807</u>	<u>-</u>
Bonus units issued: 403,232 units (2013: Nil units)	<u>18,113</u>	<u>-</u>
Units Redeemed: 954,334 units (2013: Nil units)	<u>47,743</u>	<u>-</u>
Transaction Cost received from the Fund	<u>127</u>	<u>-</u>

**Nine months period ended
March 31,**

**2014 2013
(Rupees in '000)**

Meezan Capital Preservation Fund-III

Units Issued: 20,600,726 units (2013: Nil units)

Transaction Cost received from the Fund

1,107,289	-
2,775	-

Directors and executives of the Management Company

Units issued: 234,790 units (2013: 77,782 units)

Bonus units issued: 1,070,951 units (2013: 652,974 units)

Units Redeemed: 773,014 units (2013: 1,189,960 units)

12,024	3,690
48,107	27,040
37,189	54,893

8. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 29, 2014 by the Board of Directors of the Management Company.

9 GENERAL

9.1 Figures have been rounded off to the nearest thousand rupees.

9.2 Charity expense of current and comparative figures have been reclassified separately from dividend income for better presentation in the income statement.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



Quarterly Report March 31, 2014

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	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
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. 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, Beaumont Road, Karachi- 75530.

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

AlBaraka Islamic Bank	Bank Alfalah Limited
Habib Metropolitan Bank Limited	Meezan Bank Limited
UBL Ameen	National Bank of Pakistan
Askari 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, 2014

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
Note	(Rupees in '000)	
Assets		
Balances with banks	214,651	199,155
Investments	5 2,426,157	2,031,950
Receivable against sale of investments	-	15
Dividend receivable	21,522	1,868
Deposits, prepayments and other receivables	10,720	7,150
Total assets	2,673,050	2,240,138
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	11,294	6,214
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	305	257
Payable to Securities and Exchange Commission of Pakistan (SECP)	1,700	1,742
Payable on redemption and conversion of units	54	695
Accrued expenses and other liabilities	23,666	14,396
Payable against purchase of investments	9,500	21,931
Unclaimed dividend	4,769	4,776
Total liabilities	51,288	50,011
Net assets	2,621,762	2,190,127
Unitholders' fund (as per statement attached)	2,621,762	2,190,127
	(Number of units)	
Number of units in issue	174,196,723	136,128,843
	(Rupees)	
Net assets value per unit	15.05	16.09

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Note	Nine Months period ended March 31,		Quarter ended March 31,	
		2014	2013	2014	2013
(Rupees in '000)					
Income					
Net realised gain on sale of investments		54,757	111,213	25,764	48,881
Dividend income		106,591	109,867	34,274	41,293
Profit on saving accounts with banks		12,610	5,540	4,286	1,877
Back end load		-	39	-	-
Other income		2,107	825	614	187
		<u>176,065</u>	<u>227,484</u>	<u>64,938</u>	<u>92,238</u>
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' (net)		249,439	166,401	63,109	65,094
Impairment loss on 'available for sale' investments		-	(8,084)	-	-
		<u>249,439</u>	<u>158,317</u>	<u>63,109</u>	<u>65,094</u>
Total income		425,504	385,801	128,047	157,332
Expenses					
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		35,797	26,089	12,458	9,256
Sindh Sales Tax and Federal Excise Duty on management fee		12,172	4,174	4,306	1,481
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		2,549	2,055	870	709
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		1,700	1,239	591	439
Auditors' remuneration		833	460	222	106
Charity expense		1,791	1,178	490	-
Fees and subscription		113	101	37	39
Brokerage		2,193	1,691	664	563
Bank and settlement charges		737	130	198	2
Printing charges		176	263	-	87
Provision for Workers' Welfare Fund (WWF)	6	7,294	2,926	2,214	2,926
Total expenses		65,355	40,306	22,050	15,608
Net income from operating activities		360,149	345,495	105,997	141,724
Element of (loss)/income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(2,744)	8,832	2,476	4,582
Net income for the period before taxation		357,405	354,327	108,473	146,306
Taxation		-	-	-	-
Net income for the period after taxation		357,405	354,327	108,473	146,306
Other comprehensive income for the period					
Items that can be reclassified to income statement in subsequent periods					
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale' (net)	5.1.3	71,615	112,175	26,133	17,583
Total comprehensive income for the period		429,020	466,502	134,606	163,889

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
Undistributed income brought forward				
- Realised	451,455	222,733	267,762	88,774
- Unrealised	230,105	30,090	186,330	101,307
	<u>681,560</u>	<u>252,823</u>	<u>454,092</u>	<u>190,081</u>
Less : Final distribution on July 8, 2013 for the year ended June 30, 2013				
- bonus units @ 35% (Rs. 3.5 per unit) (June 30, 2012 @ Rs 2 per unit)	476,445	264,972	-	-
- cash dividend @ 35% (Rs. 3.5 per unit) (June 30, 2012 @ Rs 2 per unit)	10	-	-	-
Total distribution	<u>476,455</u>	<u>264,972</u>	<u>-</u>	<u>-</u>
Net income for the period	357,405	354,327	108,473	146,306
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 (net)	(203)	(4,253)	(258)	1,538
Undistributed income carried forward	<u>562,307</u>	<u>337,925</u>	<u>562,307</u>	<u>337,925</u>
Undistributed income carried forward				
- Realised	312,868	171,524	312,868	171,524
- Unrealised	249,439	166,401	249,439	166,401
	<u>562,307</u>	<u>337,925</u>	<u>562,307</u>	<u>337,925</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Net assets at beginning of the period	2,190,127	1,680,705	2,485,213	1,804,028
Issue of 64,829,692 units (2013: 38,053,584 units) and 16,358,805 units (2013: 17,181,001 units) for nine months and quarter respectively	891,573	479,368	244,711	223,728
Redemption of 64,604,651 (2013: 53,077,034 units) and 16,183,942 units (2013: 15,973,908 units) for nine months and quarter respectively	(891,692)	(635,391)	(240,292)	(204,711)
	(119)	(156,023)	4,419	19,017
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	2,744	(8,832)	(2,476)	(4,582)
Issue of 37,842,839 bonus units for the year ended June 30, 2013 (June 30, 2012: 24,786,905 bonus units)	476,445	264,972	-	-
Net realised gain on sale of investments	54,757	111,213	25,764	48,881
Unrealised appreciation in the value of investments (net)	321,054	278,576	89,242	82,677
Total other comprehensive income for the period	53,209	76,713	19,600	32,331
Final distribution on July 8, 2013 for the year ended June 30, 2013				
- Issue of 37,842,839 bonus units for the year ended June 30, 2013 (June 30, 2012: 24,786,905 bonus units)	(476,445)	(264,972)	-	-
- Cash distribution	(10)	-	-	-
Net income for the period less distribution	(47,435)	201,530	134,606	163,889
Net assets at end of the period	<u>2,621,762</u>	<u>1,982,352</u>	<u>2,621,762</u>	<u>1,982,352</u>
			(Rupees)	
Net assets value per unit at beginning of the period	<u>16.09</u>	<u>12.69</u>	<u>14.28</u>	<u>12.79</u>
Net assets value per unit at end of the period	<u>15.05</u>	<u>13.94</u>	<u>15.05</u>	<u>13.94</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	357,405	354,327	108,473	146,306
Adjustments for:				
Unrealised (gain) on re-measurement of investments 'at fair value through profit or loss' (net)	(249,439)	(166,401)	(63,109)	(65,094)
Element of loss / (income) / and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	2,744	(8,832)	(2,476)	(4,582)
	<u>110,710</u>	<u>179,094</u>	<u>42,888</u>	<u>76,630</u>
(increase) / Decrease in assets				
Investments (net)	(73,153)	(99,983)	(77,851)	(108,555)
Receivable against sale of investments	15	10,448	-	3,550
Dividend receivable	(19,654)	(39,402)	(19,331)	(36,600)
Deposits and other receivables	(3,570)	2,367	(1,538)	1,505
	<u>(96,362)</u>	<u>(126,570)</u>	<u>(98,720)</u>	<u>(140,100)</u>
increase / (Decrease) in liabilities				
Payable to Al Meezan Investment Management Limited - Management Company	5,080	1,285	1,992	974
Payable to Central Depository Company of Pakistan Limited - Trustee	48	32	10	25
Payable to Securities and Exchange Commission of Pakistan	(42)	(254)	591	439
Payable against purchase of investments	(12,431)	(643)	6,650	-
Accrued expenses and other liabilities	9,270	3,680	3,673	3,734
	<u>1,925</u>	<u>4,100</u>	<u>12,916</u>	<u>5,172</u>
Net cash inflow from / (used in) operating activities	<u>16,273</u>	<u>56,624</u>	<u>(42,916)</u>	<u>(58,298)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts against issuance of units	891,573	479,368	244,711	223,728
Dividend paid	(17)	(13)	(7)	-
Payment against redemption of units	(892,333)	(635,202)	(245,069)	(209,044)
Net cash used in financing activities	<u>(777)</u>	<u>(155,847)</u>	<u>(365)</u>	<u>14,684</u>
Net increase / (decrease) in cash and cash equivalents during the period	15,496	(99,223)	(43,281)	(43,614)
Cash and cash equivalents at beginning of the period	199,155	163,281	257,932	107,672
Cash and cash equivalents at end of the period	<u>214,651</u>	<u>64,058</u>	<u>214,651</u>	<u>64,058</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months and quarter ended March 31, 2014 (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 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 17, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). 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 of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to provide the unitholders 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 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.
- 1.4 The Management Company of the Fund has been given a management quality rating of AM2 by JCR-VIS Credit Rating Company Limited.
- 1.5 Title of the assets of the Fund is held in the name of CDC as a Trustee of the Fund.

2. BASIS OF PRESENTATION

The transactions undertaken by the Fund are 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 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, 2013.

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, 2013.

The Fund's financial and unit holder's fund risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2013.

	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
5. INVESTMENTS			
Investments - 'available for sale'	5.1.1	864,534	1,163,074
Investments - 'at fair value through profit or loss'			
- Held for trading	5.2.1	1,561,623	868,876
		2,426,157	2,031,950

5.1 Investments - available for sale

5.1.1 Shares of listed companies

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus shares	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss) as at March 31, 2014	Percentage in relation to		
									Net assets of the fund on the basis of market value (note 5.3)	Total market value of total investment	Paid-up capital of investee company (with face value of investment)
					-----Number of shares-----	-----Rupees in '000-----					
Sector / Companies											
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	299,706	-	-	-	299,706	4,130	11,854	7,724	0.45	0.49	0.03
BankIslami Pakistan Limited	500	-	-	-	500	2	5	3	0.00	0.00	0.00
Construction and materials (Cement)											
Lucky Cement Company Limited	25,127	-	-	25,000	127	15	40	25	0.00	0.00	0.00
D.G. Khan Cement Company Limited	1,600,000	-	-	371,000	1,229,000	101,388	113,093	11,705	4.31	4.66	0.28
Electricity											
Hub Power Company Limited	3,242,500	-	-	662,000	2,580,500	157,902	137,205	(20,697)	5.23	5.66	0.22
Oil and gas											
Pakistan State Oil Company Limited	567,000	-	-	4,139	562,861	168,616	240,178	71,562	9.16	9.90	0.23
Oil & Gas Development Company Limited	671,663	-	-	-	671,663	96,121	161,958	65,837	6.18	6.68	0.02
Pakistan Oilfields Limited	231,340	-	-	-	231,340	59,711	125,891	66,180	4.80	5.19	0.10
Pakistan Petroleum Limited	35,927	-	7,185	-	43,112	4,271	9,647	5,376	0.37	0.40	0.00
Attock Petroleum Limited	200	-	40	-	240	83	130	47	0.00	0.01	0.00
Automobile and parts											
Agriautos Industries Limited (note 5.1.2)	621,500	-	-	8,500	613,000	40,887	43,523	2,636	1.66	1.79	4.26
Indus Motor Company Limited	16,200	-	-	-	16,200	3,961	6,463	2,502	0.25	0.27	0.02
Chemicals											
Fauji Fertilizer Company Limited	5,457	-	-	-	5,457	427	604	177	0.02	0.02	0.00
Fauji Fertilizer Bin Qasim Limited	110,500	-	-	-	110,500	4,148	4,756	608	0.18	0.20	0.01
ICI Pakistan Limited	12,857	-	-	-	12,857	1,618	4,672	3,054	0.18	0.19	0.01
General Industries											
Packages Limited	1,378	-	-	-	1,378	114	473	359	0.02	0.02	0.00
Tri-Pack Films Limited	20,400	-	-	-	20,400	1,981	4,042	2,061	0.15	0.17	0.07
Total						645,375	864,534	219,159			
Total cost of investments - 'available for sale'							645,375				

5.1.2 All shares have a nominal value of Rs. 10 each except for the shares of Agriautos Industries Limited which has a face value of Rs. 5 each.

5.2 Investments - held for trading

5.2.1 Shares of listed companies

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus shares	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss) as at March 31, 2014	Percentage in relation to		
									Net assts of the fund on the basis of market value	Market value of total investment	Paid-up capital of investee company (with face value of investment)
-----Number of shares-----					-----Rupees in '000-----						
Sector / Companies											
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	792,712	1,150,000	-	900,000	1,042,712	36,694	41,239	4,545	1.57	1.70	0.10
Construction and materials (Cement)											
Attock Cement Pakistan Limited	975	-	146	-	1,121	129	159	30	0.01	0.01	0.00
DG Khan Cement Company Limited	51,805	688,500	-	534,000	206,305	17,772	18,984	1,212	0.72	0.78	0.05
Fauji Cement	-	4,145,000	-	1,140,000	3,005,000	47,644	51,356	3,712	1.96	2.12	0.23
Cherat Cement Co. Ltd.	-	330,000	28,000	-	358,000	27,474	26,585	(889)	1.01	1.10	0.34
Lucky Cement Company Limited	665,190	234,000	-	186,700	712,490	165,820	225,824	60,004	8.61	9.31	0.22
Oil & gas											
Attock Refinery Limited	500	85,000	-	85,000	500	103	110	7	0.00	0.00	0.00
Attock Petroleum	-	12,000	-	-	12,000	6,234	6,491	257	0.25	0.27	0.01
National Refinery Ltd	-	6,100	-	-	6,100	1,281	1,396	115	0.05	0.06	0.01
Pakistan State Oil Company Limited	30,861	276,200	-	197,861	109,200	36,709	46,597	9,888	1.78	1.92	0.04
Pakistan Oilfields Limited	242,751	45,000	-	92,000	195,751	97,768	106,524	8,756	4.06	4.39	0.08
Pakistan Petroleum Limited	849,883	303,800	206,736	317,000	1,043,419	191,974	233,476	41,502	8.91	9.62	0.05
Oil and Gas Development Company Limited (note 5.2.3)	395,900	45,000	-	81,200	359,700	83,596	86,735	3,139	3.31	3.57	0.01
Automobile and Parts											
Indus Motor Company Limited	97,264	-	-	25,000	72,264	22,474	28,831	6,357	1.10	1.19	0.09
Pak Suzuki Motor Company Limited	50,689	15,000	-	-	65,689	9,803	13,421	3,618	0.51	0.55	0.08
Agriaautos Industries Limited (note 5.2.2)	6,460	-	-	-	6,460	485	459	(26)	0.02	0.02	0.04
Fixed Line and telecommunication											
Pakistan Telecommunication Company Limited "A"	2,561,170	1,868,500	-	1,912,000	2,517,670	59,669	76,965	17,296	2.94	3.17	0.07
Chemicals											
Fauji Fertilizer Bin Qasim Limited	803,185	50,000	-	472,000	381,185	14,332	16,406	2,074	0.63	0.68	0.04
Fauji Fertilizer Company Limited	1,110,200	85,001	-	442,000	753,201	81,217	83,485	2,268	3.18	3.44	0.06
Sitara Chemical Ind Ltd	-	500	-	-	500	107	145	38	0.01	0.01	0.00
ICI Pakistan Limited	1,522	77,200	-	-	78,722	21,461	28,603	7,142	1.09	1.18	0.09
General Industrials											
Packages Limited	504,000	66,600	-	25,000	545,600	123,348	187,534	64,186	7.15	7.73	0.65
Thal Limited (note 5.2.2)	85,613	-	-	30,000	55,613	7,090	9,439	2,349	0.36	0.39	0.14
Tri-Pack Films Limited	16,428	-	-	15,000	1,428	288	283	(5)	0.01	0.01	0.00
Food producers											
Engro Foods Limited	854,000	945,400	-	1,173,400	626,000	73,848	73,593	(255)	2.81	3.03	0.08
Electricity											
Hub Power Company Limited	320,000	570,500	-	466,500	424,000	26,665	22,544	(4,121)	0.86	0.93	0.04
Pakgen Power	-	510,000	-	510,000	-	-	-	-	-	-	-
Kohinoor Energy Limited	150,000	44,000	-	50,000	144,000	5,303	5,054	(249)	0.19	0.21	0.08
Pharma and Bio Tech											
Abbot Lab.	-	80,000	-	-	80,000	31,200	33,526	2,326	1.28	1.38	0.08
Ferozsons (Lab)	-	5,500	-	-	5,500	820	1,068	248	0.04	0.04	0.02
Muliutilities (Gas and Water)											
Sui Northern Gas Pipeline Ltd.	-	600,000	-	-	600,000	13,856	13,440	(416)	0.51	0.55	0.09
Personal Goods											
Nishat Mills Limited	1,088,200	482,300	-	529,300	1,041,200	107,020	121,351	14,331	4.63	5.00	0.30
Total						1,312,184	1,561,623	249,439			
Total cost of investments - 'held for trading'							1,312,184				

- 5.2.2 All shares have a nominal value of Rs. 10 each except for the shares of Agriautos Industries Limited and Thal Limited which have a face value of Rs. 5 each.
- 5.2.3 190,000 shares (June 2013: 190,000 shares) of Oil and Gas Development Company Limited, having market value of Rs 45.81 million (June 2013: Rs 43.51 million) as at March 31, 2014, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.
- 5.3 Net assets are as defined in regulation 66 of NBFC Regulations, 2008

6. WORKERS' WELFARE FUND (WWF)

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, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication."

The Management Company believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. However, the management as a matter of abundant caution has recognised WWF charge effective from January 1, 2013 amounting to Rs17.351 million which includes Rs. 7.293 million pertaining to current period and Rs. 10.057 million pertaining to prior year. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.099 (0.66%)."

The Board of Directors of the management company in its meeting held on October 25, 2013 have resolved that unrecorded accumulated WWF provision in the fund from the date of its application till December 31, 2012, in case is required to be paid, shall be borne by Al Meezan Investment Management Limited (Management Company of the Fund). Therefore, the Fund is not exposed to this unrecorded accumulated WWF provision. The unrecorded accumulated provision for WWF upto December 31, 2012 is Rs. 24.534 million.

7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, directors and officers of the Management Company, Meezan Islamic Fund, KSE Meezan Index Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Capital Protected Fund - II, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund - III and Meezan Tahaffuz Pension Fund, being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Staff Gratuity Fund.

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 for the period ended March 31, 2014 and as of that date along with comparatives are as follows:

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
(Rupees in '000)		
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	<u>4,407</u>	<u>3,668</u>
Sindh Sales Tax and Federal Excise Duty on management fee payable	<u>5,920</u>	<u>934</u>
Sales load payable	<u>128</u>	<u>1,324</u>
Sindh Sales Tax and Federal Excise Duty on sales load payable	<u>839</u>	<u>288</u>
Investment of 28,960,775 units (June 30, 2013: 28,356,964 units)	<u>435,860</u>	<u>456,264</u>
Meezan Bank Limited		
Balances with banks	<u>97,670</u>	<u>4,889</u>
Profit receivable on saving accounts	<u>120</u>	<u>100</u>
Investment in 1,342,418 shares (June 30, 2013: 1,092,418 shares)	<u>53,093</u>	<u>31,680</u>
Investment of 8,437,514 units (June 30, 2013: 6,602,132 units)	<u>126,985</u>	<u>106,228</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	<u>305</u>	<u>257</u>
Deposit	<u>238</u>	<u>238</u>
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 16,895,690 units (June 30, 2013 : 16,895,690 units)	<u>254,280</u>	<u>271,852</u>
Al Meezan Investment Management Limited - Staff Gratuity Fund		
Investment of 440,322 units (June 30, 2013 : 344,540 units)	<u>6,627</u>	<u>5,544</u>
Directors and officers (executives) of the Management Company		
Investment of 6,490,098 units (June 30, 2013 : 2,038,825 units)	<u>97,676</u>	<u>32,805</u>
	Nine months period ended March 31,	
	2014	2013
(Rupees in '000)		
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	<u>35,797</u>	<u>26,089</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>12,172</u>	<u>4,174</u>
Bonus units issued: 7,883,190 units (2013: 7,684,835 units)	<u>99,249</u>	<u>82,151</u>
Units issued: 6,476,891 units (2013: nil units)	<u>86,026</u>	<u>-</u>
Redemption / conversion of units: 13,756,270 units (2013: 8,369,089 units)	<u>190,854</u>	<u>100,000</u>

	Nine months period ended March 31,	
	2014	2013
	(Rupees in '000)	
Meezan Bank Limited		
Profit on saving accounts with banks	<u>271</u>	<u>107</u>
Dividend income	<u>2,185</u>	<u>3,628</u>
Gain on sale of investments	<u>3,846</u>	<u>6,293</u>
Purchase of 1,150,000 shares (2013 : nil shares)	<u>44,579</u>	<u>-</u>
Sale of 900,000 shares (2013: 1,047,000 shares)	<u>34,720</u>	<u>29,548</u>
Bonus units issued: 1,835,382 units (2013: 1,040,525 units)	<u>23,107</u>	<u>11,123</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	<u>2,549</u>	<u>2,055</u>
CDS charges	<u>112</u>	<u>32</u>
Al Meezan Investment Management Limited - Staff Gratuity Fund		
Bonus units issued: 95,782 units (2013: 54,301 units)	<u>1,206</u>	<u>580</u>
Directors and executives of the Management Company		
Units issued: 3,910,677 units (2013: 25,541 units)	<u>50,218</u>	<u>302</u>
Bonus units issued: 584,733 units (2013: 238,020 units)	<u>7,362</u>	<u>2,544</u>
Redemption / conversion of units: 44,137 units (2013: 356,824 units)	<u>85</u>	<u>4,479</u>

8. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 29, 2014 by the Board of Directors of the Management Company.

9. GENERAL

- 9.1 Figures have been rounded off to the nearest thousand rupees.
- 9.2 Charity expense of current and comparative figures have been reclassified separately from dividend income for better presentation in the income statement.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



Quarterly Report March 31, 2014

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	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
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. 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, Beaumont 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
National Bank of Pakistan - 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, 2014

	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
(Rupees in '000)			
Assets			
Balances with banks		10,982	15,240
Investments (net)	5	1,004,627	896,898
Dividend receivable		9,278	821
Deposits, prepayments and other receivables		2,886	3,430
Preliminary expenses and floatation costs		1,268	1,570
Total assets		1,029,041	917,959
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		2,340	2,034
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		171	148
Payable to Securities and Exchange Commission of Pakistan (SECP)		700	385
Payable on redemption and conversion of units		35	3,204
Payable against purchase of investments (net)		8,179	4,488
Accrued expenses and other liabilities		9,562	6,296
Total liabilities		20,987	16,555
Net assets		1,008,054	901,404
Unitholders' fund (as per statement attached)		1,008,054	901,404
(Number of units)			
Number of units in issue		14,705,617	12,337,661
(Rupees)			
Net assets value per unit		68.55	73.06

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Note	Nine Months period ended March 31,		Quarter ended March 31,	
		2014	2013	2014	2013
----- (Rupees in '000) -----					
Income					
Net realised gain on sale of investments		29,854	21,789	13,306	12,535
Dividend income		50,934	20,484	17,804	6,988
Profit on saving accounts with banks		524	403	148	123
Other income		590	507	311	200
		<u>81,902</u>	<u>43,183</u>	<u>31,569</u>	<u>19,846</u>
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' (net)	5.1	104,445	39,503	18,847	2,116
Total income		<u>186,347</u>	<u>82,686</u>	<u>50,416</u>	<u>21,962</u>
Expenses					
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		7,371	2,238	2,550	704
Sindh Sales Tax and Federal Excise Duty on management fee		2,504	358	881	113
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		1,463	429	501	76
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		700	213	242	67
Auditors' remuneration		339	208	63	68
Charity expense		829	382	228	121
Fees and subscription		94	76	31	25
Brokerage		771	411	264	233
Bank and settlement charges		372	252	135	112
Amortisation of preliminary expenses and floatation costs		302	302	99	99
Provision for Workers' Welfare Fund (WWF)	6	3,298	325	753	325
Printing charges		35	83	8	83
Total expenses		<u>18,078</u>	<u>5,277</u>	<u>5,755</u>	<u>2,026</u>
Net income from operating activities		<u>168,269</u>	<u>77,409</u>	<u>44,661</u>	<u>19,936</u>
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(6,679)	(8,406)	(7,783)	(3,681)
Net income for the period before taxation		<u>161,590</u>	<u>69,003</u>	<u>36,878</u>	<u>16,255</u>
Taxation		-	-	-	-
Net income for the period after taxation		<u>161,590</u>	<u>69,003</u>	<u>36,878</u>	<u>16,255</u>
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u>161,590</u>	<u>69,003</u>	<u>36,878</u>	<u>16,255</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Undistributed income / Accumulated (loss) brought forward				
- Realised	184,682	(1,720)	139,888	8,401
- Unrealised	107,332	(5,240)	85,598	37,387
	<u>292,014</u>	<u>(6,960)</u>	<u>225,486</u>	<u>45,788</u>
Less: Final distribution on July 8, 2013 for the year ended June, 30 2013				
- bonus units @ 31% (Rs. 15.50 per unit) (June 30, 2012: nil)	(191,240)	-	-	-
Net income for the period	161,590	69,003	36,878	16,255
Undistributed income carried forward	<u>262,364</u>	<u>62,043</u>	<u>262,364</u>	<u>62,043</u>
Undistributed income carried forward				
- Realised	157,919	22,540	157,919	22,540
- Unrealised	104,445	39,503	104,445	39,503
	<u>262,364</u>	<u>62,043</u>	<u>262,364</u>	<u>62,043</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
Net assets at the beginning of the period	901,404	289,484	1,019,663	300,068
Issue of 3,600,614 units (2013: 3,470,392 units) and 1,832,342 units (2013: 1,274,665 units) for nine months and quarter respectively	234,574	198,975	123,891	76,675
Redemption of 4,555,106 (2013: 4,747,416 units) and 2,674,720 units (2013: 1,688,180 units) for nine months and quarter respectively	(296,193)	(269,737)	(180,161)	(100,548)
	(61,619)	(70,762)	(56,270)	(23,873)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	6,679	8,406	7,783	3,681
Issue of 3,322,448 bonus units for the year ended June 30, 2013 (June 30, 2012: nil bonus units)	191,240	-	-	-
Net realised gain on sale of investments	29,854	21,789	13,306	12,535
Unrealised appreciation in the value of investments (net)	104,445	39,503	18,847	2,116
Total other comprehensive income for the period	27,291	7,711	4,725	1,604
Final distribution on July 8, 2013 for the year ended June 30, 2013 - Issue of 3,322,448 bonus units for the year ended June 30, 2013 (June 30, 2012: nil bonus units)	(191,240)	-	-	-
Net income for the period less distribution	(29,650)	69,003	36,878	16,255
Net assets at the end of the period	<u>1,008,054</u>	<u>296,131</u>	<u>1,008,054</u>	<u>296,131</u>
----- (Rupees) -----				
Net asset value per unit at the beginning of the period	<u>73.06</u>	<u>48.83</u>	<u>65.58</u>	<u>59.24</u>
Net asset value per unit at the end of the period	<u>68.55</u>	<u>63.66</u>	<u>68.55</u>	<u>63.66</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	161,590	69,003	36,878	16,255
Adjustments for:				
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' (net)	(104,445)	(39,503)	(18,847)	(2,116)
Amortisation of preliminary expenses and floatation costs	302	302	99	99
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	6,679	8,406	7,783	3,681
	64,126	38,208	25,913	17,919
(Increase) / decrease in assets				
Investments (net)	(3,284)	37,232	34,267	5,343
Receivable against sale of investments	-	-	2,780	490
Dividend receivable	(8,457)	(3,955)	(8,333)	(4,091)
Deposits and other receivables	544	(76)	180	175
	(11,197)	33,201	28,894	1,917
Increase / (decrease) in liabilities				
Payable to Al Meezan Investment Management Limited - Management Company	306	(3,224)	530	(302)
Payable to Central Depository Company of Pakistan Limited - Trustee	23	(8)	-	(9)
Payable to Securities and Exchange Commission of Pakistan	315	189	242	67
Payable against purchase of investments	3,691	663	8,179	3,833
Accrued expenses and other liabilities	3,266	792	608	471
	7,601	(1,588)	9,559	4,060
Net cash inflow from operating activities	60,530	69,821	64,366	23,896
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts against issuance of units	234,574	198,975	123,891	76,675
Payment against redemption of units	(299,362)	(266,328)	(181,757)	(99,710)
Net cash used in financing activities	(64,788)	(67,353)	(57,866)	(23,035)
Net (decrease) / increase in cash and cash equivalents during the period	(4,258)	2,468	6,500	861
Cash and cash equivalents at beginning of the period	15,240	4,066	4,482	5,673
Cash and cash equivalents at end of the period	10,982	6,534	10,982	6,534

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months and quarter ended March 31, 2014 (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 Company (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on March 13, 2012 and was approved by 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 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 of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, 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 a management 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.

2. BASIS OF PRESENTATION

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, 2013.

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, 2013.

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, 2013.

	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
5. INVESTMENTS (NET)			
Investments at 'fair value through profit or loss' - Held for trading	5.1	1,004,627	896,898

5.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2013	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss) as at March 31, 2014	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Paid-up capital of investee company (with face value of investment)	Market value of total investment
					Number of shares	Rupees in '000		%			
Automobile and Parts											
Indus Motor Company Limited	34,981	7,700	-	42,681	-	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	38,360	8,300	-	46,660	-	-	-	-	-	-	-
Chemicals											
Fauji Fertilizer Bin Qasim Limited	583,020	123,500	-	151,500	555,020	21,283	23,888	2,605	2.37	0.06	2.38
Fauji Fertilizer Company Limited	850,501	373,000	-	218,500	1,005,001	110,012	111,394	1,382	11.05	0.08	11.09
ICI Pakistan Limited	24,948	5,400	-	30,348	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited (formerly Lotte Pakistan PTA Limited)	670,833	249,500	-	283,750	636,583	4,774	4,501	(273)	0.45	-	0.45
									13.87	0.14	13.91
Construction and Materials (Cement)											
Attock Cement Pakistan Limited	35,800	6,500	5,250	47,550	-	-	-	-	-	-	-
Cherat Cement Company Limited	110,400	33,000	10,540	37,000	116,940	6,290	8,684	2,394	0.86	0.11	0.86
D.G. Khan Cement Company Limited	429,153	96,000	-	115,500	409,653	34,252	37,696	3,444	3.74	0.09	3.75
Fauji Cement Company Limited	-	1,437,094	-	192,000	1,245,094	17,980	21,279	3,299	2.11	0.09	2.12
Kohat Cement Company Limited	45,500	34,200	9,040	22,800	65,940	5,381	7,716	2,335	0.77	0.04	0.77
Lafarge Pakistan Cement Limited	705,000	275,000	-	310,800	669,200	5,865	7,455	1,590	0.74	0.05	0.74
Lucky Cement Limited	230,490	48,200	-	58,900	219,790	49,065	69,662	20,597	6.91	0.07	6.93
Maple Leaf Cement Factory Limited	328,500	100,500	-	114,200	314,800	7,270	9,265	1,995	0.92	0.06	0.92
									16.05	0.52	16.10
Electricity											
Hub Power Company Limited	1,437,962	314,000	-	375,000	1,376,962	85,119	73,213	(11,906)	7.26	0.12	7.29
K-Electric Limited (formerly Karachi Electric Supply Corporation Limited)	4,929,100	1,201,000	-	1,430,447	4,699,653	29,007	30,266	1,259	3.00	0.05	3.01
Pakgen Power Limited	-	268,500	-	45,500	223,000	4,605	4,297	(308)	0.43	0.06	0.43
									10.69	0.23	10.73
Engineering											
Millat Tractors Company Limited	28,760	8,300	2,806	9,860	30,006	14,376	13,981	(395)	1.39	0.07	1.39
Fixed Line Telecommunication											
Pakistan Telecommunication Company Limited "A"	1,046,323	231,500	-	279,500	998,323	23,525	30,519	6,994	3.03	0.03	3.04
Food Producers											
Engro Foods Limited	204,101	51,000	-	59,300	195,801	26,009	23,018	(2,991)	2.28	0.03	2.29
General Industrials											
Packages Limited	52,400	13,200	-	22,500	43,100	10,102	14,814	4,712	1.47	0.05	1.47
Multiutilities (Gas and Water)											
Sui Northern Gas Pipeline Limited	-	323,937	-	56,000	267,937	6,076	6,002	(74)	0.60	0.04	0.60
Oil and Gas											
Attock Petroleum Limited	-	32,389	-	4,300	28,089	14,539	15,194	655	1.51	0.03	1.51
Attock Refinery Limited	53,185	14,500	-	17,200	50,485	9,222	11,150	1,928	1.11	0.06	1.11
Mari Petroleum Company Limited (formerly Mari Gas Company Limited)	32,545	11,200	-	12,550	31,195	4,840	6,794	1,954	0.67	0.03	0.68
National Refinery Limited	45,251	13,900	-	15,700	43,451	10,154	9,942	(212)	0.99	0.05	0.99
Oil and Gas Development Company Limited. (note 5.1.2)	458,294	95,000	-	119,400	433,894	102,257	104,625	2,368	10.38	0.01	10.41
Pakistan Oilfields Limited	192,564	41,400	-	50,250	183,714	91,511	99,973	8,462	9.92	0.08	9.95
Pakistan Petroleum Limited	533,290	116,200	104,898	220,010	534,378	97,694	119,572	21,878	11.86	0.03	11.90
Pakistan State Oil Company Limited	169,308	66,500	-	41,700	194,108	63,092	82,828	19,736	8.22	0.08	8.24
Shell Pakistan Limited	30,098	11,350	-	12,670	28,778	4,437	7,746	3,309	0.77	0.03	0.77
									45.42	0.41	45.57
Personal Goods (Textile)											
Nishat Mills Limited	313,000	73,700	-	87,875	298,825	29,430	34,828	5,398	3.45	0.08	3.47
Pharma and Bio Tech											
Abbott Laboratories (Pakistan) Limited	34,970	5,300	-	40,270	-	-	-	-	1.24	0.03	1.25
Glaxo Smithkline Pakistan Limited	80,523	24,100	-	27,675	76,948	9,708	12,513	2,805	1.24	0.03	1.25
Software and Computer Services											
Netsol Technologies Limited	-	71,989	-	19,500	52,489	2,307	1,812	(495)	0.18	0.06	0.18
Grand total						900,182	1,004,627	104,445			
Total cost of investments							823,484				

- 5.1.1 Net assets are as defined in regulation 66 of NBFC Regulations, 2008.
- 5.1.2 140,100 shares of Oil and Gas Development Company Limited, having market value of Rs 33.78 million as at March 31, 2014 (June 30, 2013: 62,000 shares 14.18 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.
- 5.1.3 All shares have a nominal value of Rs.10 each.

6 WORKERS' WELFARE FUND (WWF)

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, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The Management Company believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. However, the management as a matter of abundant caution has recognised WWF charge effective from January 1, 2013 amounting to Rs.8.223 million which includes Rs. 3.298 million pertaining to current period and Rs. 4.925 million pertaining to prior year. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.56 (0.82%).

The Board of Directors of the management company in its meeting held on October 25, 2013 have resolved that unrecorded accumulated WWF provision in the fund from the date of its application till December 31, 2012, in case is required to be paid, shall be borne by Al Meezan Investment Management Limited (Management Company of the Fund). Therefore, the Fund is not exposed to this unrecorded accumulated WWF provision. The unrecorded accumulated provision for WWF upto December 31, 2012 is Rs. 1.03 million.

7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company and Meezan Islamic Fund, Al Meezan Mutual Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Capital Protected Fund - II, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund – III and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Staff Gratuity Fund.

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 for the period ended March 31, 2014 and as of that date along with comparatives are as follows:

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	(Rupees in '000)	
Al Meezan Investment Management Limited		
- Management Company		
Remuneration payable	<u>859</u>	<u>741</u>
Sindh Sales Tax and Federal Excise Duty on management fee payable	<u>1,196</u>	<u>190</u>
Sales load payable	<u>126</u>	<u>849</u>
Sindh Sales Tax and Federal Excise Duty on sales load payable	<u>159</u>	<u>254</u>
Investment in 4,418,554 units (June 30, 2013 : 3,217,996 units)	<u>302,887</u>	<u>235,107</u>
Meezan Bank Limited		
Bank balance	<u>91</u>	<u>2,927</u>
Investment of 1,823,579 units (June 30, 2013: 1,436,699 units)	<u>125,004</u>	<u>104,966</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	<u>171</u>	<u>148</u>
Deposits	<u>103</u>	<u>103</u>
Directors and executives of the Management Company		
Investment of 1,104,066 units (June 30, 2013: 912,352 units)	<u>75,683</u>	<u>66,656</u>

(Unaudited)
Nine months period ended
March 31,
2014 **2013**
(Rupees in '000)

Al Meezan Investment Management Limited		
- Management Company		
Remuneration for the period	<u>7,371</u>	<u>2,238</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>2,504</u>	<u>358</u>
Units issued: 420,989 units (2013: 214,624 units)	<u>27,300</u>	<u>11,900</u>
Bonus units issued: 866,556 units (2013: nil units)	<u>49,879</u>	<u>-</u>
Redemption of units: 86,987 units (2013: 880,419 units)	<u>5,222</u>	<u>50,114</u>

(Unaudited)
Nine months period ended
March 31,
2014 **2013**
(Rupees in '000)

Meezan Bank Limited

Profit on savings account	<u>102</u>	<u>43</u>
Dividend received during the period	<u>-</u>	<u>103</u>
Purchase of shares: Nil (2013: 12,680 Shares)	<u>-</u>	<u>356</u>
Disposal of shares: Nil shares (2013: 90,939 shares)	<u>-</u>	<u>2,702</u>
Bonus units issued: 386,880 units (2013: nil units)	<u>22,269</u>	<u>-</u>

Central Depository Company of Pakistan Limited - Trustee

Trustee fee	<u>1,463</u>	<u>429</u>
CDS charges	<u>44</u>	<u>17</u>

Directors and executives of the Management Company

Units issued: 625 units (2013: 16 units)	<u>43</u>	<u>1</u>
Bonus units issued: 245,769 units (2013: nil units)	<u>14,146</u>	<u>-</u>
Redemption of units: 54,680 units (2013: nil units)	<u>3,275</u>	<u>-</u>

8. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 29, 2014 by the Board of Directors of the Management Company.

9. GENERAL

- 9.1 Figures have been rounded off to the nearest thousand rupees.
- 9.2 Charity expense of current and comparative figures have been reclassified separately from dividend income for better presentation in the income statement.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Director



Quarterly Report March 31, 2014

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	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
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. 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, Beaumont 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 Alfalah Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking	Faysal Bank Limited
Dubai Islamic Bank Pakistan Limited	Habib Metropolitan Bank Limited - Islamic Banking
HBL - Islamic Banking	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, 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, 2014

	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
(Rupees in '000)			
Assets			
Balances with banks		4,815,956	1,158,459
Investments (net)	5	879,161	1,502,925
Deposits and other receivables		74,473	50,596
Total assets		5,769,590	2,711,980
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		13,010	7,777
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		444	242
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,756	1,286
Payable to Meezan Bank Limited (MBL)		-	97
Payable on redemption and conversion of units		480,887	27,549
Dividend payable		1,474	-
Accrued expenses and other liabilities		36,944	30,349
Total liabilities		534,515	67,300
Net assets		5,235,075	2,644,680
Unitholders' fund (as per statement attached)		5,235,075	2,644,680
(Number of units)			
Number of units in issue		103,571,064	49,019,878
(Rupees)			
Net assets value per unit		50.55	53.95

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Note	Nine Months period ended March 31,		Quarter ended March 31,	
		2014	2013	2014	2013
----- (Rupees in '000) -----					
Income					
Profit on saving accounts with banks		122,980	42,726	56,003	17,497
Profit on sukuk certificates		138,659	116,128	42,691	31,706
Realised gain / (loss) on sale of sukuk certificates (net)		184,224	38,306	(7)	11,489
Other income		2,232	-	1,041	-
		<u>448,095</u>	<u>197,160</u>	<u>99,728</u>	<u>60,692</u>
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' (net)		7,756	233	6,486	3,723
(Provision) / Reversal against sukuk certificates (net)	5.1.7	(163,021)	-	5,947	-
		<u>(155,265)</u>	<u>233</u>	<u>12,433</u>	<u>3,723</u>
Total income		292,830	197,393	112,161	64,415
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company		35,113	17,127	13,330	6,765
Sindh Sales Tax and Federal Excise Duty on management fee		11,952	2,740	4,607	1,082
Remuneration to Central Depository Company of Pakistan Limited - Trustee		2,628	1,609	965	593
Annual fee to Securities and Exchange Commission of Pakistan		1,756	856	667	338
Auditors' remuneration		401	454	103	80
Fees and subscription		197	192	64	63
Amortisation of premium on 'available for sale' investments		18	-	-	-
Brokerage		51	71	-	51
Bank and settlement charges		94	59	27	17
Provision for Workers' Welfare Fund	6	6,396	3,981	3,426	1,417
Printing expense		113	65	-	(41)
Total expenses		58,719	27,154	23,189	10,365
Net income from operating activities		234,111	170,239	88,972	54,050
Element of income and capital gains included in prices of units sold less those in units redeemed (net)		79,279	28,794	78,910	16,786
Net income for the period before taxation		313,390	199,033	167,882	70,836
Taxation		-	-	-	-
Net income for the period after taxation		313,390	199,033	167,882	70,836
Other comprehensive income for the period					
Items that can be reclassified to income statement in subsequent periods					
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'	5.2	260	-	(18)	-
Total comprehensive income for the period		313,650	199,033	167,864	70,836

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Undistributed income / Accumulated (loss) brought forward				
- Realised	181,397	459,693	213,417	39,995
- Unrealised	15,680	(413,873)	(167,698)	(3,490)
	<u>197,077</u>	<u>45,820</u>	<u>45,719</u>	<u>36,505</u>
Final distribution on July 8, 2013 for the year ended June, 30 2013				
- bonus units @ 7.5% (Rs. 3.75 per unit) (June 30, 2012 @ 3.94% Rs. 1.97 per unit)	(178,637)	(39,603)	-	-
- cash dividend @ 7.5% (Rs. 3.75 per unit) (June 30, 2012 @ 3.94% Rs. 1.97 per unit)	(5,187)	(6,288)	-	-
Interim distribution on December 24, 2013 for the period ended December 31, 2013				
- bonus units @ 4% (Rs. 2.00 per unit) December 31, 2012 @ 6% Rs. 3.00 per unit)	(110,267)	(81,483)	-	-
- cash dividend @ 4% (Rs. 2.00 per unit) (December 31, 2012 @ 6% Rs. 3.00 per unit)	(2,775)	(10,138)	-	-
Interim distribution on March 24, 2014 for the period ended March 31, 2014				
- bonus units @ 3% (Rs. 1.50 per unit) March 31, 2013 @ nil)	(163,360)	-	(163,360)	-
- cash dividend @ 3% (Rs. 1.50 per unit) (March 31, 2013 @ nil)	(1,493)	-	(1,493)	-
Total distribution	<u>(461,719)</u>	<u>(137,512)</u>	<u>(164,853)</u>	<u>-</u>
Net income for the period	313,390	199,033	167,882	70,836
Undistributed income carried forward	<u>48,748</u>	<u>107,341</u>	<u>48,748</u>	<u>107,341</u>
Undistributed income / Accumulated (loss) carried forward				
- Realised	204,013	107,108	204,013	107,108
- Unrealised	(155,265)	233	(155,265)	233
	<u>48,748</u>	<u>107,341</u>	<u>48,748</u>	<u>107,341</u>

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

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
Net assets at beginning of the period	2,644,680	1,208,964	2,869,663	1,549,464
Issue of 81,078,050 units (2013: 30,748,601 units) and 63,067,919 units (2013: 16,096,242 units) for the nine months and quarter respectively	4,176,900	1,596,011	3,257,722	834,704
Redemption of 35,504,362 units (2013: 16,399,493 units) and 19,246,085 units (2013: 6,352,312 units) for the nine months and quarter respectively	(1,811,421)	(851,974)	(979,771)	(331,404)
	2,365,479	744,037	2,277,951	503,300
Element of income and capital gains included in prices of units sold less those in units redeemed (net)	(79,279)	(28,794)	(78,910)	(16,786)
Issue of 8,977,498 bonus units (2012: 2,400,936 bonus units)	452,264	121,086	163,360	-
Realised gain / (loss) on sale of sukuk certificates	184,224	38,306	(7)	11,489
Unrealised (diminution) / appreciation in the value of investments (net)	(155,265)	233	12,433	3,723
Total other comprehensive income for the period	284,691	160,494	155,438	55,624
Final distribution for the year ended June 30, 2013				
- Issue of 3,558,522 bonus units for the year ended June 30, 2013 (June 30, 2012: 793,166 units)	(178,637)	(39,603)	-	-
- Cash distribution	(5,187)	(6,288)	-	-
Interim distribution on December 24, 2013 for the period ended December 31, 2013				
- Issue of 2,180,921 bonus units for the period ended December 31, 2013 (December 2012: 1,607,770 units)	(110,267)	(81,483)	-	-
- Cash distribution	(2,775)	(10,138)	-	-
Interim distribution on March 24, 2014 for the period ended March 31, 2014				
- Issue of 3,238,055 bonus units for the period ended March 31, 2014 (March 31, 2013: nil units)	(163,360)	-	(163,360)	-
- Cash distribution	(1,493)	-	(1,493)	-
Net income for the period less distribution	(148,069)	61,521	3,011	70,836
Net assets at end of the period	5,235,075	2,106,814	5,235,075	2,106,814
----- (Rupees) -----				
Net asset value per unit at beginning of the period	53.95	51.90	50.78	51.14
Net asset value per unit at end of the period	50.55	52.61	50.55	52.61

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	313,390	199,033	167,882	70,836
Adjustments for:				
Unrealised gain on re-measurement of investments at fair value through profit or loss' (net)	(7,756)	(233)	(6,486)	(3,723)
Provision / (Reversal) against sukuk certificates (net)	163,021	-	(5,947)	-
Amortisation of premium on 'available for sale' investments	18	-	-	-
Element of income and capital gains included in prices of units sold less those in units redeemed (net)	(79,279)	(28,794)	(78,910)	(16,786)
	389,394	170,006	76,539	50,327
Decrease / (Increase) in assets				
Investments (net)	468,741	(659,000)	236,514	(537,897)
Deposits and other receivables	(23,877)	(7,027)	(5,686)	4,959
	444,864	(666,027)	230,828	(532,938)
Increase / (Decrease) in liabilities				
Payable to Al Meezan Investment Management Limited - Management Company	5,233	1,959	5,817	1,334
Payable to Central Depository Company of Pakistan Limited - Trustee	202	66	157	29
Payable to Securities and Exchange Commission of Pakistan	470	(582)	667	338
Payable to Meezan Bank Limited	(97)	(96)	-	-
Accrued expenses and other liabilities	6,595	3,869	3,491	1,303
	12,403	5,216	10,132	3,004
Net cash from / (used in) operating activities	846,661	(490,805)	317,499	(479,607)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from sale of units	4,176,900	1,596,011	3,257,722	834,704
Payments against redemption of units	(1,358,083)	(860,326)	(512,978)	(330,781)
Dividend paid	(7,981)	(16,426)	(2,770)	(10,138)
Net cash from financing activities	2,810,836	719,259	2,741,974	493,785
Net increase in cash and cash equivalents during the period	3,657,497	228,454	3,059,473	14,178
Cash and cash equivalents at beginning of the period	1,158,459	314,009	1,756,483	528,285
Cash and cash equivalents at end of the period	4,815,956	542,463	4,815,956	542,463

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months and quarter ended March 31, 2014 (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 Depository Company of Pakistan Limited (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 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 of the Fund, is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to provide the unitholders 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 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. 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 a management 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 PRESENTATION

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 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, 2013.

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, 2013.

The Fund's financial and unit holders' fund risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2013.

		(Unaudited) March 31, 2014	(Audited) June 30, 2013
	Note	(Rupees in '000)	
5. INVESTMENTS (NET)			
Investments at 'fair value through profit or loss'	5.1	593,855	1,442,862
Investments - available for sale	5.2	285,306	60,063
		879,161	1,502,925
5.1 Investments at 'fair value through profit or loss'			
- Held for trading	5.1.1	275,691	854,879
- Investments at 'fair value through profit or loss upon initial recognition'	5.1.2	318,164	587,983
		593,855	1,442,862

5.1.1 Held for trading - Sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 1, 2013	Purchases during the period	Sales / Maturity during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain	Percentage in relation to	
										Net assets of the Fund on the basis of market value	Total market value of investment
							-----Rupees in '000-----				
GoP Ijarah Sukuk Certificates - IX (note 5.1.3 & 5.1.3.1)	December 26, 2014	Weighted average 6 months T-Bills	1,700	-	-	1,700	170,000	172,941	2,941	3.30	19.67
GoP Ijarah Sukuk Certificates - XII (note 5.1.3 & 5.1.3.1)	June 28, 2015	Weighted average 6 months T-Bills	1,000	-	-	1,000	100,000	102,750	2,750	1.96	11.69
GoP Ijarah Sukuk Certificates - XIII (note 5.1.3 & 5.1.3.1)	September 18, 2015	Weighted average 6 months T-Bills	2,249	-	2,249	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XIV (note 5.1.3 & 5.1.3.1)	March 28, 2016	Weighted average 6 months T-Bills	3,600	-	3,600	-	-	-	-	-	-
Grand Total							270,000	275,691	5,691		
Total cost of investments							270,000				

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

Name of the security	Maturity date	Profit rate	As at July 1, 2013	Purchases during the period	Sales / redemptions during the period	As at March 31, 2014	* Carrying value as at March 31, 2014	* Market value as at March 31, 2014	Unrealised gain	Percentage in relation to		
										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
			-----Number of certificates-----				----Rupees in '000----					
Arzoo Textile Mills Limited (note 5.1.4 & 5.1.6)	April 15, 2014	6 months Kibor plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	10.20	-
Eden Builders Limited (note 5.1.4) (A, PACRA, non-traded)	March 8, 2014	3 months Kibor plus base rate of 2.3%	1,800	-	1,800	-	-	-	-	-	-	-
Eden Housing Limited (note 5.1.4, 5.1.5 & 5.1.6)	September 29, 2014	6 months Kibor plus base rate of 2.5%	59,400	-	-	59,400	54,156	54,156	-	1.03	9.07	6.16
Engro Fertilizer Limited (note 5.1.4) (A, PACRA, non-traded)	September 1, 2015	6 months Kibor plus base rate of 1.5%	35,500	-	-	35,500	177,681	179,746	2,065	3.43	5.42	20.45
Maple Leaf Cement Factory Limited (note 5.1.4 & 5.1.6)	December 3, 2018	3 months Kibor plus base rate of 1%	57,464	-	4,800	52,664	84,262	84,262	-	1.61	4.99	9.58
Security Leasing Corporation Limited II (note 5.1.4 & 5.1.6)	January 19, 2022	Nil	3,487	-	305	3,182	-	-	-	-	4.38	-
Grand Total							316,099	318,164	2,065			
Total cost of investments												581,273

* Incase of debt securities against which provision has been made, these are carried at carrying value less provision.

5.1.3 The nominal value of the GoP Ijarah sukuk certificates is Rs 100,000 each.

5.1.3.1 In the month of September 2013, GoP Ijarah Sukuks have been revalued at their market values disclosed in PKISRV. Previously, they were stated at amortised cost. The change was made in accordance with Circular No. SCD/AMCW/716/2013 dated 19 September 2013 issued by the Securities and Exchange Commission of Pakistan.

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 The nominal value of the sukuk certificates of Eden Housing Limited is Rs 911.71 each.

5.1.6 The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (Management Company) classified Meezan Islamic Income Fund (the Fund) as 'Income Scheme' in accordance with the said circular. As at March 31, 2014, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade.

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

Name of Non-Compliant Investment	Type of investments	Value of investment before provision	Provision held	Value of investment after provision	Percentage of net assets	Percentage of total assets
		-----Rupees in '000-----			-----%-----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	70,000	70,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	77,963	23,807	54,156	1.0	0.9
Maple Leaf Cement Factory Limited	Non-traded sukuk certificates	263,320	179,058	84,262	1.6	1.5
Security Leasing Corporation Limited II	Non-traded sukuk certificates	15,911	15,911	-	-	-
		427,194	288,776	138,418	2.6	2.4

(Unaudited) March 31, 2014
(Audited) June 30, 2013

(Rupees in '000)

5.1.7 Provision on sukuk certificates

Opening	125,755	142,819
Provision / (Reversal) for the period	163,021	(17,064)
Closing	288,776	125,755

5.2 Investments - available for sale

Name of the security	Maturity date	Profit rate	As at July 1, 2013	Purchases during the period	Sales / Redemptions during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain	Percentage in relation to		
			----- Number of certificate -----			-----Rupees in '000-----				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
GoP Ijarah Sukuk Certificates - VIII (note 5.1.3 & 5.1.3.1)	May 16, 2014	Weighted average 6 months T-Bills	600	-	-	600	60,046	60,306	260	1.15	N/A	6.86
Hub Power Company Limited - CP Sukuk (note 5.1.4 & 5.1.4.1)	September 12, 2013	6 months Kibor plus base rate of 1.25%	45,000	-	45,000	-	-	-	-	-	-	-
Kot Addu Power Company Limited - CP Sukuk (note 5.1.4 & 5.1.4.1)	January 22, 2014	6 months Kibor plus base rate of 1.1%	-	45,000	45,000	-	-	-	-	-	-	-
Lalpir Power Limited CP Sukuk (note 5.1.4 & 5.1.4.1)	April 21, 2014	6 months Kibor plus base rate of 1.15%	-	45,000	-	45,000	225,000	225,000	-	4.30	15.00	25.59
							285,046	285,306	260			
Total cost of investments							285,045					

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, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF for the year ending June 30, 2014. The Fund has recognised WWF charge upto March 31, 2014 amounting to Rs 35.397 million which includes Rs 6.396 million pertaining to the current period and Rs 29.001 million pertained to prior years. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.342 (0.676%).

7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company and Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Capital Protected Fund - II, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund – III and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Staff Gratuity Fund.

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, 2014	(Audited) June 30, 2013
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	<u>6,557</u>	<u>3,044</u>
Sindh Sales Tax and Federal Excise Duty payable on management fee	<u>6,259</u>	<u>785</u>
Sales load payable	<u>129</u>	<u>3,391</u>
Sindh Sales Tax and Federal Excise Duty payable on sales load	<u>64</u>	<u>556</u>
Certificate charges payable	<u>1</u>	<u>1</u>
Investments as at March 31, 2014: 16,053,920 units (June 30, 2013: 4,347,920 units)	<u>811,457</u>	<u>234,575</u>

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	(Rupees in '000)	
Meezan Bank Limited		
Sales load payable	-	97
Balances with bank	<u>1,808,766</u>	<u>12,116</u>
Profit receivable on saving account	<u>12,545</u>	<u>207</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	<u>444</u>	<u>242</u>
Deposits	<u>100</u>	<u>100</u>
Meezan Capital Preservation Fund - III		
Investments as at March 31, 2014: 29,928,282 units (June 30, 2013: nil units)	<u>1,512,747</u>	<u>-</u>
Al Meezan Investment Management Limited - Staff Gratuity Fund		
Investments as at March 31, 2014: 36,642 units (June 30, 2013: 31,851 units)	<u>1,852</u>	<u>1,718</u>
Directors and Officer (Executives) of the Management Company		
Investments as at March 31, 2014: 3,688,668 units (June 30, 2013: 1,050,502 units)	<u>186,446</u>	<u>56,676</u>
	(Unaudited) Nine months period ended March 31,	
	2014	2013
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	<u>35,113</u>	<u>17,127</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>11,952</u>	<u>2,740</u>
Units issued: 10,693,809 units (March 31, 2013: 3,677,853 units)	<u>551,000</u>	<u>189,000</u>
Bonus units issued: 1,012,191 units (March 31, 2013: 248,725 units)	<u>51,008</u>	<u>12,593</u>
Meezan Bank Limited		
Profit on saving account	<u>16,666</u>	<u>216</u>

(Unaudited)
Nine months period ended
March 31,
2014 **2013**
(Rupees in '000)

Central Depository Company of Pakistan Limited - Trustee

Remuneration for the period	<u>2,628</u>	<u>1,609</u>
CDS Charges for the period	<u>5</u>	<u>5</u>

Meezan Capital Preservation Fund - III

Units issued: 29,064,135 units (March 31, 2013: nil units)	<u>1,500,000</u>	<u>-</u>
Bonus units issued: 864,147 units (March 31, 2013: nil units)	<u>43,596</u>	<u>-</u>

Al Meezan Investment Management Limited - Staff Gratuity Fund

Bonus units issued: 4,791 units (March 31, 2013: 328 units)	<u>241</u>	<u>17</u>
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Directors and Officer (Executives) of the Management Company

Units issued: 2,851,407 units (March 31, 2013: 1,020,312 units)	<u>146,945</u>	<u>52,981</u>
Redemptions: 421,529 units (March 31, 2013: 54,785 units)	<u>21,775</u>	<u>2,807</u>
Bonus units issued: 208,288 units (March 31, 2013: 36,984 units)	<u>10,501</u>	<u>1,874</u>

8. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 29, 2014 by the Board of Directors of the Management Company.

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Director





Quarterly Report March 31, 2014

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	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
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. 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, Beaumont 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
Habib Metropolitan Bank Limited - Islamic Banking	MCB Bank Limited
Meezan Bank Limited	UBL Ameen
Standard Chartered Bank (Pakistan) Limited - Islamic Banking	National Bank of Pakistan

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, 2014

	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
(Rupees in '000)			
Assets			
Balances with banks		6,702,874	5,259,781
Investments	5	14,558,235	14,398,331
Deposits, prepayments and other receivables		381,679	290,803
Preliminary expenses and floatation costs		440	824
Total assets		21,643,228	19,949,739
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		45,929	23,146
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		1,293	1,166
Payable to Securities and Exchange Commission of Pakistan (SECP)		11,357	14,720
Payable to Meezan Bank Limited (MBL)		-	307
Payable on redemption and conversion of units		1,065	162,664
Payable against investment		156,037	-
Unclaimed dividend		36	-
Accrued expenses and other liabilities		117,027	93,503
Total liabilities		332,744	295,506
Net assets		21,310,484	19,654,233
Unitholders' funds (as per statement attached)		21,310,484	19,654,233
(Number of units)			
Number of units in issue		420,251,984	384,886,259
(Rupees)			
Net asset value per unit		50.71	51.07

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Income				
Profit on saving accounts with banks	377,657	395,578	151,151	130,662
Profit on sukuk certificates	995,741	1,134,617	334,998	328,519
Net realised (loss) / gain on sale of sukuk certificates	(4,282)	30,147	-	15,717
	<u>1,369,116</u>	<u>1,560,342</u>	<u>486,149</u>	<u>474,898</u>
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss (net)	178,055	(1,915)	96,255	-
Total income	<u>1,547,171</u>	<u>1,558,427</u>	<u>582,404</u>	<u>474,898</u>
Expenses				
Remuneration to Al Meezan Investment Management Limited - Management Company	151,417	146,463	52,702	49,874
Sindh Sales Tax and Federal Excise Duty on management fee	51,482	23,434	18,213	7,980
Remuneration to Central Depository Company of Pakistan Limited - Trustee	10,774	11,548	3,716	3,926
Annual fee to Securities and Exchange Commission of Pakistan	11,357	10,985	3,953	3,741
Auditors' remuneration	433	366	95	90
Fees and subscription	186	174	63	25
Amortisation of premium on investments held as 'available for sale'	2,999	4,542	-	4,261
Amortisation of preliminary expenses and floatation costs	384	384	126	126
Brokerage	1,256	1,017	32	770
Bank and settlement charges	146	143	33	35
Provision for Workers' Welfare Fund (WWF)	26,308	26,724	10,149	7,909
Printing expenses	952	195	184	63
Total expenses	<u>257,694</u>	<u>225,975</u>	<u>89,266</u>	<u>78,800</u>
Net income from operating activities	<u>1,289,477</u>	<u>1,332,452</u>	<u>493,138</u>	<u>396,098</u>
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed (net)	(406)	3,763	4,149	(659)
Net income for the period before taxation	<u>1,289,071</u>	<u>1,336,215</u>	<u>497,287</u>	<u>395,439</u>
Taxation	-	-	-	-
Net income for the period after taxation	<u>1,289,071</u>	<u>1,336,215</u>	<u>497,287</u>	<u>395,439</u>
Other comprehensive income for the period				
Items that can be reclassified to income statement in subsequent periods				
Net unrealised appreciation on re-measurement of investments classified as 'available for sale'	36,735	-	15,464	-
Total comprehensive income for the period	<u>1,325,806</u>	<u>1,336,215</u>	<u>512,751</u>	<u>395,439</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
Undistributed income / accumulated (loss) brought forward				
- Realised	410,650	23,125	51,328	52,007
- Unrealised	(1,919)	(13,355)	81,800	(1,915)
	408,731	9,770	133,128	50,092
Less: Final distribution for the year ended June 30, 2013 :				
- bonus units @ 2.06 % (Rs.1.03 per unit) (June 30,2012 : Rs Nil per unit)	(396,261)	-	-	-
- cash dividend @ 2.06 % (Rs.1.03 per unit) (June 30,2012: Rs Nil per unit)	(181)	-	-	-
Less: Interim distribution on September 23, 2013				
- bonus units @ 1.80 % (Rs.0.90 per units) (September 30, 2012 : 2.38%)	(348,279)	(437,045)	-	(204)
- cash dividend @ 1.80 % (Rs.0.90 per unit)(September 30, 2012: 2.38%)	(152)	(30)	-	-
Less: Interim distribution on December 31, 2013				
- bonus units @ 1.68 % (Rs.0.84 per unit) (December 31, 2012 : 2.36%)	(322,143)	(463,358)	-	-
- cash dividend @ 1.68 % (Rs.0.84 per unit)(December 31, 2012 : 2.36%)	(80)	(225)	-	-
Less: Interim distribution on March 24, 2014				
- bonus units @ 1.80 % (Rs.0.90 per unit) (March 31, 2013 : 2.00%)	(373,709)	(399,788)	(373,709)	(399,788)
- cash dividend @ 1.80 % (Rs.0.90 per unit) (March 31, 2013 : 2.00%)	(100)	(193)	(100)	(193)
Total distribution	(1,440,905)	(1,300,639)	(373,809)	(400,185)
Net income for the period	1,289,071	1,336,215	497,287	395,439
Element of losses and capital losses included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments - net	(1,651)	-	(1,360)	-
Undistributed income carried forward	255,246	45,346	255,246	45,346
Undistributed income carried forward				
- Realised	77,191	47,261	77,191	47,261
- Unrealised	178,055	(1,915)	178,055	(1,915)
	255,246	45,346	255,246	45,346

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
Net assets at the beginning of the period	19,654,233	19,709,509	19,500,227	20,082,288
Issue of 370,110,645 units (2013: 266,920,521) and 170,771,707 units (2013: 109,843,143) for the nine months and quarter respectively	18,795,689	13,481,225	8,681,049	5,541,469
Redemption of 363,419,099 units (2013: 284,059,467) and 144,797,924 units (2013: 115,626,855) for the nine months and quarter respectively	(18,465,136)	(14,334,404)	(7,379,293)	(5,831,328)
	330,553	(853,179)	1,301,756	(289,859)
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed (net)	406	(3,763)	(4,149)	659
Issue of 28,674,179 bonus units (2013: 25,998,614 bonus units) and 7,387,017 bonus units (2013: 7,994,138) for the nine months and quarter respectively	1,440,392	1,273,674	373,709	399,788
Realised gain on sale of sukuk certificates	(4,282)	30,147	-	15,717
Unrealised diminution in the value of investments (net)	214,790	(1,915)	111,719	-
Total other comprehensive income for the period	1,115,298	1,307,983	401,032	379,722
Final distribution for the year ended June 30, 2013				
Issue of 7,918,887 bonus units for the period ended June 30, 2013 (June 30, 2012 : Nil)	(396,261)	-	-	-
- Cash distribution	(181)	-	-	-
Interim distribution on September 23, 2013				
Issue of 6,960,017 bonus units for the quarter ended September 30, 2013 (September 30, 2012 : 8,739,160 Units)	(348,279)	(437,045)	-	-
- Cash distribution	(152)	(30)	-	-
Interim distribution on December 24, 2013				
Issue of 6,408,258 bonus units for the quarter ended December 31, 2013 (December 31, 2012 : 9,265,316 Units)	(322,143)	(436,841)	-	-
- Cash distribution	(80)	(225)	-	-
Interim distribution on March 24, 2014				
Issue of 7,387,017 bonus units for the quarter ended March 31, 2014 (March 31, 2013 : 7,994,138 Units)	(373,709)	(399,788)	(373,709)	(399,788)
- Cash distribution	(100)	(193)	(100)	(193)
Net income for the period less distribution	(115,099)	62,093	138,942	(4,542)
Net assets at the end of the period	21,310,484	20,188,334	21,310,484	20,188,334
----- (Rupees) -----				
Net assets value per unit at the beginning of the period	51.07	50.03	50.40	50.13
Net assets value per unit at the end of the period	50.71	50.12	50.71	50.12

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	1,289,071	1,336,215	497,287	395,439
Adjustments for :				
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss (net)	(178,055)	1,915	(96,255)	-
Amortisation of preliminary expenses and floatation costs	384	384	126	126
Amortisation of premium on investments held as 'available for sale'	(2,999)	4,542	-	4,261
Element of loss / (gain) and capital losses / (gain) included in prices of units sold less those in units redeemed	406	(3,763)	(4,149)	659
	<u>1,108,807</u>	<u>1,339,293</u>	<u>397,009</u>	<u>400,485</u>
(Increase) / decrease in assets				
Investments (Net)	57,884	(691,339)	(324,651)	(1,329,425)
Deposits, prepayments and other receivables	(90,876)	(191,784)	(127,998)	(140,683)
	<u>(32,992)</u>	<u>(883,123)</u>	<u>(452,649)</u>	<u>(1,470,108)</u>
Increase / (decrease) in liabilities				
Payable to Al Meezan Investment Management Limited -Management Company	22,783	2,959	11,963	1,085
Payable to Central Depository Company of Pakistan Limited - Trustee	127	86	95	26
Payable to Securities and Exchange Commission of Pakistan	(3,363)	(1,944)	3,953	3,741
Payable to Meezan Bank Limited	(307)	(699)	-	-
Payable against purchase of investments	156,037	-	156,037	-
Accrued expenses and other liabilities	23,524	31,483	9,591	8,519
	<u>198,801</u>	<u>31,885</u>	<u>181,639</u>	<u>13,371</u>
Net cash generated from / (used in) operating activities	<u>1,274,616</u>	<u>488,055</u>	<u>125,999</u>	<u>(1,056,252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts against issuance of units	18,795,689	13,481,225	8,681,049	5,541,469
Payments against redemption of units	(18,626,735)	(14,324,168)	(7,403,655)	(5,833,318)
Dividend paid	(477)	(29,277)	(98)	(200)
Net cash from / (used in) financing activities	<u>168,477</u>	<u>(872,220)</u>	<u>1,277,296</u>	<u>(292,049)</u>
Net increase in cash and cash equivalents during the period	<u>1,443,093</u>	<u>(384,165)</u>	<u>1,403,295</u>	<u>(1,348,301)</u>
Cash and cash equivalents at the beginning of the period	<u>5,259,781</u>	<u>5,233,984</u>	<u>5,299,579</u>	<u>6,198,120</u>
Cash and cash equivalents at the end of the period	<u>6,702,874</u>	<u>4,849,819</u>	<u>6,702,874</u>	<u>4,849,819</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months and quarter ended March 31, 2014 (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 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 of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, 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 minimising 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 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 Shariah Compliant (Islamic) Income 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 a management 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 PRESENTATION

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 Trust Deed, 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, 2013.

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, 2013.

The Fund's financial risk management objective and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2013.

	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
(Rupees in '000)			
Investments at - 'fair value through profit or loss'	5.1	10,611,355	8,980,400
Investments - 'available for sale'	5.2	3,946,880	5,417,931
		14,558,235	14,398,331

5.1 INVESTMENT - 'AT FAIR VALUE THROUGH PROFIT OR LOSS' - Sukuk Certificates

Name of the Security	Maturity date	Profit rate	As at July 1, 2013	Purchases during the period	Sale / redemptions during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised Gain	Percentage in relation to	
										-----Number of certificates-----	-----Rupees in '000-----
GoP Ijarah Sukuk Certificates - V (note 5.2.1)	November 15, 2013	Weighted average 6 months T-Bills	15,810	-	15,810	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - VI (note 5.2.1)	December 20, 2013	Weighted average 6 months T-Bills	5,070	3,500	8,570	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - VII (note 5.2.1)	March 7, 2014	Weighted average 6 months T-Bills	2,870	-	2,870	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - VIII (note 5.2.1)	May 16, 2014	Weighted average 6 months T-Bills	3,520	-	-	3,520	352,000	353,795	1,795	1.66	2.43
GoP Ijarah Sukuk Certificates - IX (note 5.2.1)	December 26, 2014	Weighted average 6 months T-Bills	50,950	1,500	5,000	47,450	4,747,100	4,827,089	79,989	22.65	33.16
GoP Ijarah Sukuk Certificates - X (note 5.2.1)	March 02, 2015	Weighted average 6 months T-Bills	-	36,500	2,000	34,500	3,463,900	3,519,000	55,100	-	24.17
GoP Ijarah Sukuk Certificates - XII (note 5.2.1)	June 28, 2015	Weighted average 6 months T-Bills	904	16,700	-	17,604	1,769,500	1,808,811	39,311	8.49	12.42
GoP Ijarah Sukuk Certificates - XIII (note 5.2.1)	September 18, 2015	Weighted average 6 months T-Bills	9,150	1,000	9,150	1,000	100,800	102,660	1,860	0.48	0.71
GoP Ijarah Sukuk Certificates - XIV (note 5.2.1)	March 28, 2016	Weighted average 6 months T-Bills	1,530	-	1,530	-	-	-	-	-	-
Total cost of investments							10,433,300	10,611,355	178,055		
											10,448,574

5.2 Investment - Available fo sale

Name of the Security	Maturity date	Profit rate	As at July 1, 2013	Purchases during the period	Sale / redemptions during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain	Percentage in relation to	
										Net assets of the fund on the basis of market value (see note 5.2.2 below)	Total market value of investments
						-----Number of certificates-----	-----Rupees in '000-----				
GoP Ijarah Sukuk Certificates - VIII (note 5.2.1)	May 16, 2014	Weighted average 6 months T-Bills	17,500	27,500	22,500	22,500	2,253,934	2,261,475	7,541	10.61	15.53
GoP Ijarah Sukuk Certificates - X (note 5.2.1)	March 02, 2015	Weighted average 6 months T-Bills	10,500	16,500	13,500	13,500	1,354,630	1,377,000	22,370	6.46	9.46
GoP Ijarah Sukuk Certificates - XI (note 5.2.1)	April 30, 2015	Weighted average 6 months T-Bills	2,000	8,300	7,290	3,010	301,581	308,405	6,824	1.45	2.12
GoP Ijarah Sukuk Certificates - XIII (note 5.2.1)	September 18, 2015	Weighted average 6 months T-Bills	24,000	24,000	48,000	-	-	-	-	-	-
							3,910,145	3,946,880	36,735		
Total cost of investments							3,910,145				

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

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

5.3 In the month of September 2013, GoP Ijarah sukuk have been revalued at their market values disclosed in PKISRV, previously, they were stated a amortised cost. The change was made in accordance with Circular No SCD/AMCW/716/2013 dated 19 September 2013 issued by Securities and Exchange commission of Pakistan

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, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF for the year ending June 30, 2014. The Fund has recognised WWF charge upto March 31, 2014 amounting to Rs 115.503 million which includes Rs 26.308 million pertaining to the current period and Rs 89.195 million pertained to prior years. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs 0.275 (0.54%)."

7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company and Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islami Income Fund, Meezan Cash Fund, Meezan Capital Protected Fund - II, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund – III and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Staff Gratuity Fund.

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 at period end are as follows:

	(Unaudited) March 31, 2014	Audited June 30, 2013
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	18,324	16,328
Sindh Sales Tax and Federal Excise Duty payable on management fee	24,878	4,178
Sales load payable	1,653	2,227
Sindh Sales Tax and Federal Excise Duty payable on sales load	1,074	413
Investments as at March 31, 2014: 3,435,399 units (June 30, 2013: 12,335,789 units)	174,209	629,989
Meezan Bank Limited		
Sales load payable	-	307
Balances with bank	3,247,547	34,784
Profit receivable on savings account	26,618	1,774
Investments as at March 31, 2014: 127,217,443 units (June 30, 2013: 148,829,382 units)	6,451,197	7,600,717
Central Depository Company of Pakistan Limited- Trustee		
Trustee fee payable	1,293	1,166
Deposits	100	100

(Unaudited)
March 31,
2014
 Audited
 June 30,
 2013
 (Rupees in '000)

Al Meezan Investment Management Limited - Staff Gratuity Fund

Investments as at March 31, 2014: 43,909 units
 (June 30, 2013: 40,842 units)

2,227 2,086

Meezan Financial Planning Fund of Funds

Investments as at March 31, 2014: 1,802,515 units

- Aggressive Allocation Plan (June 30, 2013: 1,206,429 units)

91,405 61,612

Investments as at March 31, 2014: 1,923,990 units

- Moderate Allocation Plan (June 30, 2013: 1,468,730 units)

97,566 75,008

Investments as at March 31, 2014: 4,885,373 units

- Conservative Allocation Plan (June 30, 2013: 3,798,177 units)

247,737 193,973

Meezan Capital Preservaion Funds III

Investments as at March 31, 2014: 7,091,294 units

(June 30, 2013: units Nil)

359,600 -

Directors and officers of the Management Company

Investments as at March 31, 2014: 1,302,186 units

(June 30, 2013: 4,406,004 units)

66,034 225,015

**Nine months period ended
 March 31**

2014 **2013**

(Rupees in '000)

Al Meezan Investment Management Limited - Management Company

Remuneration for the period

151,417 146,463

Sindh Sales Tax and Federal Excise Duty on management fee

51,482 23,434

Units issued 12,585,098 (March 31, 2013: 4,937,418 units)

637,563 248,787

Units redeemed 22,325,452 units (March 31, 2013: 5,257,742 units)

1,134,102 267,032

Bonus units issued 839,964 (March 31, 2013: 1,007,998 units)

42,121 50,410

Meezan Bank Limited

Profit on saving accounts

78,367 1,213

Units issued 78,400,627 (March 31, 2013: 76,202,098 units)

4,000,000 3,861,020

Units redeemed 109,828,451 units (March 31, 2013: 79,811,255 units)

5,590,439 4,033,275

Bonus units issued 9,815,885 (March 31, 2013: 9,635,441 units)

492,905 481,868



	Nine months period ended	
	March 31	
	2014	2013
(Rupees in '000)		
Central Depository Company of Pakistan Limited- Trustee		
Remuneration for the period	<u>10,774</u>	<u>11,548</u>
Al Meezan Investment Management Limited - Staff Gratuity Fund		
Bonus units issued 3,067 units (March 31, 2013: 3,717 units)	<u>154</u>	<u>186</u>
Meezan Financial Planning Fund of Funds		
Units issued 964,396 units - Aggressive Allocation Plan (March 31, 2013: units Nil)	<u>48,754</u>	<u>-</u>
Units issued 1,334,738 units - Moderate Allocation Plan (March 31, 2013: units Nil)	<u>67,529</u>	<u>-</u>
Units issued 3,065,549 units - Conservative Allocation Plan (March 31, 2013: units Nil)	<u>155,180</u>	<u>-</u>
Units redeemed 469,159 units - Aggressive Allocation Plan (March 31, 2013: units Nil)	<u>23,783</u>	<u>-</u>
Units redeemed 994,623 units - Moderate Allocation Plan (March 31, 2013: units Nil)	<u>50,314</u>	<u>-</u>
Units redeemed 2,310,792 units - Conservative Allocation Plan (March 31, 2013: units Nil)	<u>117,122</u>	<u>-</u>
Bonus units issued 100,849 units - Aggressive Allocation Plan (March 31, 2013: units Nil)	<u>5,069</u>	<u>-</u>
Bonus units issued 115,145 units - Moderate Allocation Plan (March 31, 2013: units Nil)	<u>5,786</u>	<u>-</u>
Bonus units issued 332,439 units - Conservative Allocation Plan (March 31, 2013: units Nil)	<u>16,701</u>	<u>-</u>
Meezan Capital Preservation Fund III		
Units issued 43,920,901 (March 31, 2013: nil units)	<u>2,230,000</u>	<u>-</u>
Units redeemed 36,953,557 units (March 31, 2013: nil units)	<u>1,889,264</u>	<u>-</u>
Bonus units issued 123,950 (March 31, 2013: nil units)	<u>6,271</u>	<u>-</u>
Directors and executive of the Management Company		
Units issued 745,321 (March 31, 2013: 1,013,243 units)	<u>37,863</u>	<u>50,978</u>
Units redeemed 4,097,380 (March 31, 2013: 983,578 units)	<u>209,035</u>	<u>49,798</u>
Bonus units issued 248,241 (March 31, 2013: 281,684 units)	<u>12,450</u>	<u>14,087</u>

8. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 29, 2014 by the Board of Directors of the Management company.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



Quarterly Report March 31, 2014

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
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	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
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. 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, Beaumont Road, Karachi- 75530.

SHARIAH ADVISOR

Meezan Bank Limited

BANKERS TO THE FUND

Askari Bank Limited - Islamic Banking	Habib Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	MCB Bank Limited - Islamic Banking
Standard Chartered Bank (Pakistan) Limited - Islamic Banking	Faysal Bank Ltd.
Habib Metropolitan Bank Limited - Islamic Banking	UBL Ameen
National Bank of Pakistan	

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

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

As at March 31, 2014

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
Note	(Rupees in '000)	
Assets		
Balances with banks	5 4,926,845	2,620,449
Investments	6 225,000	3,842,500
Profit receivable	93,489	133,404
Deposit and prepayments	144	318
Preliminary expenses and floatation costs	122	572
Total assets	5,245,600	6,597,243
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	11,352	6,805
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	386	469
Payable to Securities and Exchange Commission of Pakistan (SECP)	3,431	5,024
Payable on redemption / conversion of units	9,562	25,315
Brokerage payable	-	129
Dividend payable	-	13
Accrued expenses and other liabilities	54,403	48,714
Total liabilities	79,134	86,469
Net assets	5,166,466	6,510,774
Unitholders' fund (as per statement attached)	5,166,466	6,510,774
	Number of units	
Number of units in issue	103,182,817	130,063,253
	Rupees	
Net assets value per unit	50.07	50.06

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Income				
Profit on saving accounts with banks	258,302	357,728	110,160	99,165
Profit on placements	26,205	123,270	-	45,491
Profit on sukuk certificates	118,337	47,556	7,328	11,715
Other income	-	10	-	-
Net realised loss on sale of sukuk certificates	(562)	-	-	-
Total income	402,282	528,564	117,488	156,371
Expenses				
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company	45,746	51,080	13,316	16,720
Sindh Sales Tax and Federal Excise Duty on management fee	15,512	8,173	4,602	2,676
Remuneration to Central Depository Company of Pakistan Limited - Trustee	3,993	4,777	1,183	1,565
Annual fee to Securities and Exchange Commission of Pakistan	3,430	3,831	998	1,254
Auditors' remuneration	400	355	90	80
Fees and subscription	200	187	67	62
Amortisation of preliminary expenses and floatation costs	451	449	148	148
Amortisation of premium on investments held as 'available for sale'	698	-	-	-
Bank and settlement charges	92	76	20	(3)
Provision for Workers' Welfare Fund (WWF)	6,530	8,936	1,889	2,610
Printing expense	95	320	-	105
Total expenses	77,147	78,184	22,313	25,217
Net income from operating activities	325,135	450,380	95,175	131,154
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	(5,180)	(3,564)	(2,623)	(661)
Net income for the period before taxation	319,955	446,816	92,552	130,493
Taxation	-	-	-	-
Net income for the period after taxation	319,955	446,816	92,552	130,493
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	319,955	446,816	92,552	130,493

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
Undistributed income / accumulated (loss) brought forward				
- Realised	10,169	10,288	11,652	18,553
- Unrealised	(1,982)	-	-	-
	<u>8,187</u>	<u>10,288</u>	<u>11,652</u>	<u>18,553</u>
Less : Distributions for the period				
Interim Distribution on July 23, 2013				
- bonus units @ 0.54% (Rs.0.27 per unit)	(35,505)	-	-	-
-cash dividend @ 0.54% (Rs.0.27 per unit)	(15)	-	-	-
Interim Distribution on July 22, 2012				
- bonus units @ 0.60% (Rs.0.30 per unit)	-	(41,008)	-	-
-cash dividend @ 0.60% (Rs.0.30 per unit)	-	(39)	-	-
Interim Distribution on August 22, 2013				
- bonus units @ 0.60% (Rs.0.30 per unit)	(40,046)	-	-	-
-cash dividend @ 0.60% (Rs.0.30 per unit)	(17)	-	-	-
Interim Distribution on August 22, 2012				
- bonus units @ 1.00% (Rs.0.50 per unit)	-	(68,325)	-	-
-cash dividend @ 1.00% (Rs.0.50 per unit)	-	(3)	-	63
Interim Distribution on September 20, 2013				
- bonus units @ 0.60% (Rs.0.30 per unit)	(38,550)	-	-	-
-cash dividend @ 0.60% (Rs.0.30 per unit)	(14)	-	-	-
Interim Distribution on September 20, 2012				
- bonus units @ 0.76% (Rs.0.38 per unit)	-	(50,316)	-	-
-cash dividend @ 0.76% (Rs.0.38 per unit)	-	(6)	-	-
Interim Distribution on October 23, 2013				
- bonus units @ 0.64% (Rs.0.32 per unit)	(40,276)	-	-	-
-cash dividend @ 0.64% (Rs.0.32 per unit)	(13)	-	-	-
Interim Distribution on October 22, 2012				
- bonus units @ 0.84% (Rs.0.42 per unit)	-	(56,221)	-	-
-cash dividend @ 0.84% (Rs.0.42 per unit)	-	(6)	-	-
Interim Distribution on November 21, 2013				
- bonus units @ 0.54% (Rs.0.27 per unit)	(34,727)	-	-	-
-cash dividend @ 0.54% (Rs.0.27 per unit)	(11)	-	-	-
Interim Distribution on November 22, 2012				
- bonus units @ 0.72% (Rs.0.36 per unit)	-	(49,177)	-	-
-cash dividend @ 0.72% (Rs.0.36 per unit)	-	(5)	-	-
Interim Distribution December 24, 2013				
- bonus units @ 0.60% (Rs.0.30 per unit)	(34,751)	-	-	-
-cash dividend @ 0.60% (Rs.0.30 per unit)	(13)	-	-	-

CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
Interim Distribution on December 20, 2012				
- bonus units @ 0.64% (Rs.0.32 per unit)	-	(42,866)	-	19
-cash dividend @ 0.64% (Rs.0.32 per unit)	-	(4)	-	-
Interim Distribution January 24, 2014				
- bonus units @ 0.60% (Rs.0.30 per unit)	(33,621)	-	(33,621)	-
-cash dividend @ 0.60% (Rs.0.30 per unit)	(13)	-	(13)	-
Interim Distribution January 22, 2013				
- bonus units @ 0.72% (Rs.0.36 per unit)	-	(47,382)	-	(47,382)
-cash dividend @ 0.72% (Rs.0.36 per unit)	-	(6)	-	(6)
Interim Distribution February 24, 2014				
- bonus units @ 0.60% (Rs.0.30 per unit)	(32,897)	-	(32,897)	-
-cash dividend @ 0.60% (Rs.0.30 per unit)	(13)	-	(13)	-
Interim Distribution February 21, 2013				
- bonus units @ 0.64% (Rs.0.32 per unit)	-	(44,774)	-	(44,774)
-cash dividend @ 0.64% (Rs.0.32 per unit)	-	(8)	-	(8)
Interim Distribution March 24, 2014				
- bonus units @ 0.60% (Rs.0.30 per unit)	(28,135)	-	(28,135)	-
-cash dividend @ 0.60% (Rs.0.30 per unit)	(13)	-	(13)	-
Interim Distribution March 22, 2013				
- bonus units @ 0.62% (Rs.0.31 per unit)	-	(41,555)	-	(41,555)
-cash dividend @ 0.62% (Rs.0.31 per unit)	-	(8)	-	(8)
Total distribution for the period	(318,630)	(441,709)	(94,692)	(133,651)
Net income for the period	319,955	446,816	92,552	130,493
Undistributed income carried forward	9,512	15,395	9,512	15,395
Undistributed income carried forward				
- Realised	9,512	15,395	9,512	15,395
- Unrealised	-	-	-	-
	9,512	15,395	9,512	15,395

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
Net assets at beginning of the period	6,510,774	7,418,771	5,820,638	6,901,871
Issue of 128,343,071 units (2013: 115,917,065) and 36,289,459 units (2013: 48,647,069) for the nine months and quarter respectively	6,437,627	5,818,075	1,819,590	2,440,733
Redemption of 161,595,243 units (2013: 136,984,294) and 51,207,743 units (2013: 53,073,711) for the nine months and quarter respectively	(8,106,948)	(6,876,217)	(2,568,898)	(2,662,875)
	(1,669,321)	(1,058,142)	(749,308)	(222,142)
Element of loss and capital losses included in prices of units sold less those in units redeemed (net)	5,180	3,564	2,623	661
Issue of 6,371,736 bonus units (2013: 8,827,764 bonus units) and 1,893,228 units (2013: 2,673,685) for the nine months and quarter respectively	318,508	441,625	94,653	133,693
Realised loss on sale of sukuk certificates	(562)	-	-	-
Unrealised diminution in the value of investments (net)	-	-	-	-
Total other comprehensive income for the period	320,517	446,816	92,552	130,493
Issue of 709,882 bonus units and cash distribution on July 23, 2013	(35,520)	-	-	-
Issue of 818,800 bonus units and cash distribution on July 22, 2012	-	(41,047)	-	-
Issue of 800,874 bonus units and cash distribution on August 22, 2013	(40,063)	-	-	-
Issue of 1,364,407 bonus units and cash distribution on August 22, 2012	-	(68,328)	-	63
Issue of 771,881 bonus units and cash distribution on September 20, 2013	(38,564)	-	-	-
Issue of 1006,995 bonus units and cash distribution on September 20, 2012	-	(50,322)	-	-
Issue of 806,314 bonus units and cash distribution on October 23, 2013	(40,289)	-	-	-
Issue of 1,124,341 bonus units and cash distribution on October 22, 2012	-	(56,227)	-	-
Issue of 694,674 bonus units and cash distribution on November 21, 2013	(34,738)	-	-	-
Issue of 983,149 bonus units and cash distribution on November 22, 2012	-	(49,182)	-	-
Issue of 694,883 bonus units and cash distribution on December 24, 2013	(34,764)	-	-	-
Issue of 856,387 bonus units and cash distribution on December 20, 2012	-	(42,870)	-	19
Issue of 672,296 bonus units for the period ended January 23, 2014	(33,634)	-	(33,634)	-
Issue of 947,589 bonus units for the period ended January 22, 2013	-	(47,388)	-	(47,388)
Issue of 658,014 bonus units for the period ended February 21, 2014	(32,910)	-	(32,910)	-
Issue of 895,139 bonus units for the period ended February 21, 2013	-	(44,782)	-	(44,782)
Issue of 562,918 bonus units for the period ended March 24, 2014	(28,148)	-	(28,148)	-
Issue of 830,957 bonus units for the period ended March 22, 2013	-	(41,563)	-	(41,563)
Net income for the period less distribution	1,325	5,107	(2,140)	(3,158)
Net assets at end of the period	<u>5,166,466</u>	<u>6,810,925</u>	<u>5,166,466</u>	<u>6,810,925</u>
----- (Rupees) -----				
Net assets value per unit at beginning of the period	<u>50.06</u>	<u>50.08</u>	<u>50.09</u>	<u>50.14</u>
Net assets value per unit at end of the period	<u>50.07</u>	<u>50.11</u>	<u>50.07</u>	<u>50.11</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	319,955	446,816	92,552	130,493
Adjustments for:				
Amortisation of preliminary expenses and floatation costs	451	449	148	148
Amortisation of premium on investments held as 'available for sale'	698	-	-	-
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	5,180	3,564	2,623	661
	<u>326,284</u>	<u>450,829</u>	<u>95,323</u>	<u>131,302</u>
Decrease in assets				
Deposit and prepayments	174	161	65	95
Profit receivable	39,915	129,130	28,983	102,099
Investments (net)	3,616,802	653,500	225,000	475,000
	<u>3,656,891</u>	<u>782,791</u>	<u>254,048</u>	<u>577,194</u>
Increase / (decrease) in liabilities				
Payable to Al Meezan Investment Management Limited - Management Company	4,547	(1,083)	1,588	73
Payable to Central Depository Company of Pakistan Limited - Trustee	(83)	(61)	(58)	4
Payable to Securities and Exchange Commission of Pakistan	(1,593)	(1,376)	999	1,254
Brokerage payable	(129)	-	-	-
Accrued expenses and other liabilities	5,689	11,747	2,571	3,812
	<u>8,431</u>	<u>9,227</u>	<u>5,100</u>	<u>5,143</u>
Net cash inflow from operating activities	<u>3,991,606</u>	<u>1,242,847</u>	<u>354,471</u>	<u>713,639</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts against issuance of units	6,437,627	5,818,075	1,819,590	2,440,733
Payments against redemption of units	(8,122,702)	(6,869,468)	(2,572,679)	(2,665,732)
Dividend paid	(135)	(74)	(39)	(23)
Net cash used in financing activities	<u>(1,685,210)</u>	<u>(1,051,467)</u>	<u>(753,128)</u>	<u>(225,022)</u>
Net increase / (decrease) in cash and cash equivalents during the period	2,306,396	191,380	(398,657)	488,617
Cash and cash equivalents at beginning of the period	2,620,449	4,614,198	5,325,502	4,316,961
Cash and cash equivalents at end of the period	<u>4,926,845</u>	<u>4,805,578</u>	<u>4,926,845</u>	<u>4,805,578</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months and quarter ended March 31, 2014 (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 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 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 of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to provide the unitholders 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 has been given a management 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.

2. BASIS OF PRESENTATION

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, 2013.

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, 2013.

The Fund's financial and unit holder's fund risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2013.

	Note	(Unaudited) March 31, 2014 (Rupees in '000)	(Audited) June 30, 2013
5. BALANCES WITH BANKS			
On saving accounts	5.1	4,916,370	2,607,116
On current accounts		10,475	13,333
		<u>4,926,845</u>	<u>2,620,449</u>

5.1 The balances in saving accounts have an expected profit ranging from 4.75% to 8.90% per annum (June 30, 2013 : 5.65% to 9.05% per annum).

5.2 The balance includes Rs. 2,989.93 million (June 30, 2013: Rs. 44.908 million) with related party, Meezan Bank Limited, on which average return is earned at 6.87% (June 30, 2013: 5.65%) per annum.

6 INVESTMENTS

Investments - 'loans and receivables' - Placements		-	1,500,000
Investments - 'fair value through profit or loss' Held for trading		-	2,117,500
Investments - 'fair value through profit or loss upon initial recognition		-	225,000
Investment 'available for sale'	6.3	225,000	-
		<u>225,000</u>	<u>2,342,500</u>
		<u>225,000</u>	<u>3,842,500</u>

6.1 Placements

Name of the Issuer	Maturity	Profit range	As at July 1, 2013	Placements made during the period	Matured during the period	As at March 31, 2014	Percentage in relation to	
							Net assets of the Fund on the basis of market value	Total market value of investment
Bank Al-Falah Limited	October 12, 2013	8.85%	1,500,000	-	(1,500,000)	-	-	-

6.2 Held for trading

Name of the Security	Maturity	Profit rate	As at July 01, 2013	Purchases during the period	Sales / redemptions during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss)	Percentage in relation to	
			-----Number of Certificates-----			-----Rupees in '000-----			Net assets of the Fund on the basis of market value	Percentage of market value of total investments	
GoP Ijarah Sukuk - V	November 15, 2013	Weighted Average 6 months T-Bills	21,175	-	21,175	-	-	-	-	-	-

6.3 Available for Sale

Name of the Security	Maturity Date	Profit rate	As at July 01, 2013	Purchases during the period	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss)	Percentage in relation to		
			-----Number of shares -----			-----Rupees in '000-----			Net assets of the Fund on the basis of market value (see note 6.3.1)	Paid-up capital of the investee company (with face value of investment)	Total market value of investment	
GoP Ijarah Sukuk - V (note 6.2.1)	November 15, 2013	Weighted Average 6 months T-Bills	-	6,000	6,000	-	-	-	-	-	-	-
Hub Power Company Limited - Sukuk	July 12, 2013	6 months KIBOR plus base rate of 1.25%	45,000	-	45,000	-	-	-	-	-	-	-
Kot Addu Power Company Limited - Sukuk	January 22, 2014	6 months KIBOR plus base rate of 1.1%	-	45,000	45,000	-	-	-	-	-	-	-
Lalpir Power - Sukuk	April 21, 2014	6 months KIBOR plus base rate of 1.15%	-	45,000	-	45,000	225,000	225,000	-	4.36	15.00	100.00
Total							225,000	225,000	-			
Total cost of investment							225,000					

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

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 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, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF for the year ending June 30, 2014. The Fund has recognised WWF charge upto March 31, 2014 amounting to Rs 52.533 million which includes Rs 6.529 million pertaining to the current period and Rs. 46.004 million pertained to prior years. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs 0.509 (1.02%)

8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, directors and officers of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Capital Protected Fund - II, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund - III and Meezan Tahaffuz Pension Fund, being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Staff Gratuity Fund.

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 Regulations, 2008 and the Trust Deed respectively.

Details of transactions with connected persons and balances with them for the period ended March 31, 2014 and as of that date along with comparatives are as follows:

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	(Rupees in '000)	
Al Meezan Investment Management Limited		
- Management Company		
Remuneration payable	<u>4,302</u>	<u>5,426</u>
Sindh Sales Tax and Federal Excise Duty payable on management fee	<u>7,050</u>	<u>1,379</u>
Meezan Bank Limited		
Balances with bank	<u>2,989,936</u>	<u>44,908</u>
Profit receivable on saving accounts	<u>32,021</u>	<u>1,111</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	<u>386</u>	<u>469</u>
Deposit	<u>100</u>	<u>100</u>

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	(Rupees in '000)	
Al Meezan Investment Management Limited - Staff Gratuity Fund		
Investments as at March 31, 2014: 43,252 units (June 30, 2013: 41,018 units)	<u>2,166</u>	<u>2,053</u>
Directors and officers of the Management Company		
Investments as at March 31, 2014: 20,974 units (June 30, 2013: 463,275 units)	<u>1,050</u>	<u>23,192</u>
	Nine months period ended March 31,	
	2014	2013
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the period	<u>45,746</u>	<u>51,080</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>15,512</u>	<u>8,173</u>
Meezan Bank Limited		
Profit on saving accounts	<u>70,258</u>	<u>1,131</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	<u>3,993</u>	<u>4,777</u>
CDS Charges	<u>5</u>	<u>4</u>
Al Meezan Investment Management Limited - Staff Gratuity Fund		
Bonus units issued: 2,234 units (2013: 2,537 units)	<u>112</u>	<u>352</u>
Directors and officers of the Management Company		
Units issued 124,757 units (2013 : 63,129 units)	<u>6,250</u>	<u>3,170</u>
Units redeemed 576,944 units (2013: 268,013 units)	<u>28,957</u>	<u>13,435</u>
Bonus units issued 9,886 units (2013: 21,757 units)	<u>496</u>	<u>1,088</u>

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 29, 2014 by the Board of Directors of the Management Company.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



Quarterly Report March 31, 2014

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	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
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. 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, Beaumont Road, Karachi- 75530.

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited
Bank Alfalah 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, 2014

	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
Assets			
(Rupees in '000)			
Balances with banks		119,294	14,686
Investments	5	401,431	486,718
Receivable against sale of investments		-	32
Dividend receivable		448	72
Preliminary expenses and floatation cost		272	814
Prepaid, deposits and other receivables		9,582	6,169
Total assets		531,027	508,491
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		1,587	779
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		58	54
Payable to Securities and Exchange Commission of Pakistan (SECP)		286	356
Payable against redemption of units		3	-
Payable against purchase of investments		6	-
Accrued expenses and other liabilities		2,330	1,406
Total liabilities		4,270	2,595
Net assets		526,757	505,896
Unitholders' fund (as per statement attached)		526,757	505,896
----- Number of units -----			
Number of units in issue		9,201,815	8,693,675
----- Rupees -----			
Net assets value per unit		57.24	58.19

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Income				
Net realised gain on sale of investments	5,242	15,011	5,010	10,218
Dividend income	3,590	4,912	927	1,343
Profit on saving accounts with banks	1,650	2,106	1,062	1,009
Profit on Government of Pakistan (GoP) Ijara Sukuk	27,436	26,627	8,800	7,620
Back end load	829	177	50	111
	<u>38,747</u>	<u>48,833</u>	<u>15,849</u>	<u>20,301</u>
Unrealised gain / (loss) on re-measurement of investments - 'at fair value through profit or loss' (net)	16,399	7,622	4,695	(3,417)
	<u>55,146</u>	<u>56,455</u>	<u>20,544</u>	<u>16,884</u>
Total income				
Expenses				
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company	5,691	5,229	1,907	1,768
Sindh Sales Tax and Federal Excise Duty on management fee	1,934	837	659	283
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	496	525	166	172
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	286	263	96	89
Auditors' remuneration	282	289	71	76
Charity expense	59	90	12	29
Amortisation of preliminary expenses and floatation costs	542	542	178	178
Amortisation of premium - GoP Ijara Sukuks	217	649	-	221
Fees and subscription	17	18	6	4
Legal and professional charges	131	131	43	43
Brokerage	148	223	61	96
Bank and settlement charges	40	53	16	22
Provision for Workers' Welfare Fund (WWF)	893	267	343	267
Printing charges	101	113	26	37
	<u>10,837</u>	<u>9,229</u>	<u>3,584</u>	<u>3,285</u>
Total expenses				
Net income from operating activities	44,309	47,226	16,960	13,599
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	(539)	(294)	(122)	(230)
	<u>43,770</u>	<u>46,932</u>	<u>16,838</u>	<u>13,369</u>
Net income for the period before taxation				
Taxation	-	-	-	-
Net income for the period after taxation	43,770	46,932	16,838	13,369
Other comprehensive income for the period				
Items that can be reclassified to income statements in subsequent periods				
Net unrealised appreciation on re-measurement of investments classified as 'available for sale'	1,813	-	267	-
	<u>1,813</u>	<u>-</u>	<u>267</u>	<u>-</u>
Total comprehensive income for the period	45,583	46,932	17,105	13,369

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2014 (unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Undistributed income brought forward				
- Realised	55,604	50,294	34,695	26,486
- Unrealised	15,156	2,477	11,704	11,039
	<u>70,760</u>	<u>52,771</u>	<u>46,399</u>	<u>37,525</u>
Final distribution on July 8, 2013 for the year ended June, 30 2013				
- bonus units @ 11.8% (Rs. 5.90 per unit) (June 30, 2012 @ Rs 6.25 per unit)	(51,293)	(48,809)	-	-
Net income for the period	43,770	46,932	16,838	13,369
Undistributed income carried forward	<u>63,237</u>	<u>50,894</u>	<u>63,237</u>	<u>50,894</u>
Undistributed income carried forward				
- Realised	46,838	43,272	46,838	43,272
- Unrealised	16,399	7,622	16,399	7,622
	<u>63,237</u>	<u>50,894</u>	<u>63,237</u>	<u>50,894</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS

For the nine months and quarter ended March 31, 2014 (unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Net assets at the beginning of the period	505,896	443,245	511,354	475,299
Redemption of 472,787 (2013: 80,876 units) and 32,598 units (2013: 50,964 units) for nine months and quarter respectively	(25,261)	(4,377)	(1,824)	(2,804)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	539	294	122	230
Issue of 980,927 bonus units for the year ended June 30, 2013 (June 30, 2012: 966,327 bonus units)	51,293	48,809	-	-
Net realised gain on sale of investments	5,242	15,011	5,010	10,218
Unrealised appreciation / (diminution) in the value of investments (net)	18,212	7,622	4,962	(3,417)
Total other comprehensive income for the period less distribution	22,129	24,299	7,133	6,568
Final distribution on July 8, 2013 for the year ended June 30, 2013 - Issue of 980,927 bonus units for the year ended June 30, 2013 (June 30, 2012: 966,327 bonus units)	(51,293)	(48,809)	-	-
Net income for the period less distribution	(5,710)	(1,877)	17,105	13,369
Net assets at the end of the period	<u>526,757</u>	<u>486,094</u>	<u>526,757</u>	<u>486,094</u>
	(Rupees)			
Net asset value per unit at the beginning of the period	<u>58.19</u>	<u>56.76</u>	<u>55.37</u>	<u>54.35</u>
Net asset value per unit at the end of the period	<u>57.24</u>	<u>55.91</u>	<u>57.24</u>	<u>55.91</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	43,770	46,932	16,838	13,369
Adjustments for:				
Unrealised (gain) / loss on re-measurement of investments - at fair value through profit or loss' (net)	(16,399)	(7,622)	(4,695)	3,417
Amortisation of preliminary expenses and floatation costs	542	542	178	178
Amortisation of premium - GoP Ijara Sukuk	217	649	-	221
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	539	294	122	230
	<u>28,669</u>	<u>40,795</u>	<u>12,443</u>	<u>17,415</u>
Decrease / (Increase) in assets				
Investments (net)	103,282	(34,297)	76,139	(24,033)
Receivable against sale of investments	32	-	-	1,329
Dividend receivable	(376)	(823)	(366)	(880)
Deposits and other receivables	(3,413)	(6,277)	(4,292)	(7,561)
	<u>99,525</u>	<u>(41,397)</u>	<u>71,481</u>	<u>(31,145)</u>
Increase / (decrease) in liabilities				
Payable to Al Meezan Investment Management Limited - Management Company	808	56	377	19
Payable to Central Depository Company of Pakistan Limited - Trustee	4	1	2	-
Payable to Securities and Exchange Commission of Pakistan	(70)	(40)	96	89
Payable against purchase of investments	6	(1,926)	(710)	4
Accrued expenses and other liabilities	924	(246)	409	295
	<u>1,672</u>	<u>(2,155)</u>	<u>174</u>	<u>407</u>
Net cash generated from / (used in) operating activities	<u>129,866</u>	<u>(2,757)</u>	<u>84,098</u>	<u>(13,323)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment against redemption of units	(25,258)	(4,377)	(1,821)	(2,804)
Net increase / (decrease) in cash and cash equivalents during the period	104,608	(7,134)	82,277	(16,127)
Cash and cash equivalents at beginning of the period	14,686	21,328	37,017	30,321
Cash and cash equivalents at end of the period	<u>119,294</u>	<u>14,194</u>	<u>119,294</u>	<u>14,194</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2014 (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 as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed on May 12, 2011 and was approved by the Securities and Exchange Commission of Pakistan 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 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 Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund is a capital protected fund with an objective to pay unitholders, subject to 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 guidelines. 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. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The Management Company has been given a management quality rating of AM2 and the stability rating of the Fund is AA(cpf) given by JCR - VIS Credit Rating Company Limited.
- 1.5 Title to the assets of the Fund are held in the name of Central Depository Company Limited of Pakistan as a Trustee.
- 1.6 As per the offering document dated June 24, 2011, the Fund will cease to exist on August 15, 2014, the date on which the period specified for the Fund is expiring. Since the Fund was established for a specified period and the said period is expiring within the twelve months period from the balance sheet date, accordingly this condensed interim financial report has not been prepared on going concern basis. The management has assessed that, except for preliminary expenses and floatation costs, which will be amortised, this has not resulted in any impact on the carrying amount of the assets and the liabilities of the Fund as these are already stated at the amounts expected to be realised or settled. Furthermore, assets having maturity subsequent to fund expiry date, will be settle on or before August 15, 2014.

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 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, 2013.

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, 2013.

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, 2013.

	Note	(Unaudited) March 31, 2014	Audited June 30, 2013
5 INVESTMENTS		(Rupees in '000)	
Investments - 'available for sale'	5.1	257,241	355,855
Investments 'at fair value through profit or loss'	5.2	144,190	130,863
		401,431	486,718

5.1 Investments Categorised as 'available for sale'

Name of the Security	Maturity date	Profit rate	As at July 1, 2013	Purchases during the period	Sales / redemptions during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised Gain / (loss)	Percentage in relation to	
										Total market value of investment	Net assets of the Fund on the basis of market value
							-----Number of sukuk certificates-----		-----Rupees in '000-----		
GoP Ijarah Sukuks Certificates - VIII (note 5.2.2.1)	May 16, 2014	Weighted average 6 months T-Bills	3,030	-	1,000	2,030	203,428	204,035	607	51	39
GoP Ijarah Sukuk Certificates - IX (note 5.2.2.1)	December 26, 2014	Weighted average 6 months T-Bills	220	-	-	220	22,000	22,381	381	6	4
GoP Ijarah Sukuk Certificates - XII	June 28, 2015	Weighted average 6 months T-Bills	300	-	-	300	30,000	30,825	825	8	6
Total							255,428	257,241	1,813		
Total cost of investments							255,428				

5.1.1 The above securities fulfill the capital protection requirements as outlined in the trust deed and offering document.

(Unaudited)
March 31,
2014
(Rupees in '000)

Audited
June 30,
2013

5.2 Investments 'at fair value through Profit or loss.

Shares of Listed Companies	5.2.1	103,054	90,863
GoP Ijara Sukuks	5.2.2	41,136	40,000
		144,190	130,863

5.2.1 Held for Trading - shares of listed companies

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus / rights issue	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss) as at March 31, 2014	Percentage in relation to		
									Net assets of the Fund on basis of market value	Paid-up capital of investee company (with face value of investment)	Total market value of investments
					-----Number of shares-----			-----Rupees in '000-----			
Construction and Materials											
DG Khan Cement Company Limited	401	62,000	-	3,500	58,901	5,083	5,420	337	1.03	0.01	1.35
Fauji Cement Company Limited	-	266,000	-	70,000	196,000	2,944	3,350	406	0.64	0.01	0.83
Lucky Cement Limited	42,048	15,000	-	-	57,048	13,333	18,081	4,748	3.43	0.02	4.50
Electricity											
The Hub Power Company Limited	29,870	48,000	-	3,000	74,870	4,665	3,981	(684)	0.76	0.01	0.99
Pakgen Power Limited	-	40,000	-	40,000	-	-	-	-	-	-	0.00
Oil and Gas											
Attock Petroleum Limited	5,400	-	1,080	-	6,480	3,030	3,505	475	0.67	0.01	0.87
Oil and Gas Development Company Limited	41,100	44,000	-	30,000	55,100	14,121	13,286	(835)	2.52	0.00	3.31
Pak Oilfields Limited	20,000	20,000	-	20,000	20,000	10,207	10,884	677	2.07	0.01	2.71
Pakistan Petroleum Limited	38,550	-	6,110	8,000	36,660	6,464	8,203	1,739	1.56	0.00	2.04
Pakistan State Oil Company Limited	73,137	28,300	-	64,000	37,437	12,525	15,975	3,450	3.03	0.02	3.98
Chemicals											
Fauji Fertilizer Bin Qasim Limited	135,480	-	-	85,000	50,480	1,895	2,173	278	0.41	0.01	0.54
Fauji Fertilizer Company Limited	45,600	-	-	-	45,600	4,899	5,054	155	0.96	0.00	1.26
ICI Pakistan Limited	2,641	35,000	-	12,000	25,641	5,573	9,317	3,744	1.77	0.03	2.32
Fixed Line Telecommunications											
Pakistan Telecommunication Company Limited "A"	144,190	25,000	-	89,000	80,190	1,881	2,451	570	0.47	0.00	0.61
Personal Goods (Textile)											
Nishat Mills Limited	32,000	-	-	23,000	9,000	848	1,049	201	0.20	0.00	0.26
Food Producers											
Engro Foods Limited	60,763	50,000	-	108,000	2,763	323	325	2	0.06	0.00	0.08
General industrials											
Tri-Pack Films Limited	5,000	-	-	5,000	-	-	-	-	-	-	0.00
Total						87,791	103,054	15,263			
Total cost of investments							80,061				

5.2.2 Sukuk Certificates

Name of the Security	Maturity date	Profit rate	As at July 1, 2013	Purchases during the period	Sales / redemptions during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised Gain / (loss)	Percentage in relation to	
										Total market value of investment	Net assets of the Fund on the basis of market value
					-----Number of sukuk certificates-----			-----Rupees in '000-----			
GOP Ijara Sukuk Certificates XIV (note 5.2.2.1)	March 28, 2016	Weighted average 6 months T-Bills	-	400	-	400	40,000	41,136	1,136	10	8
Total							40,000	41,136	1,136		
Total cost of investments								40,000			

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

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

5.3 In the month of September 2013, GoP Ijarah Sukuks have been revalued at their market values disclosed in PKISRV. Previously they were stated at amortised cost. The change was made in accordance with Circular No. SCD/AMCW/716/2013 dated 19 September 2013 issued by the Securities and Exchange Commission of Pakistan.

6 WORKERS' WELFARE FUND (WWF)

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, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication

The Management Company believes that the aforementioned constitutional petition pending in the Court has strong grounds for decision in favour of the mutual funds. However, the management as a matter of abundant caution has recognised WWF charge effective from January 1, 2013 amounting to Rs. 1.558 million which includes Rs. 0.893 million pertaining to current period and Rs. 0.665 million pertaining to prior year. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.169 (0.30%)

The Board of Directors of the management company in its meeting held on October 25, 2013 have resolved that unrecorded accumulated WWF provision in the fund from the date of its application till December 31, 2012, in case is required to be paid, shall be borne by Al Meezan Investment Management Limited (Management Company of the Fund). Therefore, the Fund is not exposed to this unrecorded accumulated WWF provision. The unrecorded accumulated provision for WWF upto December 31, 2012 is Rs. 1.69 million.

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, 2014			March 31, 2013		
	Investment Segment	Capital Protected Segment	Total	Investment Segment	Capital Protected Segment	Total
	----- (Rupees in '000) -----					
Total Segment Income	30,459	22,208	52,667	30,307	23,775	54,082
Total Segment Income / Expense	2,115	5,974	8,089	1,829	5,162	6,991
Total net segment income	28,344	16,234	44,578	28,478	18,613	47,091
Unallocated expenses - net	-	-	(808)	-	-	(159)
Total income	28,344	16,234	43,770	28,478	18,613	46,932

	As at March 31, 2014			As at June 30, 2013		
	Investment Segment	Capital Protected Segment	Total	Investment Segment	Capital Protected Segment	Total
		----- (Rupees in '000) -----				
Total segment assets	125,113	388,888	514,001	120,891	370,499	491,390
Unallocated Assets	-	-	17,026	17,101	-	-
Total Assets	125,113	388,888	531,027	120,891	370,499	508,491
Total segment liabilities	458	1,198	1,656	401	588	989
Unallocated Liabilities	-	-	2,614	-	-	1,606
Total Liabilities	458	1,198	4,270	401	588	2,595

There were no transactions between reportable segments.

8 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company and Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund – III and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Employees Gratuity Fund.

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, 2014	(Audited) June 30, 2013
(Rupees in '000)		
Al Meezan - Management Company of the Fund		
Remuneration payable	664	620
SST and FED payable on management fee	923	159
Investment of 2,501,064 units (June 30, 2013: 2,247,476 units)	143,173	130,781
MBL		
Balances with bank	106,306	1,813
Profit receivable	487	75
Investment of 2,501,064 units (June 30, 2013: 2,247,476 units)	143,173	130,781
CDC - trustee of the Fund		
Trustee fee payable	58	54
Deposit with CDC	100	100
Directors and officers (executives) of the management company		
Investment of 1,251 units (June 30, 2013: 1,124 units)	72	65

	Nine months period ended March 31, 2014	
	2014	2013
(Rupees in '000)		
Al Meezan - Management Company of the Fund		
Remuneration for the period	5,691	5,229
SST and FED on management fee	1,934	837
Bonus units issued: 253,588 units (2013: 247,476 units)	13,260	12,500
MBL		
Profit on savings accounts	501	35
Bonus units issued: 253,588 units (2013: 247,476 units)	13,260	12,500
CDC - trustee of the Fund		
Trustee fee	496	525
CDS charges	10	9
Directors and officers (executives) of the management company		
Bonus units issued: 127 units (2013: 124 units)	7	6

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 29, 2014 by the Board of Directors of the Management Company.

10. GENERAL

10.1 Figures have been rounded off to the nearest thousand rupees.

10.2 Charity expense of current and comparative figures have been reclassified separately from dividend income for better presentation in the income statement.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



Quarterly Report March 31, 2014

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	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
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. 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, Beaumont Road, Karachi- 75530.

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Bank Alfalah Limited
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, 2014

	Note	(Unaudited) March 31, 2014 (Rupees in '000)
Assets		
Balances with banks		13,283
Investments	5	2,985,943
Deposit and other receivables		352
Preliminary expenses and floatation costs		4,596
Total assets		<u>3,004,174</u>
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		16,038
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		399
Payable to Securities and Exchange Commission of Pakistan (SECP)		358
Accrued expenses and other liabilities		797
Total liabilities		<u>17,592</u>
Net assets		<u>2,986,582</u>
Unitholders' fund (as per statement attached)		<u>2,986,582</u>
		(Number of units)
Number of units in issue		<u>59,018,297</u>
		(Rupees)
Net assets value per unit		<u>50.60</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the period ended March 31, 2014 (Unaudited)

	Note	For the period from January 31, 2014 to March 31, 2014 (Rupees in '000)
Income		
Net realised gain on sale of investments		13,018
Profit on saving accounts with banks		2,877
Back end load		21
		<u>15,916</u>
Unrealised gain on re-measurement of investments - 'fair value through profit or loss' (net)		<u>24,901</u>
Total income		40,817
Expenses		
Remuneration to Al Meezan Investment Management Limited - Management Company		290
Sindh Sales Tax and Federal Excise Duty on management fee		100
Remuneration to Central Depository Company - Trustee		399
Annual fee to Securities and Exchange Commission of Pakistan		359
Auditors' remuneration		69
Fees and subscription		19
Amortisation of preliminary expenses and floatation costs		404
Transaction cost		2,775
Bank and settlement charges		5
Provision for Workers' Welfare Fund (WWF)	7	728
		<u>5,148</u>
Total expenses		35,669
Net income from operating activities		5,148
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(2)
Net income for the period before taxation		35,667
Taxation	9	-
Net income for the period after taxation		35,667
Other comprehensive income for the period		-
Total comprehensive income for the period		35,667

The annexed notes 1 to 10 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM DISTRIBUTION STATEMENT

For the period ended March 31, 2014 (Unaudited)

**For the period
from January 31,
2014 to March
31, 2014
(Rupees in '000)**

Net income for the period	<u>35,667</u>
Undistributed income carried forward	<u>35,667</u>
Undistributed income carried forward	
- Realised	<u>10,766</u>
- Unrealised	<u>24,901</u>
	<u>35,667</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS

For the period ended March 31, 2014 (Unaudited)

	For the period from January 31, 2014 to March 31, 2014 (Rupees in '000)
Net assets at beginning of the period	-
Issue of 59,026,899 units	2,951,347
Redemption of 8,602 units	(434)
	2,950,913
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	2
Net realised gain on sale of investments	13,018
Unrealised appreciation in value of investments	24,901
Other comprehensive loss for the period	(2,252)
Net assets at end of the period	<u>2,986,582</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

For the period ended March 31, 2014 (Unaudited)

For the period
from January 31,
2014 to March
31, 2014
(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period 35,667

Adjustments for:

Unrealised gain on re-measurement of investments - 'at fair value
through profit or loss' (net) (24,901)

Element of loss and capital losses included in
issued less those in units redeemed (net) 2

10,768

Increase in assets

Investments - net (2,961,042)

Deposits and other receivables (352)

Preliminary expense and floatation cost (4,596)

(2,965,990)

Increase in liabilities

Payable to Al Meezan Investment Management Limited - Management Company 16,038

Payable to Central Depository Company - Trustee 399

Payable to Securities and Exchange Commission of Pakistan 358

Accrued expenses and other liabilities 797

17,592

Net cash used in operating activities **(2,937,630)**

CASH FLOWS FROM FINANCING ACTIVITIES

Receipt against issuance of units 2,951,347

Payments against redemption of units (434)

Net cash inflow from financing activities **2,950,913**

Net increase in cash and cash equivalents during the period 13,283

Cash and cash equivalents at beginning of the period -

Cash and cash equivalents at end of the period 13,283

The annexed notes 1 to 10 form an integral part of these financial statements.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended March 31, 2014 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Capital Preservation Fund III (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 November 12, 2013 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). The Fund is registered as a Notified Entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The IPO date was January 31, 2014 therefore the Fund started its operations for sub funds and accordingly the financial statements has been prepared. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP.
- 1.2 The Fund is an open ended mutual fund applied for listing on Islamabad Stock Exchange. Units were offered for public subscription up to the end of the public offering period. After initial offering period, the offer of units was discontinued. However the subscription in the units may be re-opened for fresh issuance by the management company with prior approval of the Commission under intimation to the Trustee and by providing notice to investors in order to protect the interests of the Unit Holders of the Fund. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders subject to the applicability of back end load @ 5% if transferred / redeemed before maturity of the Fund. The units of the Fund were initially offered to the public (IPO) on January 31, 2014. The Fund commenced its operations from February 1, 2014 and the duration of the Fund is twenty four months after which it shall stand automatically dissolved after thirty (30) Business Days of the Life of the Fund. The Fund is categorized as Fund of Fund Scheme in accordance with Circular No.7 issued by Securities and Exchange Commission of Pakistan.
- 1.3 The objective of the Fund is to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities and Shariah Compliant Income/Money Market based Collective Investment Schemes, while providing capital preservation of the principal investment at completion of the duration of fund.
- 1.4 The Management Company has been given a Management 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 Central Depository Company Limited of Pakistan as a Trustee.

2. BASIS OF PRESENTATION

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 approved accounting standards as applicable in Pakistan.

3. BASIS OF PREPARATION

3.1 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.

3.2 Basis of measurement

These financial statements have been prepared on the basis of historical cost convention except that investments classified as 'at fair value through profit or loss' and 'available for sale' are measured at fair value.

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund and rounded to the nearest thousand rupees.

3.4 Critical accounting estimates and judgements

The preparation of condensed interim financial information in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expense.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Investment

All investments are initially recognised at cost, being the fair value of the consideration given including the transaction cost associated with the investment, except in case of "financial assets at fair value through profit or loss", in which case the transaction costs are charged off to the income statement.

The Fund classifies investments in the following categories:

4.1.1 Financial asset at fair value through profit or loss - upon initial recognition

Financial asset at fair value through profit or loss are initially recognised at cost and measured at fair value with transaction cost being charged to the income statement immediately.

After initial recognition, these investments are remeasured at the fair values. Gains or losses on re-measurement of these investments are recognised in the income statement.

4.1.2 Held to maturity

These are securities acquired by the Fund with the intention and ability to hold them upto maturity.

4.1.3 Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Fund as fair value through profit or loss or available for sale.

4.1.4 Available for sale

Investments which do not fall under the above categories are classified as available-for-sale. After initial recognition, investments classified as 'available-for-sale' are remeasured at fair value, determined with reference to the year-end quoted rates. Gains or losses on remeasurement of these investments are recognised directly in the unit holders' funds until the investment is sold, collected or otherwise disposed-off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in unit holders' funds is included in income statement.

4.2 Preliminary expenses and floatation costs

Preliminary expenses represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of two years commencing from February 01, 2014.

4.3 Issue and redemption of units

Units issued are recorded at the offer price, prevalent on the day on which the applications for purchase of units are received (however units are issued upon realisation of cheque). The offer price represents the net asset value per unit as of the close of the business day plus the allowable front-end sales load. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the Fund receives redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load. Redemption of units is recorded on acceptance of application for redemption.

4.4 Element of income / (loss) and capital gain/ (loss) included in prices of units sold less those in units redeemed (Element)

An equalisation account called the "element of income / (loss) included in prices of units sold less those in units redeemed" is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. Element is recognised in the income statement to the extent that it is represented by income earned during the year.

4.5 Net assets value per unit

The net assets value per unit disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

4.6 Taxation

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11 of Part IV of the Second Schedule to the Income Tax Ordinance 2001

4.7 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Dividend income is recognised when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'at fair value through profit or loss' are included in income statement in the period in which they arise.
- Gains / (losses) arising on the revaluation of the derivative financial instruments to their fair values are taken to the Income Statement currently.
- Element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed is included in income statement on the date of issue and redemption of units.

4.8 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only set off and net amount reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances including term deposits with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investment for other purposes.

4.10 Expenses

All expenses including Management fee, Trustee fee and Securities and Exchange Commission of Pakistan fee are recognised in the Income Statement on accrual basis.

4.11 Impairment

Impairment loss on financial assets other than 'available for sale' investments is recognized in the income statement whenever carrying amount of financial asset exceeds its recoverable amount. If in the subsequent period, the amount of an impairment loss recognized decreases the impairment is reversed through income statement.

In case of investment classified as 'available-for-sale', a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for 'available-for-sale' financial assets, the cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in income statement is removed from equity and recognized in the income statement.

4.12 Provisions

A provision is recognised when the Fund has a legal or constructive obligation as result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

4.13 Dividend distribution

Dividend distribution including bonus units are recognised in the period in which they are approved.

4.14 Other assets

Other assets are stated at cost less impairment losses, if any.

	Note	(Unaudited) March 31, 2014 (Rupees in '000)
5 INVESTMENTS		
Investments 'at fair value through profit or loss'	5.1	<u><u>2,985,943</u></u>

5.1 Held for trading - Units of mutual funds

Name of the investee funds	Opening Balance	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2014	Carrying cost value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain as at March 31, 2014	Net assets of the fund on the basis of market value	Total market value of total investments
	----- (Number of Units) -----					-----Rupees in '000-----			%	
Meezan Islamic Fund	-	20,600,726	-	-	20,600,726	1,107,289	1,113,469	6,180	37.28	37.29
Meezan Islamic Income Fund	-	29,064,135	864,147	-	29,928,282	1,500,000	1,512,875	12,875	50.66	50.67
Meezan Sovereign Fund	-	43,920,901	123,950	36,953,557	7,091,294	353,754	359,599	5,845	12.04	12.04
						2,961,043	2,985,943	24,901	100	100
Total cost of investments							<u>2,961,043</u>			

(Unaudited)
March 31,
2014
(Rupees in '000)

6. PRELIMINARY EXPENSES AND FLOATATION COSTS

Opening balance	5,000
Less: Amortisation during the period	404
Closing balance	<u>4,596</u>

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 (CISs) / mutual funds 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, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

In 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF. In December 2010, the Ministry filed its responses against the constitutional petition requesting the court to dismiss the same, where after show cause notices were issued by the Federal Board of Revenue (FBR) to several mutual funds for the collection of WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable Sindh High Court (SHC) on the basis of pending constitutional petitions as referred above. No such notice was received by the Fund.

During the year 2012, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 declared the said amendments as unlawful and unconstitutional. In March 2013 a large bench of Sindh High Court (SHC) in various Constitutional Petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the court.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF for the year ending June 30, 2014. The Fund has recognised WWF charge upto March 31, 2014 amounting to Rs 0.73 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs 0.012 (0.02%)."

8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company and Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islamic Income fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Capital Protected Fund - II, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Staff Gratuity Fund.

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 at period end are as follows:

	(Unaudited) March 31, 2014 (Rupees in '000)
Al Meezan Investment Management Limited - Management Company	
Remuneration payable	<u>14</u>
Sindh Sales Tax and Federal Excise Duty payable on management fee	<u>56</u>
Sindh Sales Tax and Federal Excise Duty payable on sales load	<u>10,968</u>
Formation cost payable	<u>5,000</u>
Investments as at March 31, 2014: 2,079,947 units	<u>105,245</u>
Meezan Bank Limited	
Balances with bank	<u>13,273</u>
Profit receivable on savings account	<u>136</u>
Central Depository Company of Pakistan Limited- Trustee	
Trustee fee payable	<u>399</u>

	(Unaudited) March 31, 2014 (Rupees in '000)
Meezan Islamic Fund	
Investments as at March 31, 2014: 20,600,726 units	<u>1,113,469</u>
Transaction cost paid	<u>2,775</u>
Meezan Islamic Income Fund	
Investments as at March 31, 2014: 29,928,282 units	<u>1,512,875</u>
Meezan Sovereign Fund	
Investments as at March 31, 2014: 7,091,294 units	<u>359,599</u>
Directors and officers of the Management Company	
Investments as at March 31, 2014: 16,766 units	<u>848</u>
	(Unaudited) For the period from January 31, 2014 to March 31, 2014 (Rupees in '000)
Al Meezan Investment Management Limited - Management Company	
Remuneration for the period	<u>290</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>100</u>
Units issued 2,079,947	<u>103,997</u>
Meezan Bank Limited	
Profit on saving accounts	<u>2,877</u>
Central Depository Company of Pakistan Limited- Trustee	
Remuneration for the period	<u>399</u>
Meezan Islamic Fund	
Purchase of 20,600,726 units	<u>1,107,289</u>
Meezan Islamic Income Fund	
Purchase of 29,064,135 units	<u>1,500,000</u>
Bonus of 864,147 units	<u>43,596</u>

(Unaudited)
For the period
from January
31, 2014 to
March 31, 2014
(Rupees in '000)

Meezan Sovereign Fund

Purchase of 43,920,901 units

2,230,000

Sales of 36,953,557 units

1,889,264

Bonus of 123,950 units

6,271

Directors and executive of the Management Company

Units issued 16,766

838

9. INCOME TAX

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / (loss) to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2014 as reduced by capital gains (whether realised or unrealised) to its unit holders.

10. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 29, 2014 by the Board of Directors of the Management company.

**For AI Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director





Quarterly Report March 31, 2014

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	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
Mr. Mohammad Shoab, 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. Tasnimul Haq Farooqui	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoab, 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, Beaumont Road, Karachi- 75530.

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

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, 2014 (Unaudited)

	(Unaudited)				Audited
	March 31, 2014				June 30, 2013
	Aggressive	Moderate	Conservative	Total	
Note	----- (Rupees in '000) -----				
Assets					
Balances with banks	1,568	3,051	1,079	5,698	54710
Investments	5 304,685	195,131	330,316	830,132	654851
Prepayment and other receivables	42	42	25	109	241
Preliminary expenses and floatation costs	-	-	807	807	-
Total assets	306,295	198,224	332,227	836,746	709802
Liabilities					
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	434	240	198	872	3,305
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	30	17	37	84	60
Payable to Meezan Bank Limited (MBL)	-	-	-	-	94
Payable to Securities and Exchange Commission of Pakistan (SECP)	201	121	232	554	98
Payable on redemption and conversion of units	96	819	28	943	6,075
Accrued expenses and other liabilities	1,359	707	868	2,934	1,305
Total liabilities	2,120	1,904	1,363	5,387	10,937
Net assets	304,175	196,320	330,864	831,359	698,865
Unitholders' fund (as per statement attached)	304,175	196,320	330,864	831,359	698,865
----- Number of units -----					
Number of units in issue	4,973,592	3,376,802	5,897,707		
----- Rupees -----					
Net assets value per unit	61.16	58.14	56.10		

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

Note	Nine months period ended March 31, 2014				Quarter ended March 31, 2014			
	Aggressive	Moderate	Conservative	Total	Aggressive	Moderate	Conservative	Total
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Income								
Net realised gain on sale of investments	7,617	4,846	6,890	19,353	3,300	1,997	2,617	7,914
Profit on saving accounts with banks	296	381	384	1,061	48	63	27	138
	7,913	5,227	7,274	20,414	3,348	2,060	2,644	8,052
Unrealised gain on re-measurement of investments at fair value through profit or loss' (net)	5.1 34,680	15,427	23,724	73,831	10,215	4,992	7,832	23,039
Total income	42,593	20,654	30,998	94,245	13,563	7,052	10,476	31,091
Expenses								
Remuneration to Al Meezan Investment Management Limited - Management Company	33	42	52	127	7	13	3	23
Sindh Sales Tax and Federal Excise Duty on Management Fee	11	14	18	43	2	4	1	7
Remuneration to Central Depository Company of Pakistan Limited - Trustee	213	127	244	584	73	44	79	196
Annual fee to Securities and Exchange Commission of Pakistan	201	121	232	554	69	42	75	186
Auditors' remuneration	100	58	116	274	20	12	22	54
Fees and subscription	18	10	18	46	7	3	10	20
Formation cost	-	-	149	149	-	-	49	49
Bank and settlement charges	195	167	135	497	58	70	20	148
Printing charges	7	4	8	19	2	1	3	6
Provision for Workers' Welfare Fund	849	450	580	1,879	277	199	197	673
Total expenses	1,627	993	1,552	4,172	515	388	459	1,362
Net income from operating activities	40,966	19,661	29,446	90,073	13,048	6,664	10,017	29,729
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)	638	2,381	(1,020)	1,999	529	3,065	(344)	3,250
Net income for the period before taxation	41,604	22,042	28,426	92,072	13,577	9,729	9,673	32,979
Taxation	-	-	-	-	-	-	-	-
Net income for the period after taxation	41,604	22,042	28,426	92,072	13,577	9,729	9,673	32,979
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	41,604	22,042	28,426	92,072	13,577	9,729	9,673	32,979

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

For Al Meezan Investment Management Limited (Management Company)

Chief Executive

Director



CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine months period ended March 31, 2014				Quarter ended March 31, 2014			
	Aggressive	Moderate	Conservative	Total	Aggressive	Moderate	Conservative	Total
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Undistributed income brought forward								
- Realised	8,729	5,370	3,571	17,670	16,637	6,671	9,908	33,216
- Unrealised	12,302	4,331	6,777	23,410	24,465	10,435	15,892	50,792
	<u>21,031</u>	<u>9,701</u>	<u>10,348</u>	<u>41,080</u>	<u>41,102</u>	<u>17,106</u>	<u>25,800</u>	<u>84,008</u>
Final distribution for the year ended June 30, 2013								
- bonus units (Aggressive @ 3.4% (Rs. 1.7 per unit); Moderate @ 3.3% (Rs. 1.65 per unit); Conservative @ 1.2% (Rs. 0.6 per unit))	(7,956)	(4,908)	(3,301)	(16,165)	-	-	-	-
Net income for the period	41,604	22,042	28,426	92,072	13,577	9,729	9,673	32,979
Undistributed income carried forward	<u>54,679</u>	<u>26,835</u>	<u>35,473</u>	<u>116,987</u>	<u>54,679</u>	<u>26,835</u>	<u>35,473</u>	<u>116,987</u>
Undistributed income carried forward								
- Realised	19,999	11,408	11,749	43,156	19,999	11,408	11,749	43,156
- Unrealised	34,680	15,427	23,724	73,831	34,680	15,427	23,724	73,831
	<u>54,679</u>	<u>26,835</u>	<u>35,473</u>	<u>116,987</u>	<u>54,679</u>	<u>26,835</u>	<u>35,473</u>	<u>116,987</u>

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine months period ended March 31, 2014				Quarter ended March 31, 2014			
	Aggressive	Moderate	Conservative	Total	Aggressive	Moderate	Conservative	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Net assets at beginning of the period	255,034	158,438	285,393	698,865	286,847	158,857	326,057	771,761
Issue of units: (Aggressive: 2,556,098, Moderate: 2,999,347; Conservative: 4,088,986)	144,831	164,449	216,861	526,141	44,814	61,971	36,592	143,377
Redemption of units: (Aggressive: 2,413,273, Moderate: 2,692,392; Conservative: 3,756,549)	(136,656)	(146,228)	(200,837)	(483,721)	(40,534)	(31,172)	(41,802)	(113,508)
	8,175	18,221	16,025	42,421	4,280	30,799	(5,211)	29,869
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(638)	(2,381)	1,020	(1,999)	(529)	(3,065)	344	(3,250)
Issue of bonus units (Aggressive: 150,712 units; Moderate: 95,104 units; Conservative: 64,363 units)	7,956	4,908	3,301	16,165	-	-	-	-
Net realised gain on sale of investments	7,617	4,846	6,890	19,353	3,300	1,997	2,617	7,914
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' (net)	-	-	-	-	-	-	-	-
Total other comprehensive (loss) / income for the period	34,680	15,427	23,724	73,831	10,215	4,992	7,832	23,039
Final distribution for the year ended June 30, 2013	(693)	1,769	(2,188)	(1,112)	62	2,740	(776)	2,026
Issue of bonus units (Aggressive: 150,712 units; Moderate: 95,104 units; Conservative: 64,363 units)	(7,956)	(4,908)	(3,301)	(16,165)	-	-	-	-
Net Income for the period less distribution	33,648	17,134	25,125	75,907	13,577	9,729	9,673	32,979
Net assets at end of the period	304,175	196,320	330,864	831,359	304,175	196,320	330,864	831,359
	----- (Rupees) -----							
Net assets value per unit at beginning of the period	54.49	53.26	51.88		58.51	55.95	54.41	
Net assets value per unit at end of the period	61.16	58.14	56.10		61.16	58.14	56.10	

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine months period ended March 31, 2014				Quarter ended March 31, 2014			
	Aggressive	Moderate	Conservative	Total	Aggressive	Moderate	Conservative	Total
	------(Rupees in '000)-----				------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the period	41,604	22,042	28,426	92,072	13,577	9,729	9,673	32,979
Adjustments for:								
Unrealised gain on re-measurement of investments at fair value through profit or loss (net)	(34,680)	(15,427)	(23,724)	(73,831)	(10,215)	(4,992)	(7,832)	(23,039)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(638)	(2,381)	1,020	(1,999)	(529)	(3,065)	344	(3,250)
	6,286	4,234	5,722	16,242	2,833	1,672	2,185	6,690
(Increase) / decrease in assets								
Investments (net)	(23,694)	(29,744)	(48,012)	(101,450)	(6,555)	(34,580)	6,116	(35,019)
Preliminary expenses and floatation costs	-	-	(807)	(807)	-	-	48	48
Prepayment and other receivables	47	21	64	132	66	56	139	261
	(23,647)	(29,723)	(48,755)	(102,125)	(6,489)	(34,524)	6,303	(34,710)
(Decrease) / Increase in liabilities								
Payable to Al Meezan Investment Management Limited - Management Company	(572)	(1,106)	(755)	(2,433)	178	100	(1,112)	(834)
Payable to the Central Depository Company of Pakistan Limited - Trustee	6	5	13	24	-	2	(2)	-
Payable to Meezan Bank Limited	(21)	(41)	(32)	(94)	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan	163	102	191	456	69	42	75	186
Accrued expenses and other liabilities	716	390	523	1,629	102	85	(32)	155
	292	(650)	(60)	(418)	349	229	(1,071)	(493)
Net cash (used in) / generated from operating activities	(17,069)	(26,139)	(43,093)	(86,301)	(3,307)	(32,623)	7,417	(28,513)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts against issuance of units	144,831	164,449	216,861	526,141	44,814	61,971	36,591	143,376
Payments against redemption of units	(138,722)	(149,312)	(200,819)	(488,853)	(42,126)	(31,217)	(43,829)	(117,172)
Net cash generated from / (used in) financing activities	6,109	15,137	16,042	37,288	2,688	30,754	(7,238)	26,204
Net increase in cash and cash equivalents during the period	(10,960)	(11,002)	(27,050)	(49,012)	(619)	(1,869)	180	(2,308)
Cash and cash equivalents at beginning of the period	12,528	14,053	28,129	54,710	2,187	4,920	899	8,006
Cash and cash equivalents at end of the period	1,568	3,051	1,079	5,698	1,568	3,051	1,079	5,698

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

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months and quarter ended March 31, 2014 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Financial Planning Fund of Funds (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 July 27, 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). The Fund is registered as a Notified Entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The IPO date was April 10, 2013 therefore the Fund started its operations for sub funds and accordingly the financial statements has been prepared. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 The Fund has been formed to enable the unitholders 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 guidelines. 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 Shariah compliant 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 Fund is an open-end Shariah compliant fund of funds scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Aggressive Plan, Moderate Plan and Conservative Plan by investing in Shariah compliant income (Meezan Sovereign Fund) and equity (Meezan Islamic Fund) mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.
- 1.5 Title to the assets of the Fund are held in the name of CDC as a Trustee. The Fund property of different types of allocation plans shall be accounted for and maintained separately in books of accounts, which shall collectively constitute the Fund property of the Scheme.
- 1.6 The Management Company of the Fund has been given a management quality rating of AM2 by JCR-VIS Credit Rating Company Limited.

2. BASIS OF PRESENTATION

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, 2013.

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, 2013.

The Fund's financial and unitholders' fund risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2013.

5. INVESTMENTS

Note	March 31, 2014			Total	Audited June 30, 2013
	Aggressive	Moderate	Conservative		
------(Rupees in '000)-----					
Investments - 'at fair value through profit or loss' - held for trading	5.1	304,685	195,131	330,316	830,132

5.1 Held for Trading - Units of mutual funds

Name of Investee Funds	As at July 01, 2013	Purchases during the period	Bonus	Redemption during the period	As at March 31, 2014	March 31, 2014			Percentage of Total market value of investments
						Carrying value	Market value	Unrealised gain	
						------(Number of units)-----			
Aggressive Allocation Plan									
Meezan Islamic Fund	2,958,967	1,512,496	1,152,762	1,678,259	3,945,966	182,801	213,280	30,479	70.00
Meezan Sovereign Fund	1,206,429	964,396	100,849	469,159	1,802,515	87,204	91,405	4,201	30.00
						270,005	304,685	34,680	100
Total cost of investments						261,725			
Moderate Allocation Plan									
Meezan Islamic Fund	1,200,768	1,252,777	467,797	1,116,245	1,805,097	86,386	97,565	11,179	50.00
Meezan Sovereign Fund	1,468,730	1,334,738	115,145	994,623	1,923,990	93,318	97,566	4,248	50.00
						179,704	195,131	15,427	100
Total cost of investments						177,453			
Conservative Allocation Plan									
Meezan Islamic Fund	1,035,037	1,043,894	403,232	954,334	1,527,829	71,482	82,579	11,097	25.00
Meezan Sovereign Fund	3,798,177	3,065,549	332,439	2,310,792	4,885,373	235,110	247,737	12,627	75.00
						306,592	330,316	23,724	100
Total cost of investments						302,612			
Total investments in units of mutual funds									
Meezan Islamic Fund	5,194,772	3,809,167	2,023,791	3,748,838	7,278,892	340,669	393,424	52,755	47.39
Meezan Sovereign Fund	6,473,336	5,364,682	548,433	3,774,574	8,611,877	415,632	436,708	21,076	52.61
						756,301	830,132	73,831	100
Total cost of investments						741,790			

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, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF for the year ending 30 June 2014. The Fund has recognised WWF charge upto March 31, 2014 amounting to Rs. 1.270 million, Rs.0.644 million and Rs. 0.787 million in Aggressive, Moderate and Conservative Plans respectively which includes Rs. 0.849 million, Rs.0.450 million and Rs. 0.580 million pertaining to the current year and Rs. 0.421 million, Rs. 0.194 million and Rs. 0.207 million pertained to prior years in Aggressive, Moderate and Conservative Plans respectively. Had the WWF not been provided, the NAV per unit of Aggressive, Moderate and Conservative plans would have been higher by Rs. 0.255 (0.42%) per unit, Rs. 0.191 (0.33%) per unit and Rs. 0.133 (0.24%) per unit respectively.

7. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, directors and officers (executives) of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Capital Protected Fund - II, Meezan Balanced Fund, Meezan Capital Preservation Fund - III and Meezan Tahaffuz Pension Fund, being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Employees Gratuity Fund.

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 NBFC Regulations and the Trust Deed respectively.

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

	(Unaudited) As at March 31, 2014			Total	(Audited) June 30, 2013
	Aggressive	Moderate	Conservative		
------(Rupees in '000)-----					
Al Meezan Investment Management Limited					
- Management Company					
Remuneration payable	2	4	3	9	74
Profit payable to Pre-IPO	-	-	-	-	24
Payable to Al Meezan Investment Management Limited in respect of bank deposits	-	-	-	-	90
Sindh Sales Tax and Federal Excise Duty on Management Fee	4	4	5	13	13
Sales load payable	175	89	68	332	2,576
Sindh Sales Tax and Federal Excise Duty on Sales load payable	253	143	122	518	528
Investment of 2,023,401 units (June 30, 2013: 2,000,000 units) - Conservative Allocation Plan	-	-	113,513	113,513	103,760
Meezan Bank Limited					
Balances with bank	1,268	784	1,012	3,064	35,419
Sales load payable	-	-	-	-	94
Profit Receivable on savings accounts with bank	16	11	8	35	93
Central Depository Company of Pakistan Limited - Trustee					
Trustee Fee payable	30	17	37	84	60
Directors and officers of the Management Company					
Investment of 12,443 units (June 30, 2013: 12,255 units) of Aggressive Allocation Plan	761	-	-	761	668
Investment of 11,257 units (June 30, 2013: 11,605 units) of Moderate Allocation Plan	-	654	-	654	618
Investment of 10,117 units (June 30, 2013: 10,200 units) of Conservative Allocation Plan	-	-	568	568	529
Meezan Islamic Fund					
Investment of 3,945,966 units (June 30, 2013: 2,958,967 units) - Aggressive Allocation Plan	213,280	-	-	213,280	184,699
Investment of 1,805,097 units (June 30, 2013: 1,200,768 units) - Moderate Allocation Plan	-	97,565	-	97,565	74,952
Investment of 1,527,829 units (June 30, 2013: 1,035,037 units) - Conservative Allocation Plan	-	-	82,579	82,579	64,607
Meezan Sovereign Fund					
Investment of 1,802,515 units (June 30, 2013: 1,206,429 units) - Aggressive Allocation Plan	91,405	-	-	91,405	61,612
Investment of 1,923,990 units (June 30, 2013: 1,468,730 units) - Moderate Allocation Plan	-	97,566	-	97,566	75,008
Investment of 4,885,373 units (June 30, 2013: 3,798,177 units) - Conservative Allocation Plan	-	-	247,737	247,737	193,973

**(Unaudited)
As at March 31, 2014**

	Aggressive	Moderate	Conservative	Total
	------(Rupees in '000)-----			
Al Meezan Investment Management Limited				
- Management Company				
Remuneration for the period	33	42	52	127
Sindh Sales Tax and Federal Excise Duty on Management Fee	11	14	18	43
Preliminary expenses and floatation costs paid	-	-	1,000	1,000
Issuance of bonus units 23,401 units - Conservative Allocation Plan	-	-	1,200	1,200
Meezan Bank Limited				
Profit on savings accounts with bank	189	264	228	681
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee	213	127	244	584
Directors and officers of the Management Company				
Redemption of 206 units of Aggressive Allocation Plan	12	-	-	12
Issuance of 93 units of Moderate Allocation Plan	-	5	-	5
Redemption of 800 units of Moderate Allocation Plan	-	45	-	45
Redemption of 202 units of Conservative Allocation Plan	-	-	11	-
Issuance of Bonus Units 395 units - Aggressive Allocation Plan	21	-	-	21
Issuance of Bonus Units 359 units - Moderate Allocation Plan	-	19	-	19
Issuance of Bonus Units 119 units - Conservative Allocation Plan	-	-	6	6
Meezan Islamic Fund				
Purchase of 1,512,496 units - Aggressive Allocation Plan	74,450	-	-	74,450
Purchase of 1,252,777 units - Moderate Allocation Plan	-	62,685	-	62,685
Purchase of 1,043,894 units - Conservative Allocation Plan	-	-	50,807	50,807
Bonus of 1,152,762 units - Aggressive Allocation Plan	51,782	-	-	51,782
Bonus of 467,797 units - Moderate Allocation Plan	-	21,013	-	21,013
Bonus of 403,232 units - Conservative Allocation Plan	-	-	18,113	18,113
Sales of 1,678,259 units - Aggressive Allocation Plan	83,344	-	-	83,344
Sales of 1,116,245 units - Moderate Allocation Plan	-	55,001	-	55,001
Sales of 954,334 units - Conservative Allocation Plan	-	-	47,743	47,743
Transaction cost paid - Aggressive Allocation Plan	187	-	-	187
Transaction cost paid - Moderate Allocation Plan	-	157	-	157
Transaction cost paid - Conservative Allocation Plan	-	-	127	127

(Unaudited)
As at March 31, 2014

	Aggressive	Moderate	Conservative	Total
	------(Rupees in '000)-----			
Meezan Sovereign Fund				
Purchase of 964,396 units - Aggressive Allocation Plan	48,754	-	-	48,754
Purchase of 1,334,738 units - Moderate Allocation Plan	-	67,529	-	67,529
Purchase of 3,065,549 units - Conservative Allocation Plan	-	-	155,180	155,180
Bonus of 100,849 units - Aggressive Allocation Plan	5,069	-	-	5,069
Bonus of 115,145 units - Moderate Allocation Plan	-	5,786	-	5,786
Bonus of 332,439 units - Conservative Allocation Plan	-	-	16,701	16,701
Sales of 469,159 units - Aggressive Allocation Plan	23,783	-	-	23,783
Sales of 994,623 units - Moderate Allocation Plan	-	50,314	-	50,314
Sales of 2,310,792 units - Conservative Allocation Plan	-	-	117,122	117,122

8. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 29, 2014 by the Board of Directors of the Management Company.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



Quarterly Report March 31, 2014

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	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
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. 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 Shahrah-e-Faisal, Karachi, Pakistan.

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2, Beaumont 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
National Bank of Pakistan

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

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, 2014

	Note	(Unaudited) March 31, 2014 (Rupees in '000)	(Audited) June 30, 2013
Assets			
Balances with banks		405,756	296,693
Investments	5	1,376,976	1,493,960
Dividend receivable		8,868	974
Deposits, prepayments and other receivables		22,944	13,109
Total assets		1,814,544	1,804,736
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		7,761	3,655
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		233	156
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,068	1,356
Payable on redemption and conversion of units		385	-
Payable against purchase of investments		-	8,921
Accrued expenses and other liabilities		26,410	25,751
Unclaimed dividend		8,084	17,417
Total liabilities		43,941	57,256
Net assets		1,770,603	1,747,480
Unitholders' funds / Certificates holders' equity (as per statement attached)		1,770,603	1,747,480
		(Number of units/ certificates)	
Number of units/ certificates in issue		118,961,113	120,000,000
		(Rupees)	
Net assets value per unit/ certificate		14.88	14.56

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

Note	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Income				
Net realised gain on sale of investments	43,368	63,169	15,109	23,734
Dividend income	46,626	60,775	14,903	21,978
Profit on saving accounts with banks	15,556	7,477	6,468	1,680
Profit on sukuk certificates	38,553	48,728	12,578	14,063
Other income	9,340	-	7,980	-
	<u>153,443</u>	<u>180,149</u>	<u>57,038</u>	<u>61,455</u>
Unrealised gain on re-measurement of investments - 'at fair value through profit or loss' (net)	100,514	75,391	41,281	26,598
(Provision) / Reversal against non-performing debt securities (net) 5.1.2.6	(13,557)	-	253	-
Impairment loss on 'available for sale' investments	-	(4,028)	-	-
	<u>86,957</u>	<u>71,363</u>	<u>41,534</u>	<u>26,598</u>
Total income	<u>240,400</u>	<u>251,512</u>	<u>98,572</u>	<u>88,053</u>
Expenses				
Remuneration to Al Meezan Investment Management Limited - Management Company	25,128	23,445	8,600	7,663
Sindh Sales Tax and Federal Excise Duty on management fee	8,538	3,751	2,971	1,226
Remuneration to Central Depository Company of Pakistan Limited - Trustee	2,007	1,294	677	423
Annual fee to Securities and Exchange Commission of Pakistan	1,068	996	366	325
Auditors' remuneration	476	395	94	90
Charity expense	756	1,013	204	336
Fees and subscription	326	297	59	98
Brokerage	620	689	186	161
Bank and settlement charges	343	387	96	227
Provision for Workers' Welfare Fund (WWF)	3,912	1,566	1,665	1,566
Printing charges	436	540	1	389
Conversion Cost payable	3,840	-	-	-
Total expenses	<u>47,450</u>	<u>34,373</u>	<u>14,919</u>	<u>12,504</u>
Net income from operating activities	<u>192,950</u>	<u>217,140</u>	<u>83,653</u>	<u>75,550</u>
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	(1,255)	-	(2,080)	-
Net income for the period before taxation	<u>191,695</u>	<u>217,140</u>	<u>81,573</u>	<u>75,550</u>
Taxation	-	-	-	-
Net income for the period after taxation	<u>191,695</u>	<u>217,140</u>	<u>81,573</u>	<u>75,550</u>
Other comprehensive income for the period				
Items that can be reclassified to income statements in subsequent periods				
Net unrealised appreciation on re-measurement of investments classified as 'available for sale'	25,722	85,365	(2,739)	22,131
Total comprehensive income for the period	<u>217,417</u>	<u>302,505</u>	<u>78,834</u>	<u>97,681</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM DISTRIBUTION STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Undistributed income brought forward				
- Realised	238,809	267,121	245,947	144,789
- Unrealised	136,041	12,871	59,233	48,793
	374,850	279,992	305,180	193,582
Less: Final distribution @ 15% (Rs. 1.5 per certificate) in the form of cash dividend for the year ended June 30, 2013 (June 30, 2012 @ 19% Rs. 1.90 per certificate)	(180,000)	(228,000)	-	-
Net income for the period	191,695	217,140	81,573	75,550
Element of income and capital gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments (net)	(679)	-	(887)	-
Undistributed income carried forward	385,866	269,132	385,866	269,132
Undistributed income carried forward				
- Realised	285,352	193,741	285,352	193,741
- Unrealised	100,514	75,391	100,514	75,391
	385,866	269,132	385,866	269,132

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
Issue of 120,000,000 units against cancellation of 120,000,000 certificates of Meezan Balanced Fund upon conversion from close end fund to an open end scheme	1,747,480	-	-	-
Net assets at the beginning of the period	-	-	1,726,773	-
Issue of 14,857,154 units for the period ended March 31, 2014	215,081	-	161,800	-
Redemption of 15,896,041 units for the period ended March 31, 2014	(230,630)	-	(198,884)	-
	(15,549)	-	(37,084)	-
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	1,255	-	2,080	-
Net realised gain on sale of investments	43,368	-	15,109	-
Unrealised appreciation in the value of investments (net)	86,957	-	41,534	-
Total other comprehensive income for the period	87,092	-	22,191	-
Final distribution @ 15% (Rs. 1.5 per certificate) in the form of cash dividend for the year ended June 30, 2013	(180,000)	-	-	-
Net income for the period less distribution	37,417	-	78,834	-
Net assets at the end of the period	<u>1,770,603</u>	<u>-</u>	<u>1,770,603</u>	<u>-</u>
	(Rupees)			
Net asset value per unit at the beginning of the period	<u>14.56</u>	<u>-</u>	<u>14.20</u>	<u>-</u>
Net asset value per unit at the end of the period	<u>14.88</u>	<u>-</u>	<u>14.88</u>	<u>-</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (Unaudited)

	Nine Months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	191,695	217,140	81,573	75,550
Adjustments for:				
Unrealised (gain) on re-measurement of investments - 'at fair value through profit or loss' (net)	(100,514)	(75,391)	(41,281)	(26,598)
Provision / (Reversal) against non-performing debt securities (net)	13,557	-	(253)	-
Impairment loss on 'available for sale' investments	-	4,028	-	-
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	1,255	-	2,080	-
	(85,702)	(71,363)	(39,454)	(26,598)
decrease / (Increase) in assets				
Investments (net)	229,663	83,809	161,662	(25,076)
Dividend receivable	(7,894)	(14,709)	(7,823)	(15,270)
Deposits and other receivables	(9,835)	(2,894)	(4,687)	(1,536)
	211,934	66,206	149,152	(41,882)
(decrease) / Increase in liabilities				
Payable to Al Meezan Investment Management Limited - Management Company	4,106	224	1,880	202
Payable to Central Depository Company of Pakistan Limited - Trustee	77	9	3	7
Payable to Securities and Exchange Commission of Pakistan	(288)	(241)	366	325
Payable against purchase of investments	(8,921)	(44)	(1,425)	-
Accrued expenses and other liabilities	659	2,070	1,395	2,029
	(4,367)	2,018	2,219	2,563
Net cash generated from operating activities	313,560	214,001	193,490	9,633
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts against issuance of units	215,081	-	161,800	-
Dividend paid	(189,333)	(226,990)	(53)	(14,428)
Payment against redemption of units	(230,245)	-	(200,022)	-
Net cash used in financing activities	(204,497)	(226,990)	(38,275)	(14,428)
Net increase/ (decrease) in cash and cash equivalents during the period	109,063	(12,989)	155,215	(4,795)
Cash and cash equivalents at beginning of the period	296,693	72,888	250,541	64,694
Cash and cash equivalents at end of the period	405,756	59,899	405,756	59,899

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months and quarter ended March 31, 2014 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Balanced Fund (the Fund) was initially 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 of Pakistan Limited (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 is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2 In order to convert the closed-end scheme to open-end scheme under the requirements of regulation 65 of NBFC Regulations, a meeting of the shareholders of the Fund was held on January 31, 2013 in which a resolution to convert the company into an Open-End Scheme (Meezan Balanced Fund) was passed.
- 1.3 Subsequently, on May 3, 2013, SECP vide its letter No. SCD/AMCW/MBF /512/2013 has approved the conversion of the closed end structure into an open end scheme through the establishment of the Unit Trust Scheme under the name of Meezan Balanced Fund (MBF). On June 27, 2013, SECP vide its letter No SCD/AMCW/MBF/613/2013 registered MBF (the open-end scheme) as a notified entity and has withdrawn the registration of MBF as close end scheme with effect from the effective date i.e. 01 July 2013 and therefore from July 1, 2013, the Fund has been converted into an open end scheme and accordingly the certificate holders of closed end scheme at June 30, 2013, were converted to unitholders of open end scheme from July 1, 2013.
- 1.4 A swap ratio of 1:1 (i.e. for each certificate at par value of Rs. 10, one unit of the open end scheme at initial offer price of Rs. 10 with no front-end load was issued and the certificates of closed end fund were deemed to be cancelled and of no effect) was approved by the certificate holders. Hence, the initial issuance of 120,000,000 units of Meezan Balanced Fund as an open end scheme was made at the net asset value received against each unit (i.e. Rs. 13.06 per unit).
- 1.5 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 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.
- 1.6 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 has been given a management quality rating of AM2 by JCR - VIS Credit Rating Company Limited.
- 1.7 Title to the assets of the Fund are held in the name of CDC as a Trustee and the listing of the units of the open end scheme has been made to the Islamabad Stock Exchange.
- 1.8 This condensed interim financial information has been prepared from effective date i.e. 01 July 2013 as per the requirements of NBFC Regulations applicable to open end schemes and accordingly, the comparatives have been presented in this condensed interim financial information.

2. BASIS OF PRESENTATION

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 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, 2013.

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, 2013.

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, 2013. Accounting policies adopted on account of conversion from closed end fund to open end fund are as follows:

4.1 Unitholders' Fund

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

4.2 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours of the day when the application is received. The offer price represents the net assets value of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the net asset value per unit, as of the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

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

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) held in the unitholder's funds in a separate account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

The element is recognised in the Income Statement to the extent that it is represented by income earned during the year and unrealised appreciation / (diminution) arising during the year on 'available for sale' securities is included in the Distribution Statement.

4.4 Earnings per unit

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

	Note	(Unaudited) March, 31, 2014	(Audited) June 30, 2013
(Rupees in '000)			
5. INVESTMENTS			
Investments 'at fair value through profit or loss'	5.1	842,911	1,095,632
Investments - 'available for sale'	5.2	534,065	398,328
		1,376,976	1,493,960
5.1 Investments 'at fair value through profit or loss'			
Held for trading	5.1.1	755,921	911,413
Investments at fair value through profit or loss upon initial recognition	5.1.2	86,990	184,219
		842,911	1,095,632
5.1.1 Held for trading			
Shares of listed companies	5.1.1.1	525,417	554,413
Sukuk certificates	5.1.1.5	230,504	357,000
		755,921	911,413
5.1.2 Investments at fair value through profit or loss upon initial recognition			
Shares of listed companies	5.1.2.1	31,799	24,169
Sukuk Certificates	5.1.2.2	55,191	160,050
		86,990	184,219

5.1.1.1 Held for trading - shares of listed companies

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss) as at March 31, 2014	Percentage in relation to		
									Net Assets of the Fund on the basis of investments (note 5.1.1.4)	Paid-up Capital of the investee company (with face value of investments)	Total market value of investments
									----- % -----		
----- Number of shares -----						----- Rupees in '000 -----					
Automobile and parts											
Pakistan Suzuki Motor Company Limited	7,800	10,000	-	-	17,800	2,670	3,637	967	0.21	0.02	0.26
Banks											
Meezan Bank Limited (an associate of the Fund)	-	144,500	-	-	144,500	5,491	5,715	224	0.32	0.01	0.42
Chemicals											
Fauji Fertilizer Bin Qasim Limited	350,000	-	-	75,000	275,000	10,324	11,836	1,512	0.67	0.03	0.86
Fauji Fertilizer Company Limited	501,800	-	-	142,500	359,300	38,600	39,825	1,225	2.25	0.03	2.89
ICI Pakistan Limited	2,195	15,000	-	-	17,195	5,300	6,248	948	0.35	0.02	0.45
									3.27		4.20
Construction and materials (Cement)											
Attock Cement Pakistan Limited	55,350	-	52	55,000	402	46	57	11	-	0.00	-
DG Khan Cement Company Limited	459,160	114,000	-	327,000	246,160	20,588	22,652	2,064	1.28	0.06	1.65
Fauji Cement Company Limited	-	1,251,000	-	480,000	771,000	11,806	13,176	1,370	0.74	0.06	0.96
Lucky Cement Limited	269,000	30,000	-	85,000	214,000	47,618	67,827	20,209	3.83	0.07	4.93
									5.85		7.54
Fixed line telecommunication											
Pakistan Telecommunication Company Limited "A"	706,510	100,000	-	284,000	522,510	12,006	15,973	3,967	0.90	0.01	1.16
General industrials											
Thal Limited (note 5.1.1.2)	61,000	-	-	20,000	41,000	5,227	6,959	1,732	0.39	0.05	0.51
Packages Limited	178,000	10,000	-	-	188,000	42,410	64,619	22,209	3.65	0.22	4.69
Tri-Pack Films Limited	55,000	-	-	43,500	11,500	2,323	2,278	(45)	0.13	0.04	0.17
									4.17		5.37
Multiutilities (Gas and water)											
Sui Northern Gas Pipeline Limited	-	400,000	-	-	400,000	9,244	8,960	(284)	0.51	0.06	0.65
Oil and gas											
Attock Refinery Limited	-	37,000	-	27,000	10,000	2,253	2,209	(44)	0.12	0.01	0.16
Oil and Gas Development Company Limited	160,800	-	-	109,000	51,800	11,849	12,491	642	0.71	0.00	0.91
Pakistan Oilfields Limited	110,475	33,000	-	49,000	94,475	47,426	51,411	3,985	2.90	0.04	3.73
Pakistan Petroleum Limited	302,330	-	50,066	91,000	261,396	46,089	58,490	12,401	3.30	0.01	4.25
National Refinery Limited	900	-	-	-	900	217	206	(11)	0.01	0.00	0.01
Pakistan State Oil Company Limited	103,200	50,000	-	39,000	114,200	36,783	48,730	11,947	2.75	0.05	3.54
									9.79		12.60
Food producers											
Engro Foods Limited	442,000	330,000	-	478,900	293,100	35,470	34,457	(1,013)	1.95	0.04	2.50
Personal Goods (Textile)											
Nishat Mills Limited	333,000	50,000	-	105,000	278,000	26,999	32,401	5,402	1.83	0.08	2.35
Electricity											
Hub Power Company Limited	389,097	200,000	-	345,000	244,097	15,443	12,979	(2,464)	0.73	0.02	0.94
Kohinoor Energy Limited	75,000	-	-	10,000	65,000	2,437	2,281	(156)	0.13	0.04	0.17
Pakgen Power	-	250,000	-	250,000	-	-	-	-	-	-	-
									0.86		1.11
Grand total						438,619	525,417	86,798			
Total cost of investments							358,441				

5.1.1.2 All shares have a nominal value of Rs 10 each except for the shares of Thal Limited which have a face value of Rs 5 each.

5.1.1.3 100,000 shares of Oil and Gas Development Company Limited, having market value of Rs 24.114 million as at March 31, 2014 have been pledged as collateral in favour of National Clearing Company of Pakistan.

5.1.1.4 Net Assets are as defined in Regulation 66 of NBFC Regulations.

5.1.1.5 Held for trading - Sukuk certificates

Name of the Security	Maturity date	Profit rate	As at July 01, 2013	Purchases during the period	Sales / Redemption during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain as at March 31, 2014	Percentage in relation to	
										Net Assets of the Fund on the basis of investments (note 5.1.1.4)	Total market value of investments
-----Number of certificates-----						----- (Rupees in '000) -----			----- % -----		
GoP Ijarah Sukuk Certificates - V (Note 5.1.1.6 & 5.1.1.7)"	November 15, 2013	Weighted Average 6 months T-Bills	20	-	20	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - IX (Note 5.1.1.6 & 5.1.1.7)"	December 26, 2014"	----do----	950	-	450	500	50,000	50,865	865	2.87	3.69
GoP Ijarah Sukuk Certificates - XI (Note 5.1.1.6 & 5.1.1.7)	April 30, 2015	----do----	600	-	-	600	60,000	61,476	1,476	3.47	4.46
GoP Ijarah Sukuk Certificates - XII (Note 5.1.1.6 & 5.1.1.7)"	June 28, 2015"	----do----	1,750	-	600	1,150	115,000	118,163	3,163	6.67	8.58
GoP Ijarah Sukuk Certificates - XIV (Note 5.1.1.6 & 5.1.1.7)	March 28, 2016	----do----	250	-	250	-	-	-	-	-	-
Total							225,000	230,504	5,504		
Total cost of investments								225,000			

5.1.1.6 The nominal value of the sukuk certificates of GoP Ijarah is Rs 100,000 each.

5.1.1.7 In the month of September 2013, GoP Ijarah Sukuks have been revalued at their market values disclosed in PKISRV. Previously, they were stated at amortised cost. The change was made in accordance with Circular No. SCD/AMCW/716/2013 dated 19 September 2013 issued by the Securities and Exchange Commission of Pakistan.

5.1.2.1 Investments - 'at fair value through profit or loss upon initial recognition'

Shares of listed companies and units of a fund

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain as at March 31, 2014	Percentage in relation to		
									Net Assets of the Fund on the basis of investments (note 5.1.1.4)	Paid-up Capital of the investee company (with face value of investments)	Total market value of investments
-----Number of shares-----						----- Rupees in '000 -----			----- % -----		
Automobile and parts											
Indus Motor Company Limited	50,055	-	-	-	50,055	15,567	19,970	4,403	1.13	0.06	1.45
Banks											
Meezan Bank Limited (an associate company of the Fund)	277,593	-	-	-	277,593	8,050	10,979	2,929	0.62	0.03	0.80
General industrials											
Packages Limited	2,473	-	-	-	2,473	552	850	298	0.05	0.00	0.06
Grand total						24,169	31,799	7,630			
Total cost of investments								12,894			

5.1.2.2 Sukuk certificates

Name of the Security	Maturity date	Profit rate	As at July 1, 2013	Purchases during the period	Sales / redemptions during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised loss as at March 31, 2014	Percentage in relation to		
										Number of certificates	Rupees in '000	%
Secured												
Engro Fertilizer Pakistan Limited (note 5.1.2.3)	September 1, 2015	6 months KIBOR plus base rate of 1.5%	10,000	-	-	10,000	50,051	50,632	581	2.86	1.53	3.68
Security Leasing Corporation Limited II (note 5.1.2.3)	January 19, 2022	Nil	1,743	-	152	1,591	-	-	-	-	-	-
Eden Housing Limited (note 5.1.2.3)	September 29, 2014	6 months KIBOR plus base rate of 2.5%	5,000	-	-	5,000	4,559	4,559	-	0.26	1.43	0.33
Arzoo Textile Mills Limited (note 5.1.2.3)	April 15, 2014	6 months KIBOR plus base rate of 2%	5,000	-	-	5,000	-	-	-	-	3.64	0.00
Total							54,610	55,191	581			
Total cost of investments												211,996

* Incase of debt securities against which provision has been made, these are carried at carrying value less provision.

5.1.2.3 The nominal value of these sukuk certificates is Rs 5,000 each except Eden Housing Limited which has a face value of Rs. 911.71.

5.1.2.4 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, 2014	Value of investments after provision	Percentage of net assets	Percentage of total assets
		-----Rupees-----			-----%-----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	6,563	2,004	4,559	0.26	0.25
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,956	7,956	-	-	-
		39,519	34,960	4,559	0.26	0.25

(Unaudited) (Audited)
March 31, **June**
2014 **30, 2013**
(Rupees in '000)

Provision on sukuk certificates

Opening	21,403	20,796
Provision/ (Reversal) for the period - net	13,557	607
Closing	34,960	21,403

5.2 Investments categorised as 'available for sale'

	(Unaudited) March 31, 2014 (Rupees in '000)	(Audited) June 30, 2013
Shares of listed companies	409,065	398,328
Sukuk certificates	125,000	-
	534,065	398,328

5.2.1 Shares of listed companies

Name of the investee company	As at July 1, 2013	Purchases during the period	Bonus issue	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain as at March 31, 2014	Percentage in relation to		
									Net Assets of the Fund on the basis of investments (note 5.1.1.4)	Paid-up Capital of the investee company (with face value of investments)	Total market value of investments
	Number of shares				Rupees in '000			%			
Automobile and parts											
Indus Motor Company Limited	16,075	-	-	5,000	11,075	2,422	4,418	1,996	0.25	0.01	0.32
Pakistan Suzuki Motor Company Limited	11,260	-	-	-	11,260	833	2,300	1,467	0.13	0.01	0.17
									0.38		0.49
Banks											
Meezan Bank Limited (an associate of the Fund)	101,207	-	-	100,000	1,207	17	48	31	-	0.00	0.00
BankIslami Pakistan Limited	500	-	-	-	500	2	5	3	-	0.00	0.00
Chemicals											
Fauji Fertilizer Bin Qasim Limited	3,377	-	-	-	3,377	120	145	25	0.01	0.00	0.01
Fauji Fertilizer Company Limited	30,599	-	-	-	30,599	2,465	3,392	927	0.19	0.00	0.25
ICI Pakistan Limited	7,921	-	-	-	7,921	999	2,878	1,879	0.16	0.01	0.21
									0.36		0.47
Construction and materials (Cement)											
Attock Cement Pakistan Limited	40,250	-	37	40,000	287	11	41	30	-	0.00	0.00
DG Khan Cement Company Limited	383,249	-	-	-	383,249	15,092	35,267	20,175	1.99	0.09	2.56
Lucky Cement Limited	57,451	-	-	-	57,451	6,840	18,209	11,369	1.03	0.02	1.32
									3.02		3.88
Electricity											
Hub Power Company Limited	1,554,050	-	-	290,000	1,264,050	46,726	67,210	20,484	3.80	0.11	4.88
Oil and gas											
Oil and Gas Development Company Limited (note 5.2.2)	395,666	-	-	-	395,666	54,070	95,407	41,337	5.39	0.01	6.93
Pakistan Oilfields Limited	132,250	-	-	-	132,250	32,942	71,968	39,026	4.06	0.06	5.23
Pakistan Petroleum Limited	153,790	-	30,758	-	184,548	22,658	41,294	18,636	2.33	0.01	3.00
Pakistan State Oil Company Limited	155,804	-	-	-	155,804	25,517	66,483	40,966	3.75	0.06	4.83
									15.53		19.99
Grand total						210,714	409,065	198,351			
Total cost of investments						210,714					

5.2.2 Sukuk certificates

Name of the investee company	Maturity Date	Profit rate	As at July 1, 2013	Purchases during the period	Sales / Maturity during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain as at March 31, 2014	Percentage in relation to		
			-----Number of shares-----			-----Rupees in '000-----			Net Assets of the Fund on the basis of investments (note 5.1.1.4)	Paid-up capital of investee company (with face value of investment)	Total market value of investment	
Kot Addu Power Company Limited - Sukuk (note 5.2.2.1)	January 22, 2014	6 months Kibor plus base rate of 1.1%	-	20,000	20,000	-	-	-	-	-	-	-
Lalpir Power - Sukuk (note 5.2.2.1)	April 14, 2014	6 months Kibor plus base rate of 1.15%	-	25,000	-	25,000	125,000	125,000	-	7.06	0.01	9.08
Hub Power Company Limited - Sukuk (note 5.2.2.1)	September 12, 2013	6 months Kibor plus base rate of 1.25%	20,000	-	20,000	-	-	-	-	-	-	-
Grand total							125,000	125,000	-			
Total cost of investments							125,000					

5.2.2.1 The securities are carried at face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded securities with residual maturity of upto six months.

6. WORKERS' WELFARE FUND (WWF)

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.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF for the year ending June 30, 2014. The Fund has recognised WWF charge upto March 31, 2014 amounting to Rs. 24.648 million which includes Rs. 3.912 million pertaining to current year and Rs. 20.736 million pertained to prior years. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.207 (1.39%).

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 the Fund manager of 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 that consummate 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:

	For the nine months period ended March 31, 2014			For the nine months period ended March 31, 2013		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Total net segment income	172,131	59,745	231,876	173,663	48,964	222,627
Unallocated expenses	-	-	(40,181)	-	-	(5,488)
Total net income	172,131	59,745	191,695	173,663	48,964	217,140

	As at March 31, 2014			As at June 30, 2013		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Total segment assets	1,100,149	298,668	1,398,817	977,884	523,893	1,501,777
Unallocated assets	-	-	415,727	-	-	302,959
Total assets	-	-	1,814,544	-	-	1,804,736
Total segment liabilities	1,011	-	1,011	4,272	-	4,272
Unallocated liabilities	-	-	42,930	-	-	52,984
Total liabilities	1,011	-	43,941	4,272	-	57,256

There were no transactions between reportable segments.

8 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, directors and officers (executives) of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Capital Protected Fund - II, Meezan Financial Planning Fund of Funds, Meezan Capital Preservation Fund -III and Meezan Tahaffuz Pension Fund being the funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Staff Gratuity Fund.

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 for the period ended March 31, 2014 and as of that date along with the comparative are as follows:

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
AI Meezan Investment Management Limited		
- Management Company		
Remuneration payable	2,962	2,911
Sindh Sales Tax and Federal Excise Duty payable on management fee	4,101	744
Sales load payable	458	-
Sindh Sales Tax and Federal Excise Duty payable on sales load	240	-
Investment of 4,596,824 units (June 30, 2013: 4,596,824 certificates)	68,401	59,667
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	233	156
Deposits	300	300
Meezan Bank Limited		
Bank balance	68,517	13,736
Investment in 423,300 shares (June 30, 2013: 378,800 shares)	16,742	10,985
Investment of 16,134,468 units (June 30, 2013: 16,134,468 certificates)	240,081	209,425
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 11,057,791 units (June 30, 2013: 11,057,791 certificates)	164,540	143,530
AI Meezan Investment Management Limited - Staff Gratuity Fund		
Investment of 324,075 units (June 30, 2013: 324,075 certificates)	4,822	4,206
Directors and Executives of the Management Company		
Investment of 1,723,690 units (June 30, 2013: 184,975 certificates)	25,649	2,401
AI Meezan Investment Management Limited		
- Management Company		
	Nine months period ended March 31,	
	2014	2013
(Rupees in '000)		
Remuneration for the period	25,128	23,445
Sindh Sales Tax and Federal Excise Duty on management fee	8,538	3,751
Cash dividend for the period	6,895	8,734
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	2,007	1,294
Charges for the period	115	249

	Nine months period ended March31,	
	2014	2013
	(Rupees in '000)	
Meezan Bank Limited		
Profit on saving account	<u>891</u>	<u>9</u>
Cash dividend for the period	<u>24,202</u>	<u>30,655</u>
Purchase of 144,500 shares (2013: Nil shares)	<u>5,491</u>	<u>-</u>
Sale of 100,000 shares (2013: 260,000 shares)	<u>3,950</u>	<u>7,450</u>
Pakistan Kuwait Investment Company (Private) Limited		
Cash dividend for the period	<u>16,587</u>	<u>21,010</u>
Al Meezan Investment Management Limited - Staff Gratuity Fund		
Cash dividend for the period	<u>486</u>	<u>295</u>
Directors and Executives of the Management Company		
Cash dividend for the period	<u>277</u>	<u>237</u>
Units issued : 1,687,715	<u>25,096</u>	<u>-</u>
Units redeemed : 149,000	<u>2,073</u>	<u>-</u>

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 29, 2014 by the Board of Directors of the Management Company.

10. GENERAL

- 10.1 Figures have been rounded off to the nearest thousand rupees.
- 10.2 Charity expense of current and comparative figures have been reclassified separately from dividend income for better presentation in the income statement.

**For Al Meezan Investment Management Limited
(Management Company)**

Chief Executive

Director



Quarterly Report March 31, 2014

FUND INFORMATION

PENSION FUND MANAGER

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 PENSION FUND MANAGER

Mr. Ariful Islam	Non-executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Tasnimul Haq Farooqui	Non-executive	
Mr. Mazhar Sharif	Non-executive	
Syed Amir Ali	Non-executive	
Syed Amir Ali Zaidi	Non-executive	
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. 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, Beaumont 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
National Bank of Pakistan - Islamic Banking
Askari Bank Limited - Islamic Banking
Bank Alfalah - Islamic Banking Branch
Bank Al Habib Limited
Dubai Islamic Bank
Habib Bank Limited - Islamic Banking
MCB Bank Limited
UBL Ameen - 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, 2014

	Note	Unaudited				Audited
		March 31, 2014				June 30, 2013 Total
		Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
----- (Rupees in '000) -----						
Assets						
Bank balances	5	115,459	416,373	235,554	767,386	204,974
Investments	6	1,106,382	667,895	167,630	1,941,907	1,544,742
Dividend receivable		7,758	-	-	7,758	465
Profit receivable	7	1,952	19,201	7,103	28,256	21,197
Deposit with Central Depository Company of Pakistan Limited (CDC) - Trustee		100	100	100	300	300
Total assets		1,231,651	1,103,569	410,387	2,745,607	1,771,678
Liabilities						
Payable against purchase of investments		-	239,280	124,842	364,122	14,985
Payable to AI Meezan Investment Management Limited (AI Meezan) - pension fund manager		3,294	2,476	861	6,631	2,545
Payable to CDC - Trustee		120	87	29	236	185
Payable to auditors		50	50	50	150	186
Payable to Securities and Exchange Commission of Pakistan (SECP)		242	184	72	498	394
Payable against withdrawal		36	261	102	399	289
Accrued expenses and other liabilities	8	9,763	1,583	525	11,871	5,758
Total liabilities		13,505	243,921	126,481	383,907	24,342
Net assets		1,218,146	859,648	283,906	2,361,700	1,747,336
Participants' sub-funds (as per statement attached)		1,218,146	859,648	283,906	2,361,700	1,747,336
----- (Number of units) -----						
Number of units in issue (as per statement attached)		3,964,189	4,740,661	1,573,902		
----- (Rupees) -----						
Net assets value per unit		307.29	181.34	180.38		

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (Un-audited)

	For the nine ended March 31, 2014				For the nine ended March 31, 2013
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	(Rupees in '000)				
Income					
Profit from sukuk certificates	-	35,502	11,504	47,006	36,289
Profit on saving accounts with banks	5,656	13,423	6,983	26,062	14,714
Dividend income	41,663	-	-	41,663	24,277
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' (net)	172,306	7,336	1,435	181,077	82,144
Net realised gain on sale of investments	7,818	1,474	865	10,157	20,346
Provision against Sukuk Certificates	-	(996)	(796)	(1,792)	-
Total income	227,443	56,739	19,991	304,173	177,770
Expenses					
Remuneration of Al Meezan - pension fund manager	10,838	8,240	3,153	22,231	12,077
Sales tax and federal excise duty on management fee	3,672	2,806	1,070	7,548	1,957
Remuneration of CDC - Trustee	895	689	264	1,848	1,171
Annual fee to SECP	242	184	70	496	269
Auditors' remuneration	104	104	104	312	189
Amortisation of Premium	-	40	26	66	-
Brokerage	860	60	53	973	655
Settlement and Bank charges	38	21	15	74	49
Charity Expense	656	-	-	656	452
Provision for Workers' Welfare Fund	4,751	1,003	301	6,055	1,490
Total expenses	22,056	13,147	5,056	40,259	18,309
Net income from operating activities	205,387	43,592	14,935	263,914	159,461
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	27,409	5,554	(180)	32,783	22,116
Net income for the period	232,796	49,146	14,755	296,697	181,577
Taxation	-	-	-	-	-
Net income for the period after taxation	232,796	49,146	14,755	296,697	181,577
Other comprehensive income for the period					
Items that can be reclassified to income statement in subsequent periods					
Net unrealised appreciation on re-measurement of investment classified as "available for sale"	-	1,332	-	1,332	-
Total comprehensive income for the period	232,796	50,478	14,755	298,029	181,577

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM INCOME STATEMENT

For the nine months and quarter ended March 31, 2014 (Un-audited)

	For the quarter ended March 31, 2014				For the quarter ended March 31, 2013
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
Note	------(Rupees in '000)-----				
Income					
Profit from sukuk certificates	-	9,982	1,532	11,514	10,404
Profit on saving accounts with banks	1,605	7,685	4,377	13,667	7,364
Dividend income	14,521	-	-	14,521	9,331
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' (net)	67,619	4,393	911	72,923	29,987
Net realised gain on sale of investments	4,791	2	-	4,793	10,469
Reversal of provision against Sukuk Certificates	-	25	25	50	-
Total income	88,536	22,087	6,845	117,468	67,555
Expenses					
Remuneration of Al Meezan - pension fund manager	4,076	2,987	1,032	8,095	4,601
Sales tax and federal excise duty on management fee	1,409	1,032	357	2,798	760
Remuneration of CDC - Trustee	334	245	85	664	427
Annual fee to SECP	92	67	23	182	103
Auditors' remuneration	20	20	20	60	45
Brokerage	287	26	12	325	250
Settlement and Bank charges	14	9	6	29	19
Charity Expense	190	-	-	190	169
Provision for Workers' Welfare Fund	2,160	416	101	2,677	1,490
Total expenses	8,582	4,802	1,636	15,020	7,864
Net income from operating activities	79,954	17,285	5,209	102,448	59,691
Element of income /(loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	25,907	3,084	(240)	28,751	14,845
Net income for the period before taxation	105,861	20,369	4,969	131,199	74,536
Taxation	-	-	-	-	-
Net income for the period after taxation	105,861	20,369	4,969	131,199	74,536
Other comprehensive income for the period					
Items that can be reclassified to income statement in subsequent periods					
Net unrealised appreciation on re-measurement of investment classified as "available for sale"	-	662	-	662	-
Total comprehensive income for the period	105,861	21,031	4,969	131,861	74,536

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS

For the nine months and quarter ended March 31, 2014 (Un-audited)

	For the nine months ended March 31, 2014				For the nine months ended March 31, 2013
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	------(Rupees in '000)-----				
Net assets at beginning of the period	804,440	640,260	302,636	1,747,336	867,550
Amount received on issue of units (2014: Equity sub fund: 1,138,266 Debt sub fund: 1,612,254 units; Money market sub fund: 606,443 units) (2013: Equity sub fund: 796,737 units; Debt sub fund: 1,264,562 units; Money market sub fund: 558,125 units)	320,528	284,083	106,438	711,049	455,680
Amount paid on redemption of units (2014: Equity sub fund: 410,434 units; Debt sub fund: 623,188 units; Money market sub fund: 802,249 units) (2013: Equity sub fund: 287,686 units; Debt sub fund: 521,271 units; Money market sub fund: 213,986 units)	(112,209)	(109,619)	(140,103)	(361,931)	(180,125)
	208,319	174,464	(33,665)	349,118	275,555
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(27,409)	(5,554)	180	(32,783)	(22,116)
Net income for the period	232,796	49,146	14,755	296,697	181,577
Net unrealised appreciation on re-measurement of investment classified as "available for sale"	-	1,332	-	1,332	-
Total comprehensive income for the period	232,796	50,478	14,755	298,029	181,577
Net assets at end of the period	1,218,146	859,648	283,906	2,361,700	1,302,566

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS

For the nine months and quarter ended March 31, 2014 (Un-audited)

	For the quarter ended March 31, 2014				For the quarter ended March 31, 2013
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	----- (Rupees in '000) -----				
Net assets at beginning of the period	988,167	778,571	286,152	2,052,890	1,137,092
Amount received on issue of units (2014: Equity sub fund: 559,254 Debt sub fund: 611,394 units; Money market sub fund: 171,845 units) (2013: Equity sub fund: 371,492 units; Debt sub fund: 391,333 units; Money market sub fund: 169,241 units)	167,889	109,552	30,653	308,094	168,398
Amount paid on redemption of units (2014: Equity sub fund: 59,700 units; Debt sub fund: 259,970 units; Money market sub fund: 214,092 units) (2013: Equity sub fund: 53,570 units; Debt sub fund: 269,777 units; Money market sub fund: 38,324 units)	(17,864)	(46,422)	(38,108)	(102,394)	(62,615)
	150,025	63,130	(7,455)	205,700	105,783
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(25,907)	(3,084)	240	(28,751)	(14,845)
Net income for the period	105,861	20,369	4,969	131,199	74,536
Net unrealised appreciation on re-measurement of investment classified as "available for sale"	-	662	-	662	-
Total comprehensive income for the period	105,861	21,031	4,969	131,861	74,536
Net assets at end of the period	1,218,146	859,648	283,906	2,361,700	1,302,566

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (Un-audited)

	For the nine months ended March 31, 2014				For the nine months ended March 31, 2013
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
	(Rupees in '000)				
CASH FLOW FROM OPERATING ACTIVITIES					
Net income for the period	232,796	50,478	14,755	298,029	181,577
Adjustments for:					
Unrealised gain on re-measurement of investments at 'fair value through profit or loss'	(172,306)	(7,336)	(1,435)	(181,077)	(82,144)
Provision against Sukuk Certificates	-	996	796	1,792	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(27,409)	(5,554)	180	(32,783)	(22,116)
	33,081	38,584	14,296	85,961	77,317
(Increase) / decrease in assets					
Investment (net)	(200,171)	(118,390)	100,681	(217,880)	(292,585)
Dividend receivable	(7,293)	-	-	(7,293)	(7,752)
Deposit and other receivables	(96)	(6,689)	(274)	(7,059)	(4,826)
	(207,560)	(125,079)	100,407	(232,232)	(305,163)
(Decrease) / Increase in liabilities					
Payable against purchase of investments	(14,972)	239,271	124,838	349,137	(5,124)
Payable to Al Meezan - pension fund manager	2,112	1,561	413	4,086	578
Payable to CDC - trustee of the Fund	27	25	(2)	50	67
Payable to SECP	80	36	(12)	104	94
Accrued expenses and other liabilities	4,797	991	290	6,078	3,578
	(7,956)	241,884	125,527	359,455	(807)
Net cash (outflow) / inflow from operating activities	(182,435)	155,389	240,230	213,184	(228,653)
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts of contribution	320,528	284,083	106,438	711,049	455,680
Payment on withdrawal	(112,183)	(109,506)	(140,132)	(361,821)	(180,125)
Net cash inflow / (outflow) from financing activities	208,345	174,577	(33,694)	349,228	275,555
Net cash inflow during the period	25,910	329,966	206,536	562,412	46,902
Cash and cash equivalents at beginning of the period	89,549	86,407	29,018	204,974	118,341
Cash and cash equivalents at end of the period	5 115,459	416,373	235,554	767,386	165,243

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT

For the nine months and quarter ended March 31, 2014 (Un-audited)

	For the quarter ended March 31, 2014				For the quarter ended March 31, 2013
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
Note	----- (Rupees in '000) -----				
CASH FLOW FROM OPERATING ACTIVITIES					
Net income for the period	105,861	21,031	4,969	131,861	74,536
Adjustments for:					
Unrealised gain on re-measurement of investments at 'fair value through profit or loss'	(67,619)	(4,393)	(911)	(72,923)	(29,987)
Reversal of provision against Sukuk Certificates	-	(25)	(25)	(50)	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(25,907)	(3,084)	240	(28,751)	(14,845)
	12,335	13,529	4,273	30,137	29,704
(Increase) / decrease in assets					
Investment (net)	(99,042)	(275,736)	(91,655)	(466,433)	(235,176)
Dividend receivable	(7,133)	-	-	(7,133)	(7,859)
Deposit and other receivables	1,479	(6,856)	(3,280)	(8,657)	(1,341)
	(104,696)	(282,592)	(94,935)	(482,223)	(244,376)
Increase / (Decrease) in liabilities					
Payable against purchase of investments	-	239,280	124,842	364,122	10
Payable to Al Meezan - pension fund manager	1,002	658	201	1,861	326
Payable to CDC - trustee of the Fund	15	7	-	22	13
Payable to SECP	92	67	25	184	103
Accrued expenses and other liabilities	1,352	(430)	(201)	721	5,319
	2,461	239,582	124,867	366,910	5,771
Net cash (outflow) / inflow from operating activities	(89,900)	(29,481)	34,205	(85,176)	(208,901)
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts of contribution	167,889	109,552	30,653	308,094	168,398
Payment on withdrawal	(17,838)	(46,309)	(38,137)	(102,284)	(62,615)
Net cash inflow / (outflow) from financing activities	150,051	63,243	(7,484)	205,810	105,783
Net cash inflow / (outflow) during the period	60,151	33,762	26,721	120,634	(103,118)
Cash and cash equivalents at beginning of the period	55,308	382,611	208,833	646,752	268,361
Cash and cash equivalents at end of the period	5 115,459	416,373	235,554	767,386	165,243

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM CONTRIBUTION TABLE

For the nine months and quarter ended March 31, 2014 (Un-audited)

Contributions net of front end fee received during the period	For the nine months ended March 31, 2014							For the nine months ended March 31, 2013
	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Total (Rupees in '000)	
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
Individuals - issue of units	<u>1,138,266</u>	<u>320,528</u>	<u>1,612,254</u>	<u>284,083</u>	<u>606,443</u>	<u>106,438</u>	<u>711,049</u>	<u>455,680</u>

Contributions net of front end fee received during the quarter	For the quarter ended March 31, 2014							For the quarter ended March 31, 2013
	Equity Sub Fund		Debt Sub Fund		Money Market Sub Fund		Total (Rupees in '000)	
	Units	Rs in '000	Units	Rs in '000	Units	Rs in '000		
Individuals - issue of units	<u>559,254</u>	<u>167,889</u>	<u>611,394</u>	<u>109,552</u>	<u>171,845</u>	<u>30,653</u>	<u>308,094</u>	<u>168,398</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



CONDENSED INTERIM NUMBER OF UNITS IN ISSUE

For the nine months and quarter ended March 31, 2014 (Un-audited)

	For the nine months ended March 31, 2014		
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
-----Number of units-----			
Total units outstanding at beginning of the period	3,236,357	3,751,595	1,769,708
Add: Units issued / converted / reallocated during the period	1,138,266	1,612,254	606,443
Less: Units redeemed / converted / reallocated during the period	(410,434)	(623,188)	(802,249)
Total units in issue at end of the period	<u>3,964,189</u>	<u>4,740,661</u>	<u>1,573,902</u>

	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 / converted / reallocated during the period	796,737	1,264,562	558,125
Less: Units redeemed / converted / reallocated during the period	(287,686)	(521,271)	(213,986)
Total units in issue at end of the period	<u>2,531,330</u>	<u>2,851,088</u>	<u>1,672,845</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM NUMBER OF UNITS IN ISSUE

For the nine months and quarter ended March 31, 2014 (Un-audited)

	For the quarter ended March 31, 2014		
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
	-----Number of units-----		
Total units outstanding at beginning of the period	3,464,635	4,389,237	1,616,149
Add: Units issued / converted / reallocated during the period	559,254	611,394	171,845
Less: Units redeemed / converted / reallocated during the period	(59,700)	(259,970)	(214,092)
Total units in issue at end of the period	<u>3,964,189</u>	<u>4,740,661</u>	<u>1,573,902</u>

	For the quarter 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	2,213,408	2,729,532	1,541,928
Add: Units issued / converted / reallocated during the period	371,492	391,333	169,241
Less: Units redeemed / converted / reallocated during the period	(53,570)	(269,777)	(38,324)
Total units in issue at end of the period	<u>2,531,330</u>	<u>2,851,088</u>	<u>1,672,845</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive

Director



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 Central Depository Company of Pakistan Limited (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 Ground Floor, Block B Finance and Trade Centre Shariah-e-Faisal, Karachi 74000, 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 initially 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 minimization 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 advisor to ensure that the activities of the Fund are in compliance with the principles of shariah.
- 1.4** The Fund is an unlisted pension scheme. 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 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 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, provisions of and directives issued under the Companies Ordinance, 1984, the VPS Rules 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 VPS Rules and directives issued by the 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 year ended June 30, 2013.

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, 2013.

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, 2013.

5. BALANCES WITH BANKS

	March 31, 2014 (Un-audited)				June 30, 2013 (Audited)
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
----- (Rupees in '000) -----					
Current accounts	7	18	8	33	547
Savings accounts	5.1	115,452	416,355	235,546	767,353
		<u>115,459</u>	<u>416,373</u>	<u>235,554</u>	<u>767,386</u>
					<u>204,974</u>

- 5.1 The balances in savings accounts carry expected profit which ranges from 4.75% to 8.70% (2013: 5.28% to 9.05%) per annum.

6. INVESTMENTS

Held-for-trading

- shares of listed companies	6.1	1,106,382	-	-	1,106,382	733,905
- sukuk certificates	6.2	-	573,852	167,630	741,482	776,470
		<u>1,106,382</u>	<u>573,852</u>	<u>167,630</u>	<u>1,847,864</u>	1,510,375

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

	6.3	-	456	-	456	1,349
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Available-for-sale

- sukuk certificates	6.4	-	93,587	-	93,587	33,018
		<u>1,106,382</u>	<u>667,895</u>	<u>167,630</u>	<u>1,941,907</u>	<u>1,544,742</u>

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

Name of the investee company	As at July 1, 2013	Purchases during the period	Cost of purchase	Bonus / rights issue	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss)	Percentage of net assets on the basis of market value of the respective sub fund (see note 6.1.2 below)	Percentage of paid-up capital of investee company
	Number of shares		Rs in '000		Number of shares			Rupees in '000			
Equity Sub Fund											
Automobile and parts											
Agriauto Industries Limited (note 6.1.1)	45,000	-	-	-	-	45,000	3,381	3,195	(186)	0.26	0.31
Indus Motor Company Limited	20,655	-	-	-	-	20,655	6,424	8,240	1,816	0.68	0.03
Pak Suzuki Motor Company Limited	60,733	40,000	6,174	-	10,000	90,733	13,697	18,538	4,841	1.52	0.11
Chemicals											
Fauji Fertilizer Bin Qasim Limited	603,951	100,000	3,810	-	200,000	503,951	18,974	21,690	2,716	1.78	0.05
Fauji Fertilizer Company Limited	408,198	145,000	16,307	-	254,000	299,198	32,826	33,163	337	2.72	0.02
ICI Pakistan Limited	1,970	167,600	32,359	-	2,000	167,570	32,303	60,887	28,584	5.00	0.18
Construction and materials (cement)											
Cherat Cement Company Limited	-	125,000	10,690	12,500	-	137,500	10,690	10,211	(479)	0.84	0.13
DG Khan Cement Company Limited	796,397	348,000	27,360	-	164,000	980,397	80,428	90,216	9,788	7.41	0.22
Lucky Cement Limited	254,006	83,000	21,659	-	38,000	299,006	66,862	94,770	27,908	7.78	0.09
Fauji Cement Company Ltd.	-	1,708,500	25,702	-	250,000	1,458,500	22,442	24,926	2,484	2.05	0.11
Electricity											
The Hub Power Company Limited	1,153,745	289,000	19,035	-	30,000	1,412,745	88,292	75,116	(13,176)	6.17	0.12
Kohinoor Energy Limited	75,000	90,000	3,097	-	10,000	155,000	5,535	5,441	(94)	0.45	0.09
Pakgen Power Limited	-	500,000	10,500	-	500,000	-	-	-	-	-	-
Fixed line telecommunication											
Pakistan Telecommunication Company Limited "A"	921,700	720,000	17,841	-	351,500	1,290,200	30,099	39,441	9,342	3.24	0.03
Food producers											
Engro Foods Limited	439,300	277,000	30,373	-	373,700	342,600	42,125	40,276	(1,849)	3.31	0.04
General industries											
Packages Limited	197,851	7,700	1,810	-	-	205,551	46,003	70,652	24,649	5.80	0.24
Thal Limited (note 6.1.1)	43,645	-	-	-	15,000	28,645	3,652	4,862	1,210	0.40	0.07
Tri-Pack Films Limited	26,187	-	-	-	25,400	787	159	156	(3)	0.01	-
Oil and gas											
National Refinery Limited	-	45,100	9,019	-	45,100	-	-	-	-	-	-
Oil and Gas Development Company Limited	312,716	50,000	54,399	-	-	362,716	84,184	87,462	3,278	7.18	0.01
Pakistan Oilfields Limited	107,050	50,700	26,122	-	-	157,750	79,365	85,844	6,479	7.05	0.07
Pakistan Petroleum Limited	331,381	9,000	2,151	68,076	-	408,457	72,265	91,396	19,131	7.50	0.02
Pakistan State Oil Company Limited	197,467	96,200	32,247	-	-	293,667	95,511	125,311	29,800	10.29	0.12
Attock Petroleum Limited	19,100	-	-	3,820	-	22,920	10,717	12,398	1,681	1.02	0.03
Attock Refinery Limited	-	31,500	6,323	-	30,000	1,500	301	331	30	0.03	-
Personal goods (textile)											
Nishat Mills Limited	488,000	189,000	19,905	-	59,000	618,000	60,299	72,028	11,729	5.91	0.18
Pharma and bio tech											
Abbott Laboratories (Pakistan) Limited	6,600	35,000	13,600	-	-	41,600	15,765	17,433	1,668	1.43	0.04
Ferozsons Laboratories Limited	-	35,000	6,067	-	-	35,000	6,067	6,799	732	0.56	0.12
Multiutilities (Gas and Water)											
Sui Nothern Gas Pipelines Limited	-	250,000	5,710	-	-	250,000	5,710	5,600	(110)	0.46	0.04
Total			402,260				934,076	1,106,382	172,306		

6.1.1 All shares have a nominal value of Rs.10 each except Thal Limited and Agriauto Industries Limited having nominal value of Rs.5.

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 Security	Maturity date	Profit rate per annum	As at July 1, 2013	Purchases during the period	Cost of purchase	Sales / Maturity during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain	Percentage of net assets on the basis of market value of the respective sub fund (see note 6.1.2)
			Number of certificates		Rupees in '000	Number of certificates	Rupees in '000				
Debt Sub Fund											
GoP - Ijara sukuk - V (note 6.2.1)	November 15, 2013	Weighted average 6 months T-Bills	135	-	-	135	-	-	-	-	-
GoP - Ijara sukuk - VI (note 6.2.1)	December 20, 2013	Weighted average 6 months T-Bills	30	-	-	30	-	-	-	-	-
GoP - Ijara sukuk - VII (note 6.2.1)	March 07, 2014	Weighted average 6 months T-Bills	50	-	-	50	-	-	-	-	-
GoP - Ijara sukuk - VIII (note 6.2.1)	May 16, 2014	Weighted average 6 months T-Bills	130	15	1,502	-	145	14,502	14,574	72	1.70
GoP - Ijara sukuk - IX (note 6.2.1)	December 26, 2014	Weighted average 6 months T-Bills	290	2,300	233,220	-	2,590	262,218	263,479	1,261	30.65
GoP - Ijara sukuk - X (note 6.2.1)	March 02, 2015	Weighted average 6 months T-Bills	740	698	70,058	-	1,438	144,058	146,676	2,618	17.06
GoP - Ijara sukuk - XI (note 6.2.1)	April 30, 2015	Weighted average 6 months T-Bills	600	-	-	-	600	60,000	61,476	1,476	7.15
GoP - Ijara sukuk - XII (note 6.2.1)	June 28, 2015	Weighted average 6 months T-Bills	500	350	35,438	-	850	85,438	87,338	1,900	10.16
GoP - Ijara sukuk - XIII (note 6.2.1)	September 18, 2015	Weighted average 6 months T-Bills	1,306	-	-	1,306	-	-	-	-	-
GoP - Ijara sukuk XIV (note 6.2.1)	March 28, 2016	Weighted average 6 months T-Bills	1,390	-	-	1,387	3	300	309	9	0.04
								566,516	573,852	7,336	
Money Market Sub Fund											
GoP - Ijara sukuk - V (note 6.2.1)	November 15, 2013	Weighted average 6 months T-Bills	1,760	-	-	1,760	-	-	-	-	-
GoP - Ijara sukuk - VI (note 6.2.1)	December 20, 2013	Weighted average 6 months T-Bills	-	1,500	150,000	1,500	-	-	-	-	-
GoP - Ijara sukuk - VII (note 6.2.1)	March 07, 2014	Weighted average 6 months T-Bills	300	-	-	300	-	-	-	-	-
GoP - Ijara sukuk - IX (note 6.2.1)	December 26, 2014	Weighted average 6 months T-Bills	-	1,400	141,920	200	1,200	121,680	122,076	396	43.00
GoP - Ijara sukuk - X (note 6.2.1)	March 02, 2015	Weighted average 6 months T-Bills	180	1,000	100,100	1,000	180	18,015	18,360	345	6.47
GoP - Ijara sukuk - XI (note 6.2.1)	April 30, 2015	Weighted average 6 months T-Bills	120	-	-	-	120	12,000	12,295	295	4.33
GoP - Ijara sukuk - XII (note 6.2.1)	June 28, 2015	Weighted average 6 months T-Bills	145	-	-	-	145	14,500	14,899	399	5.25
GoP - Ijara sukuk - XIII (note 6.2.1)	September 18, 2015	Weighted average 6 months T-Bills	88	-	-	88	-	-	-	-	-
								166,195	167,630	1,435	

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

6.2.2 In the month of September 2013, GoP Ijarah Sukuks have been revalued at their market values disclosed in PKISRV. Previously, they were stated at amortised cost. The change was made in accordance with Circular No. SCD/AMCW/716/2013 dated 19 September 2013 issued by the Securities and Exchange Commission of Pakistan.

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, 2013	Purchases during the period	Cost of purchase	Sales / Redemptions during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain / (loss)	Percentage of net assets on the basis of market value of the respective sub fund (see note 6.1.2)
			Number of certificates		Rupees in '000	Number of certificates	Rupees in '000				
Debt Sub Fund											
Eden Housing Limited (note 6.3.1)	September 29, 2014	3 months Kibor plus base rate of 2.5%	500	-	-	-	500	456	456	-	0.16
Security Leasing Corporation Limited II (note 6.3.2)	January 19, 2022	-	174	-	-	15	159	-	-	-	-
								<u>456</u>	<u>456</u>	<u>-</u>	
Money Market Sub Fund											
Security Leasing Corporation Limited II (note 6.3.2)	January 19, 2022	-	174	-	-	15	159	-	-	-	-
								<u>-</u>	<u>-</u>	<u>-</u>	

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.911.71 each.

6.3.2 The nominal value of these sukuk certificates is Rs.5,000 each.

**March 31
2014
(Un-audited)
(Rupees in '000)**

6.3.3 Provision on sukuk certificates

Debt Sub Fund

Opening

Provision for the period against Sukuk certificates - net

Closing

-

996

996

Money Market Sub Fund

Opening

Provision for the period against Sukuk certificates - net

Closing

-

796

796

6.4 'Available-for-sale' - sukuk certificates

Name of the Security	Maturity date	Profit rate per annum	As at July 1, 2013	Purchases during the period	Cost of purchase	Sales / Maturity during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	Unrealised gain	Percentage of net assets on the basis of market value of the respective sub fund (see note 6.1.2)
			Number of certificates	Rupees in '000	Number of certificates	Rupees in '000					
Debt Sub Fund											
GoP - Ijara sukuk - V (note 6.2.1)	November 15, 2013	Weighted average 6 months T-Bills	-	100	10,007	100	-	-	-	-	-
GoP - Ijara sukuk - VI (note 6.2.1)	December 20, 2013	Weighted average 6 months T-Bills	80	-	-	80	-	-	-	-	-
GoP - Ijara sukuk - VIII (note 6.2.1)	May 16, 2014	Weighted average 6 months T-Bills	170	170	17,012	170	170	17,012	17,087	75	1.99
GoP - Ijara sukuk - X (note 6.2.1)	March 02, 2015	Weighted average 6 months T-Bills	-	1,500	150,243	750	750	75,243	76,500	1,257	8.90
GoP - Ijara sukuk - XIII (note 6.2.1)	September 18, 2015	Weighted average 6 months T-Bills	-	1,000	99,985	1,000	-	-	-	-	-
					<u>277,247</u>			<u>92,255</u>	<u>93,587</u>	<u>1,332</u>	
Money Market Sub Fund											
GoP - Ijara sukuk - V (note 6.2.1)	November 15, 2013	Weighted average 6 months T-Bills	-	400	40,026	400	-	-	-	-	-
GoP - Ijara sukuk - VI (note 6.2.1)	December 20, 2013	Weighted average 6 months T-Bills	80	-	-	80	-	-	-	-	-
					<u>40,026</u>			<u>-</u>	<u>-</u>	<u>-</u>	

March 31, 2014 (Un-audited)				June 30, 2013 (Audited)
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	
------(Rupees in '000)-----				

7. PROFIT RECEIVABLE

Profit receivable on					
- saving accounts with banks	1,952	4,926	2,957	9,835	6,441
- sukuk certificates	-	14,275	4,146	18,421	14,756
	<u>1,952</u>	<u>19,201</u>	<u>7,103</u>	<u>28,256</u>	<u>21,197</u>

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Charity payable	837	-	-	837	780
Provision for Workers' Welfare Fund	8,926	1,583	525	11,034	4,978
	<u>9,763</u>	<u>1,583</u>	<u>525</u>	<u>11,871</u>	<u>5,758</u>

9. WORKERS' WELFARE FUND (WWF)

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, during the year ended June 30, 2010, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The Management Company believes that the aforementioned constitutional petition pending in the SHC has strong grounds for decision in favour of the mutual funds. However, the management as a matter of abundant caution has recognised WWF charge effective from January 1, 2013, amounting to Rs.8.926 million, Rs. 1.583 million and Rs. 0.525 million which includes Rs. 4.752 million, Rs. 1.003 million and Rs. 0.301 million pertaining to the current financial period and Rs. 4.174 million, Rs. 0.580 million and Rs. 0.224 million pertaining to prior period Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 2.25 (0.73%), Rs. 0.33 (0.18%) and Rs. 0.33 (0.18%) for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

The Board of Directors of the management company in its meeting held on October 25, 2013 have resolved that unrecorded accumulated WWF provision in the fund from the date of its application till December 31, 2012, in case is required to be paid, shall be borne by Al Meezan Investment Management Limited (Management Company of the fund). Therefore, the Fund is not exposed to this unrecorded accumulated WWF provision. The unrecorded accumulated provision for WWF upto December 31, 2012 is Rs. 3.74 million, Rs. 1.60 million and Rs. 0.98 million in Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company and Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Capital Protected Fund - II, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund and Meezan Capital Preservation Fund - III, being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Employees Gratuity Fund.

Remuneration payable to the management company 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 and terms determined in accordance with market rates.

Details of transactions with connected persons and balances with them as of March 31, 2014 and for the period then ended are as follows:

March 31, 2014 (Un-audited)				June 30, 2013 (Audited)
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	

Investment by:

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

Al Meezan - pension fund manager

(Equity sub fund: 260,077 units;
Debt sub fund: Nil units;
Money market sub fund: Nil units)

79,919	-	-	79,919	140,142
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Directors and executives of the pension fund manager

As at March 31, 2014

(Equity sub fund: 457,211 units;
Debt sub fund: 371,113 units;
Money market sub fund: 73,594 units)

As at June 30, 2013

(Equity sub fund: 389,182 units;
Debt sub fund: 289,108 units;
Money market sub fund: 59,595 units)

140,496	67,298	13,275	221,069	156,278
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March 31, 2014 (Un-audited)				March 31, 2013 (Un-Audited)
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	

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

Units issued during the period
(Equity sub fund: 91,193 units;
Debt sub fund: 103,983 units;
Money market sub fund: 27,559 units)

25,679	18,322	4,837	48,838	96,246
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Units redeemed / reallocated during the period
(Equity sub fund: 23,164 units;
Debt sub fund: 21,978 units;
Money market sub fund: 13,560 units)

6,333	3,866	2,368	12,567	4,894
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Al Meezan - pension fund manager

Units redeemed / reallocated during the period
(Equity sub fund: Nil units;
Debt sub fund: Nil units;
Money market sub fund: 441,476 units)

-	-	76,495	76,495	-
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March 31, 2014 (Un-audited)				March 31, 2013 (Un-audited)
Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	

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

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

Remuneration

Remuneration payable at the beginning of the period	944	711	355	2,010	927
Remuneration for the period	10,838	8,240	3,153	22,231	12,077
	11,782	8,951	3,508	24,241	13,004
Amount paid during the period	(10,302)	(7,885)	(3,146)	(21,333)	(11,344)
Balance at the end of the period	1,480	1,066	362	2,908	1,660

**Sales tax and federal excise
duty on management fee**

Sales tax payable at the beginning of the period	238	204	93	535	147
Sales tax for the period	3,672	2,806	1,070	7,548	1,957
	3,910	3,010	1,163	8,083	2,104
Amount paid during the period	(2,096)	(1,600)	(664)	(4,360)	(1,816)
Balance at the end of the period	1,814	1,410	499	3,723	288
Total payable at the end of the period	3,294	2,476	861	6,631	1,948

Meezan Bank Limited

Bank balance	90,239	80,910	55,628	226,777	6,348
Profit on savings accounts	500	683	470	1,653	464

**Central Depository Company of Pakistan
Limited - trustee of the Fund**

Balance at the beginning of the period	93	62	31	186	88
Remuneration for the period	895	689	264	1,848	1,171
CDS charges for the period	27	5	5	37	22
	1,015	756	300	2,071	1,281
Amount paid during the period	(895)	(669)	(271)	(1,835)	(1,126)
Balance at the end of the period	120	87	29	236	155

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets which are tradable in an open market are valued at the market prices prevailing on the balance sheet date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values as these financial assets and liabilities are short term in nature.

The Fund classifies fair value measurements of its investments using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

The Fund has equity securities under level 1, GOP sukuku under level 2 and other unlisted sukuku under level 3 of the fair value hierarchy mentioned above.

During the nine-month period ended March 31, 2014, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 29, 2014 by the Board of Directors of the Management Company.

13. GENERAL

13.1. Figure have been rounded off to the nearest thousand rupees.

13.2. Charity expense of current and comparative figures have been reclassified separately from dividend income for better presentation in the income statement.

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

Chief Executive

Director



Al Meezan Investment Management Ltd.

Find your *solutions* with faith at
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CORPORATE



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