



GROWING TO NEWER HEIGHTS

Quarterly Report September 30, 2015





QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

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Vision

To make Shariah compliant investing a first choice for investors



Mission

To establish Al Meezan as a leading and trusted brand for savings and investments by offering innovative Shariah compliant investment solutions through ethical conduct, value added services and optimal returns, while protecting the interest of all stakeholders

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Al Meezan Investment Management Limited is pleased to present the un-audited financial statements of the following open end funds and a voluntary pension scheme for the quarter ended September 30, 2015.

Equity Funds

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

Balanced Fund

- Meezan Balanced Fund

Income Funds

- Meezan Islamic Income Fund
- Meezan Sovereign Fund

Money Market Fund

- Meezan Cash Fund

Fund of Funds

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

Commodity Fund

- Meezan Gold Fund

Pension Fund

- Meezan Tahaffuz Pension Fund

Economic Review:

Economic performance of Pakistan showed marked improvement during the first quarter ended September 30, 2015. This was in part due to stringent reforms applied under the guidelines of IMF and the global oil price decline in the last fiscal year which translated into a lagged impact of soft inflation numbers and hence, a favorable situation for Pakistan. Resultantly, inflation numbers receded to record lows whereby the CPI for first quarter FY16 clocked in 1.61% in comparison to 7.53% during the same period last year. Consequentially the real interest rate scenario became favorable for the SBP to continue on its monetary easing stance whereby the discount rate was slashed by 50bps bringing it down to 6.5% with a target policy rate of 6%. The government is aiming to increase the private sector credit off take but the same has not picked up so far.

The government also managed to contain fiscal deficit through prudent fiscal management. Tax revenue increased to Rs. 600 billion during first quarter of current fiscal year, up by 14% YoY. The trade deficit for 2MFY16 also contracted by 8.4% to USD 3.8 billion due to 10%YoY decline in exports and 9.2%YoY decline in imports. The current account deficit shrank by 73% during the first quarter of FY16 clocking in at 0.8% of GDP compared to 3.2% during the same period last year. Further, reduction in current account deficit was also supported by higher remittances for 2MFY16 to the tune of USD 3.1 billion (up 5.4% YoY).

The government has also worked well towards achieving exchange rate stability with rupee depreciating by 2.7% only, following the trend of regional currencies which depreciated in the range of 3.4%-12.5%. Successful conclusion of IMF's reviews under the Extended Fund Facility program of IMF (3 year program amounting to USD 6.12 billion) largely resulted in the successful completion of 8th review. The country also received CSF flows amounting to USD 317 million while the government also tapped international markets with the issuance of Eurobonds raising USD 500 million in the process. With forex reserves at USD 18.47 billion at the end of the quarter, they are expected to cross the USD 20 billion mark in October, 2015.

Going forward, the fundamentals of the economy are expected to continue improving on the back of reforms undertaken by the government. The government is also progressing towards achieving its major targets of 1) inflation below 6%, 2) fiscal deficit at 4.3% of GDP and 3) GDP growth at 5.5%. Pressure on external account is expected to be eased further on the back of declining oil prices as oil accounts for 35% of Pakistan's total import bill. This will provide much needed respite and also work in favor of the exchange rate. With political stability improving investor sentiment and further monetary softening on the cards, private sector credit off-take is expected to increase in the coming months, which will provide impetus to economic growth.

Money Market Review:

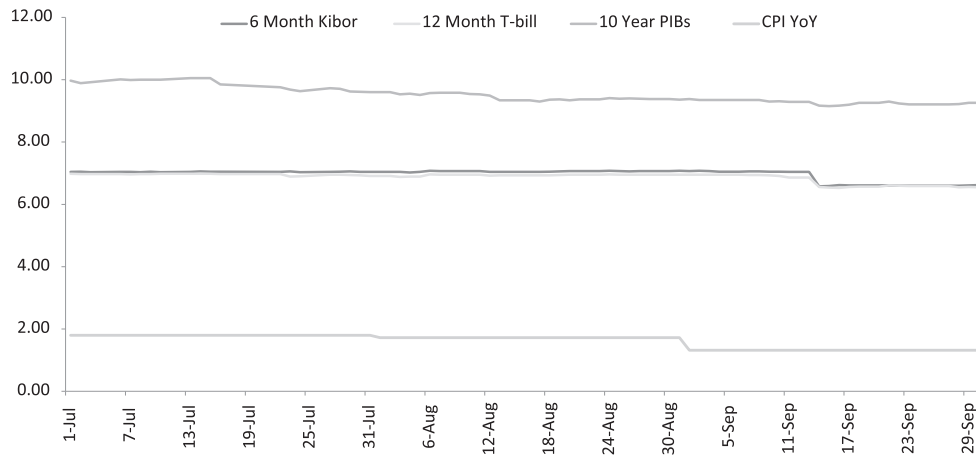
During three months ended September 2015, the State of Pakistan (SBP) has continued its monetary easing stance slashing the Discount Rate (DR) by another 50 basis point in the last bi-monthly Monetary Policy Statement (MPS) announced in September, 2015 bringing it down to a record low of 6.5% (target policy rate to 6.0%). SBP termed low inflation and the country's satisfactory external account position as the driving force behind their decision for rate cut. Overall, in line with the DR cut, the interest rates and government paper yields in the secondary market have undergone a downward adjustment whereby the KIBORs have declined by 41-49 bps, T-bills fell by 43-45 bps while PIB yields went down by 68-72 bps during the period under review. Alongside, seven T-bill auctions and three PIB auctions were conducted during this period; cumulatively Rs. 1,315 billion was accepted against a participation of Rs. 1,443 billion in T-bills and Rs. 203 billion was accepted against a participation of Rs. 793 billion in PIBs.

On the liquidity front, the Money Market faced a relatively tight liquidity scenario during the quarter, evidenced by Rs. 13,383 billion worth of OMO injections carried out by the State Bank of Pakistan (SBP) coupled with Rs. 905 billion worth of discounting availed by various counters in comparison to just Rs. 191 billion worth of OMO mop-ups and floor placements amounting to Rs. 86 billion.

The Shariah compliant end of the market continues to face an excess liquidity issue due to lack of investment avenues. The last Ijarah Sukuk was issued in June 2014 since which time, a new Ijarah has not been issued. GoP Ijarah Sukuks IX to XIII are set to mature on November 21, 2015 due to which they are being re-priced closer to their par values in the secondary market; this has negatively impacted the returns of Islamic sovereign mutual funds. For managing the excess liquidity issue for Islamic banks however, the government plans to carry out a mop-up through exercising Bai-Muajjals for Ijarah IX to XIII. The issue of this facility being available only for Islamic banks continues being a point of serious concern for Mutual Funds. Further, the government also plans to issue fresh Sukuks on the assets to be vacated after maturity of the above mentioned five Ijarahs.

On the forex front, the rupee slightly weakened during this period; in the interbank market, it closed Rs. 2.73 lower at Rs. 104.53/\$ while in the open market, it closed Rs. 1.65 lower at Rs. 104.60/\$.

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



Equity Review:

During the first quarter of FY16, performance of the benchmark index (KMI-30) remained dismal with the index closing 5.56% down QoQ at 54,084 points. During the same period, KSE-100 index declined by 6.14% to close at 32,287 points. The participation in the market also remained subdued with KSE100 index volumes down 14.1% QoQ and KMI- 30 index volumes down 6.84% QoQ. The dull performance of the index is attributable to i) volatility witnessed in regional as well as global equity markets, ii) multiple rumors regarding heightened vigilance of the regulator against brokers, iii) declining oil prices (down 22% QoQ) and iv) political noise following election tribunal's verdict and arrest of influential politicians. The aforementioned issues offset the impact of positives such as i) 50 bps cut in the key policy rate, ii) healthy corporate result announcements, iii) issuance of a USD 500 million Eurobond and improvement to a credit rating of B3 by Moody's and stable outlook by S&P for the sovereign bond issues of Pakistan in the international market.

The new fiscal year started on a positive note whereby the KMI-30 index, by August 11, 2015 had appreciated 5.17% to clock in its highest closing at 60,234 points. The run-up was attributable to expectations of low monthly CPI numbers to continue which gave rise to anticipations of further monetary softening, rising forex reserves and Judicial Commission's final report which dismissed the claims of PTI regarding election rigging. Subsequently, volatility in global markets led by falling commodity prices, Yuan's depreciation and concerns over global economic slowdown, triggered foreign investors' sell-off internationally, the impact of which trickled down to our market as well which witnessed a net-outflow of USD 103 million by foreigners during the quarter. Futures rollover period led to further volatility in the market. Politics emerged as another factor denting the market sentiment when election tribunal declared elections void in two of the four disputed constituencies and resignation of parliamentarians from the National Assembly. The corruption probe initiated earlier was rumored to have included significant market players and therefor it emerged as a key sentiment dampener as well. During the second half of this quarter, all these factors hampered the investors' confidence dragging the index down by 10.21% from its highest closing and making investors so jittery that even the positivity stemming from a 50bps DR cut during the last month of this quarter was ignored.

A comforting factor however was that despite all the shakiness and volatility, the market did not break the psychological level of 32,000 points during this quarter which highlights the strength still inherent in the market. It is also interesting to note that Pakistan's equity market was among the least affected markets both regionally as well as globally; emerging markets like China, Hong Kong, Saudi Arabia and Russia fell in excess of 15% during this quarter while KMI-30 was down by just 5.56%.

Looking ahead, comfort can be drawn from i) improving macro outlook, ii) robust corporate earnings and iii) opening of valuations in many of blue chip stocks/sectors following the steep correction during the quarter under review.

Corporate profitability and major contributors to Index:

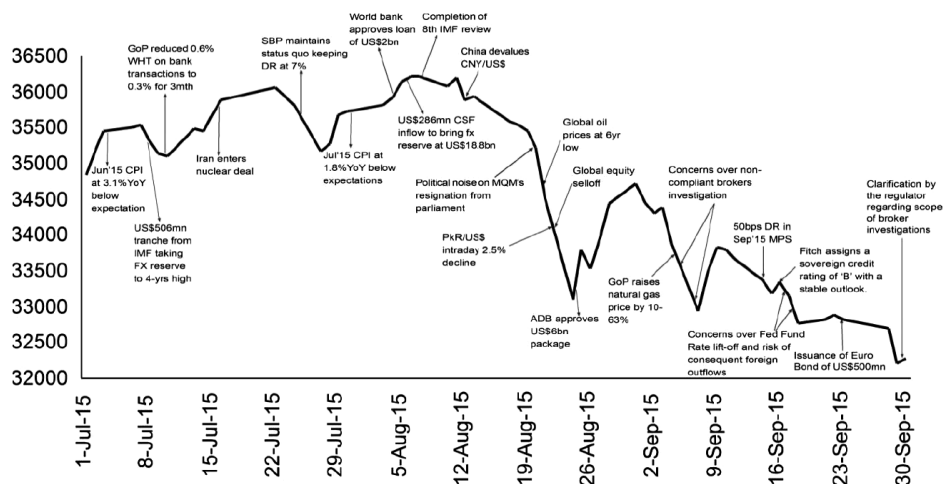
Software turned out to be the best performing sector during the period under review. Other sectors that performed well included Pharmaceuticals, Life Insurance and Support Services.

Best Performing Stocks	Contribution to KMI-30	Total Return
Hub Power Co Ltd	279	4.99%
Fauji Fertilizer Bin Qasim Ltd	108	8.73%
Lucky Cement Ltd	60	1.36%
Honda Atlas Cars Pakistan Ltd	22	5.33%
Pioneer Cement Ltd	12	1.70%

On the flip side, Oil and Gas was the worst performing sector due to the global oil price slump. This was followed by Fixed Line Telecommunication and Autos.

Worst Performing Stocks	Contribution to KMI-30	Total Return
Pakistan Petroleum Ltd	(1,485)	-27.47%
Pakistan State Oil Co Ltd	(846)	-25.25%
Pakistan Oilfields Ltd	(813)	-27.21%
Mari Petroleum Co Ltd	(159)	-22.50%
Shell Pakistan Ltd	(84)	-22.58%

A graphical summary of the performance of KMI-30 index is as follows:



Equity Flows:

Stock market witnessed outflows of USD 103 million by foreign investors during Jul-Sep'15. The highest outflows were recorded in Other Sectors category with an outflow of USD 47 million mainly due to block deals of PKGS, followed by Oil and Gas Exploration Sector with an outflow of USD 25 million. Muted foreign inflows were witnessed in Commercial Banks (USD5.2mn), Oil and Gas Marketing (USD3.1mn) and Textile Composite (USD 3.98mn). Mutual funds reduced their exposure with a net sell of USD 6.7 million while banks were seen to have increased their exposure to the stock market with a net buy of USD 18 million.

Mutual Fund Industry Review:

During the first three months of FY16, AUMs of the mutual funds industry witnessed an increase of 4.94% to the size of Rs. 436 billion. Islamic funds increased by 6.5% during the period under review to Rs. 112 billion which brings share of Islamic funds at 25.71% in the mutual fund industry. Al Meezan's share in the overall Mutual Funds industry stands at 14.28% while among the Islamic Funds, it has a share of 55.6% as of September 30, 2015 compared to 13.1% and 65.4% in the corresponding period last year.

In terms of net assets, open end sovereign, money market and income funds showed a growth in size during the three months ended September 2015. The combined category showed a rise of 14.7% to reach Rs 224 billion at period end. While conventional funds in this category rose by 15.4%, Islamic funds increased by 11.7%. Open end Equity funds (including capital protected, balanced, index tracker, and asset allocation) decreased by 3.6% to Rs. 178 billion as of September 30, 2015 compared to Rs. 185 billion as on June 30, 2015. Conventional funds in this category rose by 7.0% while Islamic equity based funds showed a reasonable growth of 3.3% in the period under review and stood at Rs. 63 billion.

Pension Funds showed modest growth of 4.72% during the period under review with their cumulative fund size clocking in over Rs. 14 billion mark, as at September 30, 2015. Islamic Pension Funds also witnessed a decent

growth of 4.98% in the period under review to clock in at Rs 8.4 billion as of September end. Meezan Tahaffuz Pension Fund (MTPF) continues to lead the pension fund market with a 33.4% market share while in the Islamic mutual funds industry, MTPF holds a 56.1% share compared to 58.2% in the corresponding period last year.

PERFORMANCE REVIEW (FUNDS)

Meezan Islamic Fund

The net assets of Meezan Islamic Fund (MIF) as at September 30, 2015 stood at Rs. 25,441 million as compared to Rs. 27,403 million at end of June 2015. The net asset value (NAV) per unit as at September 30, 2015 was Rs. 56.76 in comparison to Rs. 58.91 (Ex-Dividend) per unit as on June 30, 2015 providing a negative return of 4% during the quarter to its investors as compared to benchmark KSE Meezan Index (KMI 30) which declined by 6%.

AI Meezan Mutual Fund

The net assets of AI Meezan Mutual Fund (AMMF) as at September 30, 2015 were Rs. 3,912 million as compared to Rs. 4,007 million at end of June 2015. The net asset value per unit as at September 30, 2015 was Rs. 15.61 as compared to Rs. 16.28 per unit on June 30, 2015, providing a negative return of 4% during the quarter to its investors as compared to benchmark KSE Meezan Index (KMI 30) which declined by 6%.

KSE Meezan Index Fund

The net assets of KSE Meezan Index Fund (KMIF) as at September 30, 2015 were Rs. 844 million as compared to Rs. 1,159 million at June 30, 2015. The net asset value per unit at September 30, 2015 was Rs. 67.44 as compared to Rs. 71.70 (Ex-Dividend) per unit on June 30, 2015 providing a negative return of 6% during the quarter to its investors in line with the benchmark KSE Meezan Index (KMI 30) decline of 6%.

Meezan Balanced Fund

The net assets of Meezan Balanced Fund (MBF) as at September 30, 2015 were Rs. 4,408 million as compared to Rs. 3,383 million at June 30, 2015, depicting a rise of 30%. The net asset value per unit as at September 30, 2015 was Rs. 14.48 as compared to Rs. 14.67 per unit on June 30, 2015 providing a negative return of 1% to its investors as compared to benchmark return which declined by 2%.

Meezan Islamic Income Fund

The net assets of Meezan Islamic Income Fund (MIIF) as at September 30, 2015 were Rs. 8,200 million as compared to Rs. 4,263 million at June 30, 2015 showing an impressive growth of 92%. The net asset value per unit as at September 30, 2015 was Rs. 51.63 as compared to Rs. 50.85 (Ex-Dividend) per unit on June 30, 2015 providing an annualized return of 6.10% as compared to the benchmark return of 4.02%. As at September 30, 2015, the fund was invested 21% in Islamic Corporate Sukuks, 1% in GoP Ijarah Sukuks while 21% was placed in Term Deposit Receipts and 57% of the net assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Sovereign Fund

The net assets of Meezan Sovereign Fund (MSF) as at September 30, 2015 were Rs. 7,183 million as compared to Rs. 8,657 million at June 30, 2015. The net asset value per unit at September 30, 2015 was Rs. 51.03 as compared to Rs. 50.47 (Ex-Dividend) per unit on June 30, 2015, providing an annualized return of 4.38% to the investors as compared to the benchmark return of 4.88%. As at September 30, 2015, the fund was invested 56% in GoP Ijarah Sukuks and 42% of the net assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Cash Fund

The net assets of Meezan Cash Fund (MCF) at September 30, 2015 were Rs. 7,977 million as compared to Rs. 7,618 million at June 30, 2015. The net asset value per unit at September 30, 2015 was Rs. 50.71 as compared to Rs. 50.10 on June 30, 2015 providing an annualized return of 4.85% as compared to the benchmark return of 4.88%. As at September 30, 2015, 10% of the fund was placed in Term Deposit Receipts and commercial paper and 90% of the net assets were placed with Islamic Banks or windows of Islamic banks.

Meezan Financial Planning Fund of Funds

Meezan Financial Planning Fund of Funds (MFPP) consists of six plans, brief review of their performance is given below. The total AUMs of MFPP as at September 30, 2015 were Rs. 6.34 billion as compared to Rs. 5.59 billion as at year end June 30, 2015, up by 13% during three months.

Aggressive Allocation Plan

The net assets of the plan were Rs. 345 million as at September 30, 2015 as compared to Rs. 356 million at June 30, 2015. The plan incurred a negative return of 3% during this quarter equivalent to the decline in benchmark return of 3%.

Moderate Allocation Plan

The net assets of the plan were Rs. 303 million at September 30, 2015 as compared to Rs. 320 million at June 30, 2015. The plan incurred a negative return of 0.8% during this quarter compared to the benchmark return which declined by 2%.

Conservative Allocation Plan

The net assets of the plan as at September 30, 2015 were Rs. 245 million as compared to Rs. 237 million at June 30, 2015. The plan's provide a return of 0.6% during the quarter compared to a benchmark return which declined by 0.1%.

Meezan Capital Preservation Plan-I

The net assets of the plan as at September 30, 2015 were Rs. 1,542 million as compared to Rs. 1,590 million at June 30, 2015. The plan incurred a negative return of 1% during the quarter as compared to benchmark which declined by 3%.

Meezan Capital Preservation Plan-II

The net assets of the plan as at September 30, 2015 were Rs. 3,033 million as compared to Rs. 3,082 million at June 30, 2015. The plan incurred a negative return of 1% during the quarter compared to decline in benchmark by 1%.

Meezan Asset Allocation Plan-I

This plan was launched in July 2015 and its net assets were at Rs. 875 million as at September 30, 2015. The plan incurred a negative return of 3% during the period compared to a benchmark return which declined by 3%.

Meezan Capital Preservation Fund-II

The net assets of the Fund as at September 30, 2015 were Rs. 2,178 million as compared to Rs. 2,236 million at June 30, 2015. The fund incurred a negative return of 2% during the quarter compared to a benchmark return which declined by 2%.

Meezan Capital Preservation Fund-III

The net assets of the Fund as at September 30, 2015 were Rs. 3,270 million as compared to Rs. 3,380 million at June 30, 2015. The fund incurred a negative return of 2% during the quarter compared to a benchmark return which declined by 3%.

Meezan Gold Fund

This fund was launched in August 2015 and had net assets of Rs. 109 million as at September 30, 2015. During the period under review, MGF has incurred a negative return of 3% as compared to benchmark return of 2%.

Meezan Tahaffuz Pension Fund

The fund comprises of three sub funds namely Equity sub fund, Debt sub fund and Money Market sub fund. For the period ended September 30, 2015, the equity sub-fund incurred a negative return of 2%, while the debt and money market sub-funds provided annualized returns of 4% and 3% respectively. Performance review for each sub fund is given as under:

Equity Sub Fund

The net assets of this sub fund stood at Rs. 2,871 million at September 30, 2015 as compared to Rs. 2,740 million at June 30, 2015 showing a growth of 5% during the quarter. The net asset value per unit decreased from Rs. 416.67 to Rs. 408.64. For the period under review, the equity sub fund earned a gross loss of Rs. 43 million as compared to gross income of Rs. 77 million in corresponding quarter last year.

Debt Sub Fund

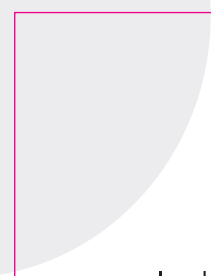
The net assets of this sub fund stood at Rs. 1,467 million at September 30, 2015 as compared to Rs. 1,399 million at June 30, 2015 showing a growth of 5% during the quarter. The net asset value increased from Rs. 195.69 to Rs. 197.52. For the period under review, the debt sub fund earned a gross income of Rs. 22 million as compared to Rs. 20 million in corresponding quarter last year.

Money Market Sub Fund

The net assets of this sub fund stood at Rs. 351 million at September 30, 2015 as compared to Rs. 338 million at June 30, 2015 showing a growth of 4% during the quarter. The net asset value increased from Rs. 195.36 to Rs. 196.99. For the period under review, the debt sub fund earned a gross income of Rs. 5 million as compared to Rs. 5 million in corresponding quarter last year.

Outlook

Going forward, the case for Pakistan's economy is strong based on the current scenario where growth in other emerging economies like China, India and South Africa has slowed down while Pakistan is now set to benefit from significant improvement in its economic indicators, political stability and improved security conditions. Lower oil prices, large remittances, monetary discipline, smoothly operating IMF program, successful international bond/sukuk sales and better maturity profiling of domestic debt have enabled the government to balance the external account and limit the budget deficit and inflation. The IMF has also certified Pakistan's economic health and international credit rating agencies have improved the country's credit rating to investment grade. The development under the China Pakistan Economic Corridor (CPEC) will also provide a solid foundation of infrastructure and economic activity to jumpstart growth in several segments of Pakistan's economy and add up to 2% in the GDP growth rate. Pakistan's ability to grow autonomously whereby 84% of the country's GDP is created by domestic demand, is also an important factor since it keeps Pakistan less dependent on export markets for attaining economic growth.



In addition to strengthening macros, attractive valuations coupled with steady earnings growth and reduction in international markets' volatility shall definitely attract foreign investment in the market. The continuation of reforms in the economy aimed at alleviating the energy crisis will further improve investors' sentiment in the market. In line with all the above mentioned improvements, the case for Pakistan's up-gradation in the MSCI index is already expected to be reviewed in November'15, successful conclusion of which shall lead to promotion of Pakistan to the emerging markets category (from the current frontier markets category) by June 2016; if materialized, this development will provide another boost for the stock market on the back of renewed foreign investment inflows.

Acknowledgement

We take this opportunity to thank our valued investors for reposing their faith in AI Meezan Investments making it the largest 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: October 22, 2015

Mohammad Shoaib, CFA
Chief Executive Officer



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

Al Meezan Investment Management Limited
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan.
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Fax: (9221) 35676143, 35630808
Website: 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. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
Mr. Tasnimul Haq Farooqui	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh SultanTrust 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
Bank Al Habib Limited - Islamic Banking	Burj Bank Limited
BankIslami Pakistan Limited	Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking	Habib Bank Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking	MCB Bank Limited - Islamic Banking
Meezan Bank Limited	National Bank of Pakistan - Islamic Banking
Standard Chartered Bank (Pakistan) Limited - Islamic Banking	UBL Ameen - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited
Standard Chartered Bank (Pakistan) Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2015

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Assets			
Balances with banks		948,532	1,436,341
Investments	5	24,435,579	26,982,856
Receivable on conversion of units		-	462,040
Receivable against sale of investments (net)		-	268,775
Dividend receivable		375,459	67,461
Other Assets		1,251	-
Deposits and other receivables		194,017	26,256
Total assets		25,954,838	29,243,729
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		233,855	205,037
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		2,560	2,409
Payable to Meezan Bank Limited (MBL)		-	1,109
Payable to Securities and Exchange Commission of Pakistan (SECP)		6,766	21,037
Payable on redemption and conversion of units		24,111	1,400,139
Payable against purchase of investments (net)		38,498	-
Accrued expenses and other liabilities		208,266	211,281
Total liabilities		514,056	1,841,012
Net assets		25,440,782	27,402,717
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		25,440,782	27,402,717
(Number of units)			
Number of units in issue		448,216,265	448,391,488
(Rupees)			
Net assets value per unit		56.76	61.11

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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	September 30,	
		2015	2014
		(Rupees in '000)	
Income			
Net realised gain / (loss) on sale of investments		94,684	(8,922)
Dividend income		421,140	284,298
Profit on saving accounts with banks		17,104	27,640
Other Income		-	9,398
		<u>532,928</u>	<u>312,414</u>
Unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss' (net)	5.1.1, 5.1.4 & 6	(1,039,296)	83,037
Total income		<u>(506,368)</u>	<u>395,451</u>
Expenses			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		142,438	86,596
Sindh Sales Tax and Federal Excise Duty on Management Fee		45,922	28,923
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		7,373	4,582
Sindh Sales Tax on Trustee Fee		1,033	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		6,766	4,113
Auditors' remuneration		216	171
Charity expense		3,869	3,742
Fees and subscription		10	10
Legal and professional charges		186	53
Brokerage		7,129	4,545
Bank and settlement charges		1,887	1,604
Provision for Workers' Welfare Fund (WWF)		-	5,369
Printing expenses		50	50
Total expenses		<u>216,879</u>	<u>139,758</u>
Net (loss) / income from operating activities		<u>(723,247)</u>	<u>255,693</u>
Element of income and capital gains included in prices of units issued less those in units redeemed (net)		109,994	7,373
Net (loss) / income for the quarter before taxation		<u>(613,253)</u>	<u>263,066</u>
Taxation		-	-
Net (loss) / income for the quarter after taxation		<u>(613,253)</u>	<u>263,066</u>
Other comprehensive income for the quarter			
Items that can be reclassified to income statements in subsequent periods			
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale' (net)	5.2.2	(381,445)	172,833
Total comprehensive income for the quarter		<u>(994,698)</u>	<u>435,899</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Undistributed income brought forward		
- Realised	2,241,038	89,236
- Unrealised	2,863,676	1,085,071
	5,284,714	1,174,307
Final distribution for the year ended June 30, 2015		
- cash dividend: @ 4.40% i.e. Rs. 2.20 per unit (June 30, 2014: nil)	(986,461)	-
Net (loss) / income for the year	(613,253)	263,066
Element of income and capital gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments (net)	29,547	14,513
Undistributed income carried forward	3,714,547	1,451,886
Undistributed income carried forward		
- Realised	4,753,843	1,368,849
- Unrealised	(1,039,296)	83,037
	3,714,547	1,451,886

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the quarter	27,402,717	16,621,765
Issue of 73,062,813 (September 30, 2014: 82,502,190) units	4,552,623	4,247,710
Issue of 14,887,823 units for re-investment of Cash Dividend (September 30, 2014: Nil)	877,042	-
Redemption of 88,125,859 (September 30, 2014: 61,379,917) units	(5,300,447)	(3,164,519)
	129,218	1,083,191
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(109,994)	(7,373)
Net realised gain / (loss) on sale of investments	94,684	(8,922)
Unrealised (dimunition) / appreciation in the value of investments (net)	(1,420,741)	255,870
Net other income for the quarter	331,359	188,951
Total comprehensive income for the quarter	(994,698)	435,899
Final distribution for the year ended June 30, 2015 - cash dividend: @ 4.40% i.e. Rs. 2.20 per unit (June 30, 2014: nil)	(986,461)	-
Net assets at end of the quarter	25,440,782	18,133,482
	(Rupees)	
Net assets value per unit at beginning of the quarter	61.11	50.24
Net assets value per unit at end of the quarter	56.76	51.52

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the quarter	(613,253)	263,066
Adjustments for:		
Unrealised diminution / (appreciation) on re-measurement of investments - 'at fair value through profit or loss' (net)	1,039,296	(83,037)
Element of income and capital gains in prices of units issued less those in units redeemed (net)	(109,994)	(7,373)
	929,302	(90,410)
Decrease / (Increase) in assets		
Investments (net)	1,126,536	(1,573,849)
Receivable on conversion of units	-	-
Receivable against sale of investments (net)	268,775	-
Dividend receivable	(307,998)	(216,260)
Other Assets	(1,251)	-
Deposits and other receivables	(167,761)	120
	918,301	(1,789,989)
Increase / (Decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	28,818	25,913
Payable to Central Depository Company of Pakistan Limited - Trustee	151	140
Payable to Meezan Bank Limited	(1,109)	(2,174)
Payable to Securities and Exchange Commission of Pakistan	(14,271)	(7,450)
Payable against purchase of investments (net)	38,498	(102,347)
Accrued expenses and other liabilities	(3,015)	9,834
	49,072	(76,084)
Net cash generated from / (used in) operating activities	1,283,422	(1,693,417)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuances of units	5,014,663	4,247,710
Receipts against dividend re-investment	877,042	-
Dividend paid	(986,461)	-
Payment against redemption of units	(6,676,475)	(3,175,851)
Net cash (used in) / generated from financing activities	(1,771,231)	1,071,859
Net decrease in cash and cash equivalents during the quarter	(487,809)	(621,558)
Cash and cash equivalents at beginning of the quarter	1,436,341	1,698,950
Cash and cash equivalents at end of the quarter	948,532	1,077,392

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 QUARTER ENDED SEPTEMBER 30, 2015 (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. The objective of the Fund is to provide the maximum total return to the unitholders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by the regulations and any other prevailing rules and regulations. For this purpose the fund shall invest at least seventy percent of its net assets in listed equity securities. The remaining net assets of the fund shall be invested in cash and cash equivalents not exceeding ninety days maturity. 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 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. The Fund is categorized as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 1.4** The Management Company of the Fund has been given a quality rating of AM2+ and the fund is ranked at 'MFR 3-Star' for one year, 'MFR 4-Star' for three years and 'MFR 3-Star' for five years weighted average performance ranking by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

2. BASIS OF 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. 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 and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules and the NBFC Regulations and directives issued by SECP. In case where requirements differ, the provisions and directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations and directives issued by SECP have been followed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This 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, 2015.

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, 2015.

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, 2015.

	Note	(Unaudited) September 30, 2015 (Rupees in '000)	(Audited) June 30, 2015
5. INVESTMENTS			
Investments - 'at fair value through profit or loss'	5.1	20,920,448	22,973,934
Investments - 'available for sale'	5.2.1	3,515,131	4,008,922
		24,435,579	26,982,856
5.1 Investments - 'at fair value through profit or loss'			
Held for trading	5.1.1	20,635,026	22,570,106
Investments - 'at fair value through profit or loss upon initial recognition'	5.1.4	285,422	403,828
		20,920,448	22,973,934

5.1.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus issue	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to					
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)			
						(Number of shares)			(Rupees in '000)			%		
Sector / Companies														
Automobile assembler														
Honda Atlas Cars Pakistan Limited	3,270,000	50,000	-	-	3,320,000	727,113	764,729	37,616	3.01	3.13	2.32			
Indus Motor Company Limited	775,394	72,980	-	-	848,374	1,058,740	849,562	(209,178)	3.34	3.48	1.08			
Millat Tractors Limited	141,200	-	-	-	141,200	96,838	88,205	(8,633)	0.35	0.36	0.32			
Pakistan Suzuki Motor Company Limited	591,822	-	-	-	591,822	257,981	245,352	(12,629)	0.96	1.00	0.72			
									7.66	7.97	4.44			
Automobile parts and accessories														
Agriauto Industries Limited (note 5.1.2)	341,700	-	-	-	341,700	63,539	58,089	(5,450)	0.23	0.24	1.19			
Thal Limited (note 5.1.2)	196,707	-	-	-	196,707	56,146	49,767	(6,379)	0.20	0.20	0.24			
									0.43	0.44	1.43			
Chemicals														
ICI Pakistan Limited	855,200	-	-	50,000	805,200	345,326	387,535	42,209	1.52	1.59	0.87			
Sitara Chemicals Industries Limited	500	5,000	-	-	5,500	1,893	1,980	87	0.01	0.01	0.03			
									1.53	1.60	0.90			
Cement														
Attock Cement Pakistan Limited	884,237	-	-	-	884,237	168,536	154,582	(13,954)	0.61	0.63	0.77			
Cherat Cement Company Limited	4,289,612	1,071,500	-	-	5,361,112	473,400	462,235	(11,165)	1.82	1.89	3.04			
D.G Khan Cement Company Limited	31,722	-	-	23,000	8,722	1,245	1,195	(50)	-	-	-			
Fauji Cement Company Limited	34,740,500	400,000	-	1,546,000	33,594,500	1,171,435	1,124,744	(46,691)	4.42	4.60	2.52			
Kohat Cement Company Limited	2,872,900	3,200	-	60,000	2,816,100	562,804	537,762	(25,042)	2.11	2.20	1.82			
Lucky Cement Limited	4,648,379	50,000	-	500,000	4,198,379	2,181,813	2,211,286	29,473	8.69	9.05	1.30			
Maple Leaf Cement Company Limited	8,440,000	50,000	-	4,225,000	4,265,000	334,519	292,323	(42,196)	1.15	1.20	0.81			
Pioneer Cement Limited	6,714,000	46,000	-	-	6,760,000	576,610	586,362	9,752	2.30	2.40	2.98			
									21.10	21.97	13.24			
Paper and Board														
Packages Limited	1,860,579	810,000	-	7,900	2,662,679	1,565,405	1,420,539	(144,866)	5.58	5.81	3.01			
Technology and communication														
Pakistan Telecommunication Company Limited "A"	15,314,037	-	-	12,000,000	3,314,037	67,938	57,631	(10,307)	0.23	0.24	0.09			
Refinery														
Attock Refinery Limited	-	400,000	-	400,000	-	-	-	-	-	-	-			
National Refinery Limited	2,905	-	-	-	2,905	674	639	(35)	-	-	-			
									-	-	-			
Miscellaneous														
Shifa International Hospitals Limited	384,300	-	-	-	384,300	96,094	101,886	5,792	0.40	0.42	0.76			
Commercial Banks														
Mezzan Bank Limited (an associate of the Fund)	10,280,000	-	-	2,514,919	7,765,081	318,368	391,981	73,613	1.54	1.60	0.77			
Oil and gas Marketing Companies														
Attock Petroleum Limited	377,579	-	-	-	377,579	214,170	188,884	(25,286)	0.74	0.77	0.44			
Hascol Petroleum Limited	1,751,640	23,900	305,108	470,000	1,610,648	154,024	192,617	38,593	0.76	0.79	1.33			
Pakistan State Oil Company Limited	3,314,123	60,000	-	200,000	3,174,123	1,221,694	915,385	(306,309)	3.60	3.75	1.17			
Shell Pakistan Limited	52,500	-	-	-	52,500	13,280	10,282	(2,998)	0.04	0.04	0.05			
Sui Northern Gas Pipelines Limited	5,992,000	5,040,000	-	6,050,000	4,982,000	160,683	156,584	(4,099)	0.62	0.64	0.79			
									5.76	5.99	3.78			
Oil and gas Exploration Companies														
Pakistan Oilfields Limited	1,639,797	-	-	-	1,639,797	662,183	481,986	(180,197)	1.89	1.97	0.69			
Pakistan Petroleum Limited	93,450	-	-	90,000	3,450	567	411	(156)	-	-	-			
Mari Petroleum Company Limited	1,771,330	18,200	-	32,300	1,757,230	822,326	638,191	(184,135)	2.51	2.61	1.59			
									4.40	4.58	2.28			
Pharmaceuticals														
Abbott Laboratories (Pakistan) Limited	478,250	-	-	-	478,250	319,141	312,536	(6,605)	1.23	1.28	0.49			
Ferozsons Laboratories Limited	387,150	60,000	-	25,000	422,150	278,830	319,525	40,695	1.26	1.31	1.40			
Glaxo SmithKline Pakistan Limited	3,520	-	-	-	3,520	688	752	64	-	-	-			
Highnoon Laboratories Limited	-	162,200	-	-	162,200	53,598	58,330	4,732	0.23	0.24	0.80			
The Searle Company Limited	1,252,800	241,600	-	176,000	1,318,400	435,400	527,782	92,382	2.07	2.16	1.54			
									4.79	4.99	4.23			
Power Generation and Distribution														
The Hub Power Company Limited	10,346,716	982,000	-	474,000	10,854,716	1,021,511	1,066,372	44,861	4.19	4.36	0.94			
K - Electric Limited (note 5.1.2)	39,811,000	28,274,000	-	-	68,085,000	563,280	480,680	(82,600)	1.89	1.97	0.25			
Kohinoor Energy Limited	1,189,500	-	-	-	1,189,500	60,070	58,928	(1,142)	0.23	0.24	0.70			
Lalpir Power Limited	8,059,500	459,000	-	-	8,518,500	259,355	248,485	(10,870)	0.98	1.02	2.24			
Pakgen Power Limited	1,475,000	-	-	-	1,475,000	44,265	41,226	(3,039)	0.16	0.17	0.40			
									7.45	7.76	4.53			
Cable & Electrical Goods														
Pak Elektron	12,415,000	741,500	-	1,724,000	11,432,500	946,649	824,169	(122,480)	3.24	3.37	2.87			

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus issue	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to			
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)	
----- (Number of shares) -----						----- (Rupees in '000) -----			----- % -----			
Fertilizer												
Dawood Hercules	-	524,800	-	-	524,800	69,396	55,293	(14,103)	0.22	0.23	0.11	
Engro Corporation Limited (note 5.1.3)	8,463,100	286,700	-	1,806,500	6,943,300	2,069,001	2,071,742	2,741	8.14	8.48	1.33	
Engro Fertilizer	7,778,000	2,487,000	-	1,000,000	9,265,000	835,983	831,997	(3,986)	3.27	3.40	0.70	
Fatima Fertilizer Company Limited	5,574,000	350,000	-	500,000	5,424,000	214,777	251,023	36,246	0.99	1.03	0.26	
Fauji Fertilizer Bin Qasim Limited	9,749	-	-	-	9,749	539	586	47	-	-	-	
Fauji Fertilizer Company Limited	2,559	-	-	-	2,559	382	316	(66)	-	-	-	
									12.62	13.14	2.40	
Engineering												
Crescent Steel & Allied Products Limited	-	200,000	-	-	200,000	21,920	16,604	(5,316)	0.07	0.07	0.32	
K.S.B. Pumps	45,400	20,000	-	-	65,400	10,925	14,659	3,734	0.06	0.06	0.50	
									0.13	0.13	0.82	
Food and Personal Care Products												
Engro Foods Limited	5,150,621	1,176,800	-	500,000	5,827,421	892,002	858,729	(33,273)	3.38	3.51	0.76	
Textile Composite												
Nishat Mills Limited	7,828,100	-	-	5,586,500	2,241,600	256,058	222,568	(33,490)	0.87	0.91	0.64	
Total						21,729,114	20,635,026	(1,094,088)				
Total cost of investments							18,358,846					

5.1.2 All shares have a nominal value of Rs 10 each except for the shares of Agriauto Industries Limited and Thal Limited which have a face value of Rs 5 each, and K Electric which has face value of Rs. 3.5.

5.1.3 1,000,000 shares of Engro Corporation Limited having market value of Rs 298.38 million (June 2015: Rs 279.00 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

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

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Ordinary Shares	285,422	231,881
Preference Shares	-	171,947
	285,422	403,828

Ordinary Shares - Listed

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus issue	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to			
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)	
----- (Number of shares) -----						----- (Rupees in '000) -----			----- % -----			
Sector / Companies												
Commercial Banks												
Meezan Bank Limited (an associate of the Fund)	5,650,206	-	-	-	5,650,206	231,659	285,222	53,563	1.12	1.17	0.56	
Paper and Board												
Packages Limited	374	-	-	-	374	222	200	(22)	-	0.00	-	
Total						231,881	285,422	53,541				
Total cost of investments							57,329					

Preference Shares - Unlisted

(Unaudited)
September 30,
2015
(Rupees in '000)

(Audited)
June 30,
2015

Name of Security

Mari Petroleum Company Limited - at Cost

- 171,947

As per Notice to the minority preference shareholders by Mari Petroleum Company Limited dated September 23, 2015, all preference shares were surrendered by the Fund on September 30, 2015. Redemption amount of Rs. 171.947 million is included in deposits and other receivable.

5.2 Investments categorised as 'available for sale'

5.2.1 Shares of listed companies

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus issue	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)
 (Number of shares) (Rupees in '000) %			
Sector / Companies											
Automobile and parts											
Indus Motor Company Limited	53,068	-	-	-	53,068	12,165	53,142	40,977	0.21	0.22	0.07
Pakistan Suzuki Motor Company Limited	24,105	-	-	-	24,105	1,759	9,993	8,234	0.04	0.04	0.03
									0.25	0.26	0.10
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	124,880	-	-	-	124,880	1,552	6,304	4,752	0.02	0.03	0.01
BankIslami Pakistan Limited	875	-	-	-	875	5	8	3	-	-	-
									0.02	0.03	0.01
Chemicals											
ICI Pakistan Limited	59,975	-	-	-	59,975	7,795	28,865	21,070	0.11	0.12	0.06
Cement											
D.G Khan Cement Company Limited	1,312,000	-	-	1,312,000	-	-	-	-	-	-	-
Lucky Cement Limited	179,000	-	-	-	179,000	68,002	94,279	26,277	0.37	0.39	0.06
									0.37	0.39	0.06
Power Generation and Distribution											
The Hub Power Company Limited	15,000,000	-	-	-	15,000,000	949,610	1,473,600	523,990	5.79	6.03	1.30
Paper and Board											
Packages Limited	2,200,000	-	-	-	2,200,000	1,047,945	1,173,700	125,755	4.61	4.80	2.49
Food and Personal Care Products											
Engro Foods Limited	3,600	-	-	-	3,600	377	530	153	-	-	-
Oil and gas Marketing Companies											
Pakistan State Oil Company Limited	1,914,500	-	-	-	1,914,500	519,035	552,123	33,088	2.17	2.25	0.70
Oil and gas Exploration Companies											
Pakistan Oilfields Limited	415,600	-	-	-	415,600	157,662	122,157	(35,505)	0.48	0.50	0.18
Pakistan Petroleum Limited	-	-	-	-	-	-	-	-	-	-	-
									0.48	0.50	0.18
Refinery											
National Refinery Limited	151	-	-	-	151	28	33	5	-	-	-
Textile Composite											
Nishat Mills Limited	30,000	-	-	26,000	4,000	470	397	(73)	-	-	-
Total						2,766,405	3,515,131	748,726			
Total cost of investments							2,766,405				

5.2.2 Net unrealised appreciation / (diminution) on re-measurement of investment classified as 'available for sale'

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Market value of investment	3,515,131	4,008,922
Less: Cost of investments	<u>2,766,405</u>	<u>2,878,751</u>
	748,726	1,130,171
Less: Net unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the year	<u>1,130,171</u>	364,706
	(381,445)	765,465
Impairment loss on listed equity securities classified as 'available for sale' - transferred to income statement	-	63,864
	<u>(381,445)</u>	<u>829,329</u>

6 OTHER ASSETS

Particulars	Number of Rights	Underlying	Fair Value	
			September 30, 2015	June 30, 2015
			(Rupees in '000)	
Entitlement of Letter of Rights				
- Crescent Steel & Allied Products Limited	50,000	Equity indices	<u>1,251</u>	<u>-</u>

7. CONTINGENCIES AND COMMITMENTS

The Finance Act, 2014, introduced amendments to Income Tax Ordinance, 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. These shares will be released upon payments of tax by shareholders. The value of tax will be computed on the basis of day-end price on the first day of book closure.

In this regard, a Constitutional Petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. On September 8, 2015, the Sindh High Court has dismissed the suit on the basis that bonus shares are included in the definition of income and accordingly are chargeable to tax. An appeal against the judgment has been instituted and a stay order has been granted by the High Court of Sindh in favour of CISs.

In the current period, Hascol Petroleum Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These haven't been deposited by the Company with the Government Treasury due to pending adjudication of the aforementioned Constitutional Petition and the stay order.

There were no other contingencies and commitments outstanding as at September 30, 2015.

8. WORKERS' WELFARE FUND

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

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company, as a matter of abundant caution, has recognised WWF charge for the period from January 1, 2013 to June 30, 2015 amounting to Rs. 184.606 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.41 (0.72%).

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). Thus, the Fund is no longer liable to pay any expense under WWF until December 31, 2012.

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015 hence, effective from July 1, 2015 no provision of WWF is being made in the Fund.

9. 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 and 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, Meezan Capital Preservation Fund – II, Meezan Gold 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, Al Meezan Investment Management Limited - Employees Gratuity Fund and Unitholders holding 10 percent or more units of the 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) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	43,270	46,538
Sindh Sales Tax and Federal Excise Duty on management fee payable	154,811	127,055
Sales load payable	11,485	10,763
Sindh Sales Tax and Federal Excise Duty on sales load payable	24,284	20,676
Certificate charges payable	5	5
Investment of 13,151,964 units (June 30, 2015: 12,251,197 units)	746,505	748,671
Meezan Bank Limited		
Bank balance	57,675	451,327
Sales load payable	-	1,109
Investment in 13,540,167 shares (June 30, 2015: 16,055,086 shares)	683,507	658,259
Investment of 15,675,049 units (June 30, 2015: 15,675,049 units)	889,716	957,902
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	2,560	2,409
Deposits	100	100
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investment in 125,020 units (June 30, 2015: 120,915 units)	7,096	7,389
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment in 4,283,668 units (June 30, 2015: 3,987,725 units)	243,141	243,690
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment in 2,660,496 units (June 30, 2015: 3,075,363 units)	151,010	187,935
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment in 1,073,795 units (June 30, 2015: 1,465,973 units)	60,949	89,586
Meezan Financial Planning Fund of Funds - MCPP - I		
Investment in 12,248,825 units (June 30, 2015: 20,807,623 units)	695,243	1,271,554
Meezan Financial Planning Fund of Funds - MCPP - II		
Investment in 12,314,031 units (June 30, 2015: 25,627,412 units)	698,944	1,566,091
Meezan Financial Planning Fund of Funds - MAAP		
Investment in 4,937,395 units (June 30, 2015: nil)	280,247	-
Meezan Capital Preservation Fund-III		
Investment in 30,831,791 units (June 30, 2015: 42,727,003 units)	1,750,012	2,611,047
Meezan Capital Preservation Fund-II		
Investment in 15,115,280 units (June 30, 2015: 24,168,267 units)	857,943	1,476,923
Directors and executives of the Management Company		
Investment of 4,872,935 units (June 30, 2015: 4,815,135 units)	276,588	294,253

**For the quarter ended
September 30,**

2015 2014
(Rupees in '000)

Al Meezan Investment Management Limited - Management Company

Remuneration for the quarter	<u>142,438</u>	<u>86,596</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>45,922</u>	<u>28,923</u>
Units Issued: 900,768 units (September 30, 2014: 5,013,793 units)	<u>56,953</u>	<u>240,461</u>
Cash dividend paid (September 30, 2014: nil units)	<u>26,953</u>	<u>-</u>

Meezan Bank Limited

Profit on saving accounts	<u>567</u>	<u>4,969</u>
Shares disposed off during the year: 2,514,919 shares (September 30, 2014: nil)	<u>117,744</u>	<u>-</u>
Dividend Income	<u>25,193</u>	<u>18,092</u>
Cash dividend paid (September 30, 2014: nil)	<u>34,485</u>	<u>-</u>

Central Depository Company of Pakistan Limited - Trustee

Trustee fee for the quarter	<u>7,373</u>	<u>4,582</u>
SST on Trustee fee for the quarter	<u>1,033</u>	<u>-</u>
CDS charges	<u>291</u>	<u>281</u>

Al Meezan Investment Management Limited - Employees' Gratuity Fund

Units Issued: 4,501 units (September 30, 2014: nil)	<u>265</u>	<u>-</u>
Cash dividend paid (September 30, 2014: nil)	<u>266</u>	<u>-</u>

Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan

Units Issued: 439,460 units (September 30, 2014: 424,349 units)	<u>26,116</u>	<u>21,407</u>
Units Redeemed: 143,518 units (September 30, 2014: 599,632 units)	<u>8,540</u>	<u>30,129</u>
Transaction Cost received	<u>-</u>	<u>54</u>
Cash dividend paid (September 30, 2014: nil)	<u>8,773</u>	<u>-</u>

Meezan Financial Planning Fund of Funds - Moderate Allocation Plan

Units Issued: 228,915 units (September 30, 2014: 384,257 units)	<u>13,527</u>	<u>19,541</u>
Units Redeemed: 643,782 units (September 30, 2014: 347,463 units)	<u>39,650</u>	<u>17,553</u>
Transaction Cost received	<u>-</u>	<u>49</u>
Cash dividend paid (September 30, 2014: nil)	<u>6,766</u>	<u>-</u>

Meezan Financial Planning Fund of Funds - Conservative Allocation Plan

Units Issued: 273,086 units (September 30, 2014: 598,757 units)	<u>16,411</u>	<u>29,980</u>
Units Redeemed: 665,263 units (September 30, 2014: 464,813 units)	<u>41,300</u>	<u>23,802</u>
Transaction Cost received	<u>-</u>	<u>75</u>
Cash dividend paid (September 30, 2014: nil)	<u>3,225</u>	<u>-</u>

Meezan Financial Planning Fund of Funds - MCPP - I

Units Issued: 777,063 units (September 30, 2014: nil units)	<u>45,777</u>	<u>-</u>
Units Redeemed: 9,335,860 units (September 30, 2014: nil)	<u>552,260</u>	<u>-</u>
Transaction Cost received	<u>-</u>	<u>-</u>
Cash dividend paid (September 30, 2014: nil)	<u>45,777</u>	<u>-</u>

**For the quarter ended
September 30,**

2015 2014
(Rupees in '000)

Meezan Financial Planning Fund of Funds - MCPP - II

Units Issued: 2,896,783 units (September 30, 2014: nil)
Units Redeemed: 16,210,163 units (September 30, 2014: nil)
Transaction Cost received
Cash dividend paid (September 30, 2014: nil)

177,380	-
940,580	-
-	-
56,380	-

Meezan Financial Planning Fund of Funds - MAAP

Units Issued: 4,937,395 units (September 30, 2014: nil)

307,500	-
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Meezan Capital Preservation Fund-III

Units Issued: 1,595,644 units (September 30, 2014: 11,023,825 units)
Units Redeemed: 13,490,856 units (September 30, 2014: 11,766,623 units)
Transaction Cost received
Cash dividend paid (September 30, 2014: nil)

93,999	558,001
781,050	570,000
-	1,398
93,999	-

Meezan Capital Preservation Fund-II

Units Issued: 3,964,445 units (September 30, 2014: 24,184,961 units)
Units Redeemed: 13,017,432 units (September 30, 2014: 6,059,342 units)
Transaction Cost received
Cash dividend paid (September 30, 2014: nil)

244,170	1,224,731
769,825	300,000
-	3,069
53,170	-

Directors and executives of the Management Company

Units issued: 189,633 units (September 30, 2014: 37,734 units)
Units Redeemed: 131,833 units (September 30, 2014: 75,217 units)
Cash dividend paid (September 30, 2014: nil)

10,809	1,916
7,514	3,766
10,720	-

10. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Management Company.

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

Chief Executive

Director



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
Mr. Tasnimul Haq Farooqui	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh SultanTrust 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
Askari Bank Limited - Islamic Banking	MCB Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking	Meezan Bank Limited
BankIslami Pakistan Limited	National Bank of Pakistan - Islamic Banking
Burj Bank Limited	UBL Ameen - Islamic Banking
Dubai Islamic Bank	

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2015

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Assets			
Balances with banks		217,854	565,374
Investments	4	3,710,917	3,547,041
Receivable against sale of investments		-	30,896
Receivable on conversion of units		-	802,517
Dividend receivable		62,154	4,586
Deposits, prepayments and other receivables		22,423	6,439
Other assets	5	563	-
Total assets		4,013,911	4,956,853
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan)			
- Management Company		34,216	30,084
Payable to Central Depository Company of Pakistan Limited (CDC)			
- Trustee		1,008	381
Payable to Securities and Exchange Commission of Pakistan (SECP)		998	3,114
Payable to Meezan Bank Limited (MBL)		-	86
Payable on redemption and conversion of units		6,606	841,987
Accrued expenses and other liabilities		41,880	51,540
Payable against purchase of investments		11,996	-
Unclaimed dividend		4,765	22,750
Total liabilities		101,469	949,942
Net assets		3,912,442	4,006,911
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		3,912,442	4,006,911
(Number of units)			
Number of units in issue		250,592,717	246,069,711
(Rupees)			
Net assets value per unit		15.61	16.28

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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	September 30,	
		2015	2014
		(Rupees in '000)	
Income			
Net realised gain on sale of investments		15,396	8,026
Dividend income		61,726	51,412
Profit on saving accounts with banks		2,598	2,616
Other income		15	1,099
		<u>79,735</u>	<u>63,153</u>
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	5.1.1 & 6	(158,601)	21,949
Total income		(78,866)	85,102
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company		20,591	15,031
Sindh Sales Tax and Federal Excise Duty on management fee		6,606	5,021
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,305	1,004
Sindh Sales Tax on trustee fee		202	-
Annual fee to Securities and Exchange Commission of Pakistan		998	714
Auditors' remuneration		203	211
Fees and subscription		41	38
Legal and professional charges		100	-
Charity expense		540	618
Brokerage		1,601	648
Bank and settlement charges		413	227
Provision for Workers' Welfare Fund (WWF)		-	1,269
Total expenses		32,600	24,781
Net (loss) / income from operating activities		(111,466)	60,321
Element of income and capital gains included in prices of units issued less those in units redeemed (net)		1,412	1,852
Net (loss) / income for the quarter before taxation		(110,054)	62,173
Taxation		-	-
Net (loss) / income for the quarter after taxation		(110,054)	62,173
Other comprehensive income for the quarter			
Items that can be reclassified to income statements in subsequent periods			
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale' (net)		(58,660)	36,850
Total comprehensive income for the quarter		(168,714)	99,023

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Undistributed income brought forward		
- Realised	495,043	240,888
- Unrealised	395,282	198,627
	890,325	439,515
Net (loss) / income for the quarter	(110,054)	62,173
Element of income and capital gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments (net)	611	2,028
Undistributed income carried forward	780,882	503,716
Undistributed income / accumulated (loss) carried forward		
- Realised	939,483	481,767
- Unrealised	(158,601)	21,949
	780,882	503,716

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the quarter	4,006,911	2,847,050
Issue of 30,301,066 units (September 30, 2014 : 37,598,684 units)	513,874	534,801
Redemption of 25,778,060 units (September 30, 2014 : 30,119,702 units)	(438,217)	(426,963)
	75,657	107,838
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(1,412)	(1,852)
Net realised gain on sale of investments	15,396	8,026
Unrealised (diminution) / appreciation in value of investments (net)	(217,261)	58,799
Other net income for the quarter	33,151	32,198
Total comprehensive income for the quarter	(168,714)	99,023
Net assets at end of the quarter	3,912,442	3,052,059
	(Rupees)	
Net assets value per unit at beginning of the quarter	16.28	13.90
Net assets value per unit at end of the quarter	15.61	14.38

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the quarter	(110,054)	62,173
Adjustments for		
Unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss' (net)	158,601	(21,949)
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(1,412)	(1,852)
	<u>47,135</u>	<u>38,372</u>
(Increase) / decrease in assets		
Investments (net)	(381,137)	(134,714)
Other assets	(563)	(6,665)
Receivable against sale of investments	30,896	77,846
Receivable on conversion of units	802,517	-
Dividend receivable	(57,568)	(40,504)
Deposits and other receivables	(15,984)	(133)
	<u>378,161</u>	<u>(104,170)</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	4,132	3,635
Payable to Central Depository Company of Pakistan Limited - Trustee	627	24
Payable to Securities and Exchange Commission of Pakistan	(2,116)	(1,632)
Payable to Meezan Bank Limited (MBL)	(86)	-
Payable against purchase of investments	11,996	(39,088)
Accrued expenses and other liabilities	(9,660)	1,307
	<u>4,893</u>	<u>(35,754)</u>
Net cash generated from / (used in) operating activities	<u>430,189</u>	<u>(101,552)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units	513,874	534,801
Payment against redemption of units	(1,273,598)	(450,826)
Dividend paid	(17,985)	(59)
Net cash (used in) / generated from financing activities	<u>(777,709)</u>	<u>83,916</u>
Net decrease in cash and cash equivalents during the quarter	<u>(347,520)</u>	<u>(17,636)</u>
Cash and cash equivalents at beginning of the quarter	<u>565,374</u>	<u>84,389</u>
Cash and cash equivalents at end of the quarter	<u>217,854</u>	<u>66,753</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 QUARTER ENDED SEPTEMBER 30, 2015 (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. The fund is categorized as an Equity Scheme.

1.4 The Management Company of the Fund has been given quality rating of AM2+ whereas the fund is ranked at 'MFR 2-Star' for one year and 'MFR 3-Star' for three years weighted average performance ranking 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 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 and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008

(the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations 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, 2015.

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, 2015.

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, 2015.

5. INVESTMENTS

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Investment 'at fair value through profit or loss'			
- Held for trading	5.1	2,711,875	1,658,134
- Investment - 'available for sale'	5.2	999,042	1,134,694
		<u>3,710,917</u>	<u>2,792,828</u>

5.1 Investments at 'fair value through profit or loss'

Ordinary shares - held for trading	5.1.1	2,711,875	2,460,878
Preference shares - Fair value through profit and loss upon initial recognition	5.1.2	-	15,321
		<u>2,711,875</u>	<u>2,476,199</u>

5.1.1 Held for trading - Ordinary Shares of Listed Companies

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus shares	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)
					(Number of shares)	(Rupees in '000)		%			
Sector / Companies											
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	419	-	-	-	419	17	21	4	-	-	-
Construction and materials (Cement)											
Attock Cement Pakistan Limited	176,121	-	-	-	176,121	33,569	30,789	(2,780)	0.79	0.83	0.15
DG Khan Cement Company Limited	4,305	-	-	-	4,305	615	590	(25)	0.02	0.02	-
Fauji Cement Company Limited	5,983,000	260,000	-	-	6,243,000	218,325	209,016	(9,309)	5.34	5.63	0.47
Kohat Cement Company Limited	341,000	-	-	20,000	321,000	64,152	61,298	(2,854)	1.57	1.65	0.21
Cherat Cement Company Limited	661,440	403,000	-	-	1,064,440	93,882	91,776	(2,106)	2.35	2.47	0.60
Lucky Cement Company Limited	8,390	86,000	-	-	94,390	50,797	49,715	(1,082)	1.27	1.34	0.03
Maple Leaf Cement Ltd	475,000	-	-	230,000	245,000	19,247	16,792	(2,455)	0.43	0.45	0.05
Pioneer Cement Limited	532,000	209,500	-	-	741,500	63,920	64,318	398	1.64	1.73	0.33
Oil and Gas Exploration Companies											
Pakistan Oilfields Limited	164,151	-	-	-	164,151	66,287	48,249	(18,038)	1.23	1.30	0.07
Pakistan Petroleum Limited	377,121	-	-	376,888	233	38	28	(10)	-	-	-
Mari Petroleum Company Limited	149,700	-	-	-	149,700	70,149	54,368	(15,781)	1.39	1.47	0.14
Oil & Gas Marketing Companies											
Attock Petroleum Limited	61,500	-	-	-	61,500	34,884	30,765	(4,119)	0.79	0.83	0.07
Pakistan State Oil Company Limited	483,120	50,000	-	180,000	353,120	134,047	101,836	(32,211)	2.60	2.74	0.13
Sui Northern Gas Pipeline Limited	850,000	755,000	-	255,000	1,350,000	41,279	42,431	1,152	1.08	1.14	0.21
Hascol Petroleum Limited	227,550	216,000	88,710	50,000	482,260	46,714	57,673	10,959	1.47	1.55	0.40
Engineering											
Crescent Steel & Allied Product	-	90,000	-	-	90,000	10,077	7,472	(2,605)	0.19	0.20	0.14
Automobile Assembler											
Indus Motor Company Limited	87,264	8,100	-	-	95,364	118,551	95,498	(23,053)	2.44	2.57	0.12
Honda Atlas Cars Pakistan Limited	267,500	25,000	-	-	292,500	64,116	67,374	3,258	1.72	1.82	0.20
Millat Tractors Limited	16,500	-	-	-	16,500	11,316	10,307	(1,009)	0.26	0.28	0.04
Pak Suzuki Motor Company Limited	83,689	-	-	-	83,689	36,481	34,695	(1,786)	0.89	0.93	0.10
Automobile Parts and Accessories											
Agriaautos Industries Limited (note 5.1.1.1)	6,460	-	-	-	6,460	1,201	1,098	(103)	0.03	0.03	-
Thal Limited (note 5.1.1.1)	55,613	-	-	-	55,613	15,874	14,070	(1,804)	0.36	0.38	0.14
Technology and Communication											
Pakistan Telecommunication Company Limited "A"	1,581,670	431,000	-	200,000	1,812,670	37,671	31,522	(6,149)	0.81	0.85	0.05
Chemicals											
Sitara Chemical Industries Limited	500	64,500	-	-	65,000	23,048	23,400	352	0.60	0.63	0.30
ICI Pakistan Limited	50,022	-	-	-	50,022	21,453	24,075	2,622	0.62	0.65	0.05
Dynea Pakistan	-	1,000	-	-	1,000	50	44	(6)	-	-	0.01
Fertilizer											
Fauji Fertilizer Company Limited	82,401	500,000	-	100,200	482,201	71,193	59,528	(11,665)	1.52	1.60	0.04
Engro Fertilizers Limited	805,000	224,000	-	-	1,029,000	92,353	92,404	51	2.36	2.49	0.08
Engro Corporation Limited (note 5.1.1.2)	1,219,500	123,000	-	25,000	1,317,500	394,064	393,116	(948)	10.05	10.59	0.25
Fatima Fertilizer Company Limited	686,000	-	-	-	686,000	26,802	31,748	4,946	0.81	0.86	0.03
Dawood Hercules Corporation	-	65,200	-	-	65,200	8,686	6,869	(1,817)	0.18	0.19	0.01
Paper and Board											
Packages Limited	152,700	135,000	-	-	287,700	168,702	153,488	(15,214)	3.92	4.14	0.33
Food producers											
Engro Foods Limited	632,000	380,000	-	-	1,012,000	155,655	149,128	(6,527)	3.81	4.02	0.13
Power Generation and Distribution											
The Hub Power Company Limited	1,739,500	200,000	-	200,000	1,739,500	163,676	170,889	7,213	4.37	4.61	0.15
Pakgen Power Limited	130,000	-	-	-	130,000	3,901	3,634	(267)	0.09	0.10	0.03
Kohinoor Energy Limited	144,000	-	-	-	144,000	7,273	7,135	(138)	0.18	0.19	0.08
Lalpir Power Limited	1,037,000	200,000	-	-	1,237,000	37,430	36,083	(1,347)	0.92	0.97	0.33
K-Electric Limited	3,995,000	8,125,000	-	-	12,120,000	97,588	85,567	(12,021)	2.19	2.31	0.13
Cable and Electrical Goods											
Pak Elektron	1,575,000	480,000	-	280,000	1,775,000	148,289	127,960	(20,329)	3.70	3.45	0.45

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus shares	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to			
									Net assets of the Fund on the basis of market value (note 5.1.1.3)	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)	
----- (Number of shares) -----						----- (Rupees in '000) -----			----- % -----			
Pharmaceuticals												
Abbot Laboratories Limited	51,200	-	-	-	51,200	34,166	33,459	(707)	0.86	0.90	0.05	
The Searle Company Limited	163,800	-	-	-	163,800	52,529	65,573	13,044	1.68	1.77	0.19	
Ferozsons Laboratories Limited	25,150	7,000	-	-	32,150	21,492	24,334	2,842	0.62	0.66	0.11	
Highnoon (Lab)	-	79,400	-	-	79,400	27,419	28,554	1,135	0.73	0.77	0.26	
Textile Composite												
Nishat Mills Limited	876,800	-	-	248,500	628,300	71,771	62,384	(9,387)	1.59	1.68	0.18	
Refinery												
Attock Refinery Limited	40,000	370,900	-	410,000	900	220	172	(48)	-	-	-	
National Refinery Limited	1,800	-	-	-	1,800	418	396	(22)	0.01	0.01	-	
Miscellaneous												
Shifa International Hospitals	38,600	-	-	-	38,600	9,652	10,234	582	0.26	0.28	0.08	
Total						<u>2,871,039</u>	<u>2,711,875</u>	<u>(159,164)</u>				
Total cost of investments - 'held for trading'							<u>2,337,239</u>					

5.1.1.1 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.

5.1.1.2 150,000 shares of Engro Corporation Limited, having market value of Rs 44.76 million as at September 30, 2015 (June 30, 2015; 150,000 shares of Engro Corporation Limited having market value of Rs. 44.52 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

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

5.1.2 Preference Shares - Unlisted

Name of Security	Note	(Unaudited)	(Audited)
		September 30, 2015	June 30, 2015
		Carrying value (Rupees in '000)	
Mari Petroleum Company Limited - at cost	5.1.2.1	-	15,271

5.1.2.1 As per Notice to the minority preference shareholders by Mari Petroleum Company Limited dated September 23, 2015, all preference shares were surrendered by the Fund on September 30, 2015. Redemption amount of Rs. 15.271 million is included in deposits prepayments and other receivables.

5.2 Available for sale - shares of listed companies

5.2.1 Shares of listed companies

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus shares	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 5.1.1.3)	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)
						(Rupees in '000)		%			
Sector / Companies											
Commercial Banks											
BankIslami Pakistan Limited	875	-	-	-	875	5	8	3	-	-	-
Construction and materials (Cement)											
Lucky Cement Company Limited	620,127	-	-	-	620,127	217,162	326,621	109,459	8.35	8.80	0.19
D.G. Khan Cement Company Limited	111,000	-	-	107,500	3,500	289	480	191	0.01	0.01	-
Power Generation and Distribution											
The Hub Power Company Limited	2,580,500	-	-	-	2,580,500	157,902	253,508	95,606	6.48	6.83	0.22
Oil and gas Exploration Companies											
Pakistan Oilfields Limited	31,340	-	-	-	31,340	8,089	9,212	1,123	0.24	0.25	0.01
Oil and Gas Marketing Companies											
Attock Petroleum Limited	240	-	-	-	240	83	120	37	-	-	-
Pakistan State Oil Company Limited	371,147	-	-	-	371,147	101,077	107,035	5,958	2.74	2.88	0.14
Automobile Assembler											
Indus Motor Company Limited	16,200	-	-	-	16,200	3,961	16,223	12,262	0.41	0.44	0.02
Automobile Parts and Accessories											
Agriautos Industries Limited (note 5.1.1.1)	158,000	-	-	-	158,000	10,539	26,860	16,321	0.69	0.72	1.10
Fertilizer											
Fauji Fertilizer Company Limited	5,457	-	-	-	5,457	428	674	246	0.02	0.02	-
Fauji Fertilizer Bin Qasim Limited	1,685	-	-	-	1,685	63	101	38	-	-	-
Chemical											
ICI Pakistan Limited	91,557	-	-	-	91,557	34,618	44,065	9,447	1.13	1.19	0.10
Paper and Board											
Packages Limited	401,378	-	-	-	401,378	206,029	214,135	8,106	5.47	5.77	0.48
Total						740,245	999,042	258,797			
Total cost of investments - 'available for sale'							740,199				

6. OTHER ASSETS

Particulars	Number of Rights	Underlying	Fair Value	
			September 30, 2015	June 30, 2015
			(Rupees in '000)	
Entitlement of Letter of Rights				
- Crescent Steel Company Limited	22,500	Equity indices	<u>563</u>	<u>-</u>

7. CONTINGENCIES AND COMMITMENTS

The Finance Act, 2014, introduced amendments to Income Tax Ordinance, 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. These shares will be released upon payments of tax by shareholders. The value of tax will be computed on the basis of day-end price on the first day of book closure.

In this regard, a Constitutional Petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. On September 8, 2015, the Sindh High Court has dismissed the suit on the basis that bonus shares are included in the definition of income and accordingly are chargeable to tax. An appeal against the judgment has been instituted and a stay order has been granted by the High Court of Sindh in favour of CISs.

In the current period, Hascol Petroleum Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These haven't been deposited by the Company with the Government Treasury due to pending adjudication of the aforementioned Constitutional Petition and the stay order.

There were no other contingencies and commitments outstanding as at September 30, 2015.

8. WORKERS WELFARE FUND

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

The, decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company, as a matter of abundant caution, has recognised WWF charge for the period from January 1, 2013 to June 30, 2015 amounting to Rs. 34.83 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs 0.14 (0.90%).

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). Thus, the Fund is no longer liable to pay any expense under WWF until December 31, 2012.

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015 hence, effective from July 1, 2015 no provision of WWF is being made in the Fund.

9. 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, Fund, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund Meezan Capital Preservation Fund - III, Meezan Capital Preservation Fund - II, Meezan Gold 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, Al Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10% or more of the Fund.

Transactions with connected persons / related parties 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.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Al Meezan Investment Management Limited		
- Management Company		
Remuneration payable	6,482	5,981
Sales load payable	683	1,213
Sindh Sales Tax and Federal Excise Duty on management fee payable	24,437	20,702
Sindh Sales Tax and Federal Excise Duty on sales load payable	2,614	2,188
Investments of 27,607,288 units (June 30, 2015: 27,607,288 units)	430,950	449,447
Meezan Bank Limited - Shariah Advisor		
Balances with bank	16,160	167,102
Sales load payable	-	86
Profit receivable on saving accounts	30	67
Investments in 419 shares (June 30, 2015 : 419 shares)	21	17
Investments of 10,336,190 units (June 30, 2015 : 10,336,190 units)	161,348	168,273
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,008	381
Deposits	238	238
Pakistan Kuwait Investment Company (Private) Limited		
Investments of 16,895,690 units (June 30, 2015 : 16,895,690 units)	263,742	275,062
Directors and officers of the Management Company		
Investments of 18,285,494 units (June 30, 2015 : 18,278,967 units)	285,437	297,582
Unit Holders holding 10% or more units of the Fund		
	431,027	449,446

	For the quarter ended September 30,	
	2015	2014
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the quarter	<u>20,591</u>	<u>15,031</u>
Sindh Sales Tax and Federal Excise Duty on management fee for the quarter	<u>6,606</u>	<u>5,021</u>
Meezan Bank Limited		
Profit on saving accounts with bank	<u>165</u>	<u>838</u>
Dividend income	<u>-</u>	<u>3,181</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the quarter	<u>1,305</u>	<u>1,004</u>
Meezan Capital Preservation Fund - II		
Units issued: nil units (2014 : 12,650,739 units)	<u>-</u>	<u>178,000</u>
Redemptions : nil units (2014 : 4,535,147 units)	<u>-</u>	<u>60,000</u>
Meezan Capital Preservation Fund - III		
Units issued: nil units (2014 : 4,130,435 units)	<u>-</u>	<u>60,000</u>
Directors and officers of the Management Company		
Units issued: 7,170 units (2014 : 73,501 units)	<u>120</u>	<u>1,025</u>
Redemptions : 643 units (2014 : nil units)	<u>10</u>	<u>-</u>

10. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22 , 2015 by the Board of Directors of the Management Company.

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

Chief Executive

Director



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
Mr. Tasnimul Haq Farooqui	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2, 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
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,
Phase VI, DHA, Karachi.
Phone: (9221) 35156191-94 Fax: (9221) 35156195
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2015

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Assets			
Balances with banks		4,651	11,061
Investments	5	834,763	1,167,189
Receivable against sale of investments - (net)		1,234	63,294
Receivable on conversion of units		-	229,679
Dividend receivable		19,277	4,849
Deposits and other receivable		6,048	2,626
Preliminary expenses and floatation costs		664	764
Total assets		866,637	1,479,462
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan)			
- Management Company		5,534	5,413
Payable to Central Depository Company of Pakistan Limited (CDC)			
- Trustee		161	183
Payable to Securities and Exchange Commission of Pakistan (SECP)		242	1,192
Payable to Meezan Bank Limited (MBL)		-	23
Payable on redemption and conversion of units		340	295,827
Accrued expenses and other liabilities		16,404	17,501
Total liabilities		22,681	320,139
Net assets		843,956	1,159,323
Contingencies and commitments	6		
Unitholders' fund (as per statement attached)		843,956	1,159,323
(Number of units)			
Number of units in issue		12,514,386	15,761,944
(Rupees)			
Net assets value per unit		67.44	73.55

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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	September 30,	
		2015	2014
(Rupees in '000)			
Income			
Net realised gain / (loss) on sale of investments		6,747	(1,297)
Dividend income		19,884	21,946
Profit on saving accounts with banks		136	343
Other income		48	399
		26,815	21,391
Unrealised diminution on re-measurement of investments 'at fair value through profit or loss' (net)	5.1	(69,310)	(8,472)
Total income		(42,495)	12,919
Expenses			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		2,552	3,104
Sindh Sales Tax and Federal Excise Duty on Management Fee		822	1,037
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		491	562
Sindh Sales Tax on Trustee Fee		69	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		242	295
Auditors' remuneration		124	98
Brokerage		336	237
Charity expense		251	322
Bank and settlement charges		200	164
Amortisation of preliminary expenses and floatation costs		101	101
Fees and subscription		31	32
Legal and professional charges		100	-
Provision for Workers' Welfare Fund (WWF)		-	246
Printing expenses		13	10
Total expenses		5,332	6,208
Net (loss) / income from operating activities		(47,827)	6,711
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed (net)		(5,531)	5,334
Net (loss) / income for the quarter before taxation		(53,358)	12,045
Taxation		-	-
Net (loss) / income for the quarter after taxation		(53,358)	12,045
Other comprehensive income for the quarter		-	-
Total comprehensive income for the quarter		(53,358)	12,045

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Undistributed income brought forward		
- Realised	257,863	77,379
- Unrealised	110,537	122,114
	368,400	199,493
Final distribution for the year ended June 30, 2015		
- cash dividend: @ 3.70% i.e. Rs. 1.85 per unit (June 30, 2014: nil)	(29,160)	-
Net (loss) / income for the quarter	(53,358)	12,045
Undistributed income carried forward	285,882	211,538
Undistributed income / accumulated (loss) carried forward		
- Realised	355,192	220,010
- Unrealised	(69,310)	(8,472)
	285,882	211,538

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the quarter	1,159,323	1,176,027
Issue of 263,714 units (September 30, 2014: 2,501,315 units)	19,482	162,996
Issue of 330,912 units for re-investment of cash dividend (September 30, 2014: nil)	23,726	-
Redemption of 3,842,184 units (September 30, 2014: 1,425,706 units)	(281,588)	(90,081)
	(238,380)	72,915
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	5,531	(5,334)
Net realised gain / (loss) on sale of investments	6,747	(1,297)
Unrealised diminution on re-measurement of investments 'at fair value through profit or loss' (net)	(69,310)	(8,472)
Other net income for the quarter	9,205	21,814
Total comprehensive income for the quarter	(53,358)	12,045
Final distribution for the year ended June 30, 2015 - cash dividend: @ 3.70% i.e. Rs. 1.85 per unit (June 30, 2014: nil)	(29,160)	-
Net assets at end of the quarter	843,956	1,255,653
	(Rupees)	
Net asset value per unit as at the beginning of the quarter	73.55	62.83
Net asset value per unit as at the end of the quarter	67.44	63.44

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the quarter	(53,358)	12,045
Adjustments for		
Amortisation of preliminary expenses and floatation costs	101	101
Unrealised diminution on re-measurement of investments at fair value through profit or loss (net)	69,310	8,472
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed (net)	5,531	(5,334)
	<u>21,584</u>	<u>15,284</u>
Decrease / (increase) in assets		
Investments (net)	263,116	(79,115)
Receivable against sale of investments (net)	62,060	(132)
Dividend receivable	(14,428)	(15,093)
Deposits and other receivable	(3,422)	(29)
Other assets	-	(2,505)
	<u>307,326</u>	<u>(96,874)</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	121	878
Payable to Central Depository Company of Pakistan Limited - Trustee	(22)	35
Payable to Securities and Exchange Commission of Pakistan	(950)	(630)
Payable to Meezan Bank Limited	(23)	(14)
Payable against purchase of investments (net)	-	(238,282)
Accrued expenses and other liabilities	(1,098)	525
	<u>(1,972)</u>	<u>(237,488)</u>
Net cash generated from / (used in) operating activities	<u>326,938</u>	<u>(319,078)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units	249,161	162,996
Receipts against dividend re-investment	23,726	-
Payment against redemption of units	(577,075)	(90,230)
Dividend paid	(29,160)	-
Net cash (used in) / generated from financing activities	<u>(333,348)</u>	<u>72,766</u>
Net decrease in cash and cash equivalents during the quarter	(6,410)	(246,312)
Cash and cash equivalents at beginning of the quarter	11,061	248,684
Cash and cash equivalents at end of the quarter	<u>4,651</u>	<u>2,372</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 QUARTER ENDED SEPTEMBER 30, 2015 (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. For this purpose the fund shall invest at least eighty five percent of its net assets in listed equity securities. The remaining net assets of the fund shall be invested in cash and cash equivalents not exceeding ninety days maturity. 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. The Fund is categorized as an Equity Scheme.
- 1.4** The Management Company of the Fund has been given quality rating of AM2+ by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

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, provisions 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, 2015.

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, 2015.

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, 2015.

5. INVESTMENTS

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
		(Rupees in '000)	
Investments at 'fair value through profit or loss'			
Ordinary shares - Held for trading	5.1	834,763	1,163,796
Preference shares - Fair value through profit and loss upon initial recognition	5.2	-	3,393
		834,763	1,167,189

5.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus issue	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to				
									Net assets of the Fund on the basis of market value (see note 5.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments		
					(Number of shares)			(Rupees in '000)			%		
Sectors / Companies													
Automobile Assembler													
Honda Atlas Cars (Pakistan) Limited	39,400	1,400	-	10,100	30,700	6,732	7,071	339	0.84	0.02	0.85		
Pak Suzuki Motor Company Limited	30,100	600	-	7,300	23,400	10,192	9,701	(491)	1.15	0.03	1.16		
									1.99	0.05	2.01		
Cable & Electrical Goods													
Pak Elektron Limited	248,000	5,000	-	60,000	193,000	15,973	13,913	(2,060)	1.65	0.05	1.67		
Cement													
Cherat Cement Company Limited	159,527	5,500	-	41,000	124,027	10,803	10,694	(109)	1.27	0.07	1.28		
Fauji Cement Company Limited	1,012,694	19,500	-	244,000	788,194	27,498	26,389	(1,109)	3.13	0.06	3.16		
Kohat Cement Company Limited	64,240	800	-	15,200	49,840	9,969	9,517	(452)	1.13	0.03	1.14		
Pakcem Limited (formerly Lafarge Pakistan Cement Limited)	502,194	14,000	-	122,000	394,194	7,666	7,135	(531)	0.85	0.03	0.85		
Lucky Cement Limited	178,990	3,100	-	42,600	139,490	72,540	73,469	929	8.71	0.04	8.80		
Maple Leaf Cement Factory Limited	329,200	6,500	-	80,000	255,700	20,036	17,526	(2,510)	2.08	0.05	2.10		
Pioneer Cement Limited	173,500	5,000	-	43,500	135,000	11,524	11,710	186	1.39	0.06	1.40		
									18.56	0.34	18.73		
Fertilizer													
Dawood Hercules Corporation Limited	466,200	8,900	-	111,600	363,500	42,438	38,298	(4,140)	4.54	0.08	4.59		
Engro Corporation Limited	362,400	6,300	-	86,400	282,300	83,886	84,233	347	9.98	0.05	10.09		
Engro Fertilizers Limited	276,500	5,500	-	67,000	215,000	19,100	19,307	207	2.29	0.02	2.31		
Fatima Fertilizer Company Limited	580,000	10,500	-	138,000	452,500	17,771	20,942	3,171	2.48	0.02	2.51		
Fauji Fertilizer Bin Qasim Limited	452,920	12,000	-	113,000	351,920	19,535	21,168	1,633	2.51	0.04	2.54		
Fauji Fertilizer Company Limited	899,501	16,000	-	215,200	700,301	104,450	86,452	(17,998)	10.24	0.06	10.36		
									32.04	0.27	32.40		

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus issue	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 5.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
									----- % -----		
----- (Number of shares) -----						----- (Rupees in '000) -----					
Food & Personal Care Products											
Engro Foods Limited	159,100	2,800	-	37,800	124,100	18,808	18,287	(521)	2.17	0.02	2.19
Treet Corporation Limited	28,950	-	-	28,950	-	-	-	-	0.00	0.00	0.00
									2.17	0.02	2.19
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	30,494	1,500	-	8,200	23,794	11,083	8,642	(2,441)	1.02	0.02	1.04
Pakistan Oilfields Limited	149,664	3,800	-	36,900	116,564	46,795	34,262	(12,533)	4.06	0.05	4.10
Pakistan Petroleum Limited (note 5.1.3)	665,778	12,600	-	159,900	518,478	84,850	61,771	(23,079)	7.32	0.03	7.40
									12.40	0.10	12.54
Oil & Gas Marketing Companies											
Hasco Petroleum Limited	43,800	2,700	6,840	12,300	41,040	3,970	4,908	938	0.58	0.03	0.59
Pakistan State Oil Company Limited	175,088	2,900	-	41,600	136,388	52,454	39,333	(13,121)	4.66	0.05	4.71
Shell Pakistan Limited	29,722	1,300	-	8,000	23,022	5,788	4,509	(1,279)	0.53	0.02	0.54
									5.77	0.10	5.84
Pharmaceuticals											
GlaxoSmithKline Pakistan Limited	70,232	1,600	-	17,400	54,432	10,669	11,633	964	1.38	0.02	1.39
The Searle Company Limited	53,500	700	-	12,600	41,600	13,379	16,652	3,273	1.97	0.05	1.99
									3.35	0.07	3.38
Power Generation & Distribution											
K-Electric Limited (note 5.1.2)	3,819,153	62,000	-	908,000	2,973,153	24,986	20,990	(3,996)	2.49	0.03	2.51
Kot Addu Power Company Limited	628,753	11,500	-	150,500	489,753	42,225	46,404	4,179	5.50	0.06	5.56
The Hub Power Company Limited	1,201,462	21,100	-	287,400	935,162	87,684	91,870	4,186	10.89	0.08	11.01
									18.88	0.17	19.08
Refinery											
Attock Refinery Limited	47,285	1,900	-	12,600	36,585	8,335	6,987	(1,348)	0.83	0.04	0.84
Technology & Communication											
Pakistan Telecommunication Company Limited 'A'	814,823	13,000	-	196,000	631,823	12,934	10,990	(1,944)	1.30	0.02	1.32
Total						904,073	834,763	(69,310)			
Total cost of investments - 'held for trading'							757,486				

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

5.1.2 All shares have a nominal value of Rs.10 each except for the shares of K-Electric Limited having nominal value of Rs. 3.50 each.

5.1.3 417,000 shares (June 30, 2015: 417,000 shares) of Pakistan Petroleum Limited having market value of Rs. 49.681 million as at September 30, 2015 (June 30, 2015: Rs. 68.496 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

5.2 Preference Shares - Unlisted

Name of Security	Note	(Unaudited)	(Audited)
		September 30, 2015	June 30, 2015
		Carrying value (Rupees in '000)	
Mari Petroleum Company Limited - at cost	5.2.1	-	3,393

5.2.1 As per Notice to the minority preference shareholders by Mari Petroleum Company Limited dated September 23, 2015, all preference shares were surrendered by the Fund on September 30, 2015. Redemption amount of Rs. 3.393 million is included in deposits and other receivable.

6. CONTINGENCIES AND COMMITMENTS

The Finance Act, 2014, introduced amendments to Income Tax Ordinance, 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. These shares will be released upon payments of tax by shareholders. The value of tax will be computed on the basis of day-end price on the first day of book closure.

In this regard, a Constitutional Petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. On September 8, 2015, the Sindh High Court has dismissed the suit on the basis that bonus shares are included in the definition of income and accordingly are chargeable to tax. An appeal against the judgment has been instituted and a stay order has been granted by the High Court of Sindh in favour of CISs.

In the current period, Hascol Petroleum Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These haven't been deposited by the Company with the Government Treasury due to pending adjudication of the aforementioned Constitutional Petition and the stay order.

There were no other contingencies and commitments outstanding as at September 30, 2015.

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, a Constitutional Petition has been filed by certain CISs through their Trustees in the High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company, as a matter of abundant caution, has recognised WWF charge for the period from January 1, 2013 to June 30, 2015 amounting to Rs. 12.90 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 1.03 (1.53%).

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). Thus, the Fund is no longer liable to pay any expense under WWF until December 31, 2012.

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015 hence, effective from July 1, 2015 no provision of WWF is being made in the Fund.

8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan Investment Management Limited (AI 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, Directors and Executives of the Management Company, Meezan Islamic Fund, AI Meezan Mutual 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, Meezan Capital Preservation Fund – II, Meezan Gold 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, AI Meezan Investment Management Limited - Employees Gratuity Fund and Unitholders holding 10 percent or more of the Fund's net assets.

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.

Details of transactions with connected persons and balances with them for the quarter ended September 30, 2015 are as follows:

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	705	1,012
Sindh Sales Tax and Federal Excise Duty on management fee payable	4,371	3,959
Sales load payable	92	109
Sindh sales tax and Federal Excise Duty on sales load payable	366	333
Investments as at September 30, 2015: 2,035,554 units (June 30, 2015: 1,989,357 units)	137,278	146,317
Meezan Bank Limited		
Sales load payable	-	23
Bank balance	2,880	3,170
Investments as at September 30, 2015: 2,113,224 units (June 30, 2015: 2,113,224 units)	142,516	155,428

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	141	183
Sindh Sales Tax on trustee fee payable	20	-
Deposits	103	103
Meezan Capital Preservation Fund - III		
Investments as at September 30, 2015: 2,359,079 units (June 30, 2015: 4,638,473 units)	159,096	341,160
Meezan Capital Preservation Fund - II		
Investments as at September 30, 2015: 613,123 units (June 30, 2015: 1,734,306 units)	41,349	127,558
Directors and executives of the Management Company		
Investments as at September 30, 2015: 421,355 units (June 30, 2015: 411,792 units)	28,416	30,287
For the quarter ended September 30,		
	2015	2014
	(Rupees in '000)	
Al Meezan Investment Management Company Limited - Management Company		
Remuneration for the quarter	2,552	3,104
Sindh Sales Tax and Federal Excise Duty on management fee for the quarter	822	1,037
Units issued: 46,197 units (September 30, 2014: nil)	3,312	-
Cash dividend paid (September 30, 2014: nil)	3,680	-
Meezan Bank Limited		
Profit on saving account	13	74
Cash dividend paid (September 30, 2014: nil)	3,909	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the quarter	491	562
Sindh Sales Tax on Trustee Fee for the quarter	69	-
CDS charges	48	30
Meezan Capital Preservation Fund - III		
Units issued: 119,682 units (September 30, 2014: 1,532,729 units)	8,581	100,000
Transaction cost received	-	250
Redemption: 2,399,076 units (September 30, 2014: nil)	175,800	-
Cash dividend paid (September 30, 2014: nil)	8,581	-

**For the quarter ended
September 30,**

2015	2014
(Rupees in '000)	

Meezan Capital Preservation Fund - II

Units issued: 44,749 units (September 30, 2014: 215,039 units)

Transaction cost received

Redemption: 1,165,932 units (September 30, 2014: nil)

Cash dividend paid (September 30, 2014: nil)

3,208	13,574
-	34
85,100	-
3,208	-

Directors and executives of the Management Company

Units issued: 9,563 units (September 30, 2014: 64 units)

Redemption: nil units (September 30, 2014: 4,445 units)

Cash dividend paid (September 30, 2014: nil)

686	4
-	282
762	-

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Management Company.

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

Chief Executive

Director



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

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Phone: (9221) 35630722-6, 111-MEEZAN
Fax: (9221) 35676143, 35630808
Website: 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. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
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 SultanTrust 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
Askari Bank Limited - Islamic Banking	MCB Bank Limited - Islamic Banking
BankIslami Pakistan Limited	Meezan Bank Limited
Bank Alfalah - Islamic Banking Branch	National Bank of Pakistan - Islamic Banking
Burj Bank Limited	UBL Ameen - Islamic Banking
Dubai Islamic Bank	

LEGAL ADVISER

Bawaney & Partners
3rd & 4th floor, 58-C, Lane-13, Bokhari Commercial Area, Phase VI, DHA, Karachi.
Phone: (9221) 3515619-94 Fax: (9221) 35156195
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Meezan Bank Limited
Meezan House,
C-25, Estate Avenue, SITE, Karachi.
Phone: 3810 3538 Fax: 3640 6017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2015

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Assets			
Balances with banks		1,049,605	438,024
Investments (net)	5	3,403,649	2,859,132
Receivables on conversion of units		-	198,040
Dividend receivable		35,698	3,614
Deposits and other receivables		32,207	21,193
Other assets	6	1,407	-
Total assets		4,522,566	3,520,003
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		32,686	28,033
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		508	358
Payable to Securities and Exchange Commission of Pakistan (SECP)		853	2,135
Payable on redemption and conversion of units		9,446	10,220
Payable against purchase of investments		22,549	-
Accrued expenses and other liabilities		40,912	56,084
Unclaimed dividend		7,347	39,713
Total liabilities		114,301	136,543
Net assets		4,408,265	3,383,460
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		4,408,265	3,383,460
(Number of units)			
Number of units in issue		304,474,023	230,697,369
(Rupees)			
Net assets value per unit		14.48	14.67

The annexed notes 1 to 11 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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	September 30,	
		2015	2014
		(Rupees in '000)	
Income			
Net realised gain on sale of investments		2,870	6,598
Dividend income		39,776	21,044
Profit on saving accounts with banks		12,370	6,134
Profit on term deposit receipts		2,804	-
Profit on sukuk certificates		16,042	12,564
Back end load		-	(49)
		73,862	46,291
Unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss' (net)		(119,728)	5,214
Reversal of provision against sukuk certificates (net)		-	84
		(119,728)	5,298
Total income		(45,866)	51,589
Expenses			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		20,070	9,788
Sindh Sales Tax and Federal Excise Duty on management fee		6,470	3,269
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		1,255	741
Sindh Sales Tax on trustee fee		176	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		853	416
Auditors' remuneration		172	136
Charity expense		384	280
Fees and subscription		38	108
Legal and professional charges		133	-
Brokerage		1,000	321
Bank and settlement charges		376	203
Provision for Workers' Welfare Fund (WWF)	8	-	743
Total expenses		30,927	16,005
Net (loss) / income from operating activities		(76,793)	35,584
Element of income and capital gains included in prices of units issued less those in units redeemed (net)		23,678	889
Net (loss) / income for the quarter before taxation		(53,115)	36,473
Taxation		-	-
Net (loss) / income for the quarter after taxation		(53,115)	36,473
Other comprehensive income for the quarter			
Items that can be reclassified to income statements in subsequent periods			
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	5.2.1	(7,146)	10,826
Total comprehensive income for the quarter		(60,261)	47,299

The annexed notes 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Undistributed income brought forward		
- Realised	408,678	209,274
- Unrealised	189,493	101,271
	598,171	310,545
Net (loss) / income for the quarter	(53,115)	36,473
Element of income and capital gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments (net)	2,761	542
Undistributed income carried forward	547,817	347,560
Undistributed income / accumulated (loss) carried forward		
- Realised	667,545	342,262
- Unrealised	(119,728)	5,298
	547,817	347,560

The annexed notes 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Net assets at the beginning of the quarter	3,383,460	1,930,486
Issuance of 91,203,331 units (September 30, 2014: 17,555,505 units)	1,370,457	238,282
Redemption of 17,426,677 units (September 30, 2014: 14,518,602 units)	(261,713)	(196,309)
	1,108,744	41,973
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(23,678)	(889)
Net realised gain on sale of investments	2,870	6,598
Unrealised (diminution) / appreciation in the value of investments (net)	(119,728)	5,298
Other net income for the quarter	56,597	35,403
Total comprehensive income for the quarter	(60,261)	47,299
Net assets at end of the quarter	4,408,265	2,018,869
	(Rupees)	
Net assets value per unit at beginning of the quarter	14.67	13.35
Net assets value per unit at end of the quarter	14.48	13.67

The annexed notes 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the quarter	(53,115)	36,473
Adjustments for		
Unrealised diminution / (appreciation) on re-measurement of investments - 'at fair value through profit or loss' (net)	-	-
Reversal of provision against sukuk certificates (net)	-	(84)
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(23,678)	(889)
	<u>(76,793)</u>	<u>35,500</u>
Increase in assets		
Investments - (net)	(551,663)	(216,675)
Dividend receivable	(32,084)	(16,177)
Deposits, prepayments and other receivables	(11,014)	(9,261)
Other assets	(1,407)	-
	<u>(596,168)</u>	<u>(242,113)</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	4,653	3,242
Payable to Central Depository Company of Pakistan Limited - Trustee	150	7
Payable to Securities and Exchange Commission of Pakistan	(1,282)	(1,049)
Payable against purchase of investments	22,549	-
Accrued expenses and other liabilities	(15,172)	733
	<u>10,898</u>	<u>2,933</u>
Net cash used in operating activities	<u>(662,063)</u>	<u>(203,680)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units	1,568,497	238,282
Payment against redemption of units	(262,487)	(197,949)
Dividend paid	(32,366)	(29)
Net cash generated from financing activities	<u>1,273,644</u>	<u>40,304</u>
Net increase / (decrease) in cash and cash equivalents during the quarter	611,581	(163,376)
Cash and cash equivalents at beginning of the quarter	438,024	470,857
Cash and cash equivalents at end of the quarter	<u>1,049,605</u>	<u>307,481</u>

The annexed notes 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2015 (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 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.

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.

1.2 The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality equity securities and Islamic income instruments such as certificates of Islamic investment, musharaka certificates, Islamic sukuk certificates and other Shariah compliant instruments. Under the Trust Deed all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Islamic Shariah.

1.3 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 quality rating of AM2 + by JCR - VIS Credit Rating Company Limited.

1.4 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.

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, provisions and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules and the NBFC Regulations and directives issued by the SECP. In case where requirements differ, the provisions of /or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations 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, 2015.

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, 2015.

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, 2015.

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
5. INVESTMENTS (net)			
Investments - 'at fair value through profit or loss'	5.1	2,986,628	2,434,966
Investments - 'available for sale'	5.2	243,021	250,166
Investments - 'Loans and receivables'	5.3	174,000	174,000
		3,403,649	2,859,132
5.1 Investments - 'at fair value through profit or loss'			
Held for trading	5.1.1	2,363,540	1,826,772
Investments at fair value through profit or loss upon initial recognition	5.1.2	623,088	608,194
		2,986,628	2,434,966
5.1.1 Held for trading			
Shares of listed companies 'Ordinary shares'	5.1.1.1	2,077,525	1,539,664
Sukuk certificates	5.1.1.5	286,015	287,108
		2,363,540	1,826,772

5.1.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus / issue	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
					(Number of shares)	(Rupees in '000)			%		
Sector / Companies											
Banks											
Meezan Bank Limited (an associate company of the Fund)	1,073,500	-	-	375,000	698,500	28,638	35,260	6,622	0.80	0.07	1.04
Automobile and parts											
Indus Motors Company Limited	10,000	15,000	-	-	25,000	28,840	25,035	(3,805)	0.57	0.03	0.74
Pakistan Suzuki Motor Company Limited	22,800	-	-	-	22,800	9,939	9,452	(487)	0.21	0.03	0.28
Honda Atlas Cars	246,500	40,000	-	-	286,500	64,204	65,993	1,789	1.50	0.20	1.94
									2.29		2.96
Automobile assemblers											
Millat Tractors Company Limited	11,800	-	-	-	11,800	8,093	7,371	(722)	0.17	0.03	0.22
Automobile parts and accessories											
Thal Limited (note 5.1.1.2)	41,000	-	-	-	41,000	11,703	10,373	(1,330)	0.24	0.05	0.30
Cable & Electrical Goods											
Pak Elektron	800,000	427,000	-	33,000	1,194,000	100,827	86,075	(14,752)	1.95	0.15	2.53
Chemicals											
ICI Pakistan Limited	17,195	-	-	-	17,195	7,375	8,276	901	0.19	0.02	0.24
Sitara Chemical Industries Limited	-	2,100	-	-	2,100	777	756	(21)			
Cement											
Attock Cement Pakistan Limited	85,402	-	-	-	85,402	16,278	14,930	(1,348)	0.34	0.07	0.44
Cherat Cement Company Limited	124,000	350,000	-	-	474,000	42,808	40,868	(1,940)	0.93	0.27	1.20
DG Khan Cement Company Limited	70,760	-	-	60,000	10,760	1,536	1,474	(62)	0.03	0.00	0.04
Fauji Cement Company Limited	2,388,000	250,000	-	-	2,638,000	92,337	88,320	(4,017)	2.00	0.20	2.59
Kohat Cement Limited	225,200	-	-	20,000	205,200	41,009	39,185	(1,824)	0.89	0.13	1.15
Pakcem Limited (formerly Lafarge Pak Limited)	16,646	-	-	-	16,646	324	301	(23)	0.01	0.00	0.01
Lucky Cement Limited	334,000	10,000	-	-	344,000	178,646	181,185	2,539	4.11	0.11	5.32
Maple Leaf Cement Limited	350,000	-	-	120,000	230,000	18,069	15,764	(2,305)	0.36	0.04	0.46
Pioneer Cement Limited	216,000	350,000	-	-	566,000	50,808	49,095	(1,713)	1.11	0.25	1.44
									9.77		12.66
Fertilizers											
Dawood Hercules	-	50,000	-	-	50,000	6,644	5,268	(1,376)	0.12	0.01	0.15
Engro Fertilizers Limited	455,000	497,500	-	-	952,500	88,302	85,534	(2,768)	1.94	0.07	2.51
Engro Corporation Pakistan Limited (note 5.1.1.4)	575,000	445,500	-	-	1,020,500	312,836	304,497	(8,339)	6.91	0.19	8.95
Fatima Fertilizer Limited	734,000	-	-	-	734,000	28,677	33,970	5,293	0.77	0.03	1.00
Fauji Fertilizer Company Limited	119,700	-	-	-	119,700	17,886	14,777	(3,109)	0.34	0.01	0.43
									10.07		13.05
Technology & Communication											
Pakistan Telecommunication Company Limited 'A'	1,672,510	-	-	300,000	1,372,510	28,137	23,868	(4,269)	0.54	0.04	0.70
Paper & Board											
Packages Limited	147,600	250,300	-	-	397,900	223,949	212,280	(11,669)	4.82	0.47	6.24
Refinery											
National Refinery Limited	2,500	-	-	-	2,500	580	550	(30)	0.01	0.00	0.02
Oil & Gas Exploration											
Pakistan Oilfields Limited	186,725	24,000	-	-	210,725	83,985	61,938	(22,047)	1.41	0.09	1.82
Pakistan Petroleum Limited	4,396	-	-	-	4,396	722	524	(198)	0.01	0.00	0.02
Mari Petroleum Company Limited	8,000	50,000	-	-	58,000	25,997	21,064	(4,933)	0.48	0.05	0.62
									1.90		2.46
Oil and Gas Marketing											
Pakistan State Oil Company Limited	300,004	85,000	-	40,000	345,004	131,247	99,496	(31,751)	7.226	0.13	2.92
Attock Petroleum	9,600	-	-	-	9,600	5,445	4,802	(643)	0.11	0.01	0.14
Hascol Petroleum Limited	55,500	50,000	21,100	-	126,600	12,603	15,140	2,537	0.34	0.10	0.44
Sui Northern Gas Pipeline Limited	475,000	680,000	-	80,000	1,075,000	33,898	33,787	(111)	0.77	0.17	0.99
									3.48		4.50
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	31,000	-	-	-	31,000	20,687	20,259	(428)	0.46	0.03	0.60
Ferozsons (Lab)	-	26,900	-	-	26,900	21,222	20,361	(861)	0.46	0.09	0.60
The Searle Company	104,800	10,000	-	-	114,800	37,368	45,957	8,589	1.04	0.13	1.35
Highnoon (Lab)	-	31,000	-	-	31,000	10,594	11,148	554	0.25	0.15	0.33
									2.22		2.87
Food & Personal Care Products											
Engro Foods Limited	600,000	-	-	-	600,000	90,864	88,416	(2,448)	2.01	0.08	2.60

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus / issue	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to			
									Net assets of the Fund on the basis of market value	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments	
----- (Number of shares) -----						----- (Rupees in '000) -----			----- % -----			
Textile (Composite)												
Nishat Mills Limited	441,800	-	-	200,000	241,800	27,621	24,008	(3,613)	0.54	0.07	0.71	
Power Generation & Distribution												
The Hub Power Company Limited	736,097	500,000	-	-	1,236,097	118,775	121,434	2,659	2.75	0.11	3.57	
K-Electric Limited (note 5.1.1.2)	2,440,000	6,005,000	-	-	8,445,000	65,204	59,622	(5,582)	1.35	0.03	1.75	
Kohinoor Energy Limited	65,000	-	-	-	65,000	3,282	3,220	(62)	0.07	0.04	0.09	
Lalpir Power	677,000	400,000	-	-	1,077,000	32,250	31,416	(834)	0.71	0.28	0.92	
Pakgen Power Limited	50,000	200,000	-	-	250,000	7,788	6,988	(800)	0.16	0.07	0.21	
									5.04		6.53	
Real Estate Investment Trust												
Dolmen City REIT	2,728,000	-	-	-	2,728,000	30,035	28,808	(1,227)	0.65	0.12	0.85	
Engineering												
Crescent Steel	-	225,000	-	-	225,000	23,270	18,680	(4,590)	0.42	0.36	0.55	
Total						2,192,079	2,077,525	(114,554)				
Total cost of investments							1,965,863					

5.1.1.2 All shares have a face value of Rs 10 each except for the shares of Thal Limited and K Electric which have a face value of Rs. 5 and Rs. 3.5 each respectively.

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

5.1.1.4 150,000 shares of Engro Corporation Limited, having market value of Rs 44.757 million as at September 30, 2015 (June 30, 2015: Rs. 44.520 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark-to-market losses.

5.1.1.5 Sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 01, 2015	Purchases during the quarter	Sales / maturity during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised loss as at September 30, 2015	Percentage in relation to	
										Net assets of the fund on the basis of market value	Total market value of investments
----- (Number of certificates) -----						----- (Rupees in '000) -----					
GoP Ijarah Sukuk Certificates - IX (Note 5.1.1.5 & 5.1.1.6)	November 21, 2015	Weighted Average 6 months T-Bills	1,700	-	-	1,700	171,360	170,578	(782)	3.87	5.01
GoP Ijarah Sukuk Certificates - XII (Note 5.1.1.5 & 5.1.1.6)	November 21, 2015	Weighted Average 6 months T-Bills	1,150	-	-	1,150	115,748	115,437	(311)	2.62	3.39
Total							287,108	286,015	(1,093)		
Total cost of investments							287,108				

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

5.1.1.7 On December 12, 2014, the GoP has extended the maturity of these sukuks to November 21, 2015 through a resolution passed in the Extra Ordinary General Meeting of sukukholders held on November 10, 2014.

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

(Unaudited) (Audited)
September 30, June 30,
2015 2015
(Rupees in '000)

Shares of listed companies 'Ordinary shares'	5.1.2.1	65,457	75,369
Sukuk certificates	5.1.2.2	557,631	529,931
Preference shares	5.1.3	-	2,894
		623,088	608,194

5.1.2.1 Shares of listed companies 'Ordinary shares'

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Bonus / issue	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to					
									Net assets of the Fund on the basis of market value (see note 5.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments			
						(Number of shares)			(Rupees in '000)			%		
Sector / Companies														
Automobile and parts														
Indus Motor Company Limited	50,055	-	-	-	50,055	62,519	50,125	(12,394)	1.14	0.06	1.47			
Banks														
Meezan Bank Limited (an associate company of the Fund)	277,593	-	-	-	277,593	11,381	14,013	2,632	0.32	0.03	0.41			
Paper and Board														
Packages Limited	2,473	-	-	-	2,473	1,469	1,319	(150)	0.03	0.00	0.04			
Total						75,369	65,457	(9,912)						
Total cost of investments									12,894					

5.1.2.2 Sukuk certificates

Name of the investee company	Maturity	Profit rate	As at July 01, 2015	Purchases during the quarter	Redemptions / Matured during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to				
										Net assets of the fund on the basis of market value	Paid-up capital of the investee company (with face value of investments)	Total market value of investments		
						(Number of certificates)			(Rupees in '000)					
Secured														
Engro Fertilizer Pakistan Limited (A+, PACRA, non-traded) (note 5.1.2.3)	September 1, 2015	6 months KIBOR plus base rate of 1.5%	5,000	-	5,000	-	-	-	-	-	-	-	-	-
Engro Fertilizer Pakistan Limited - II (A+, PACRA, non-traded) (note 5.1.2.3)	July 9, 2019	6 months KIBOR plus base rate of 1.75%	13,260	-	340	12,920	66,942	66,926	(16)	1.52	0.00	1.97		
K Electric Limited - (7 years) (note 5.1.2.3 and 5.1.2.3.2) (AA, JCR-VIS, non-traded)	June 17, 2022	6 months KIBOR plus base rate of 1%	87,253	-	-	87,253	436,265	440,705	4,440	10.00	0.01	12.95		
Security Leasing * Corporation Limited II (note 5.1.2.3 & 5.1.2.4)	January 19, 2022	Nil	1,540	-	-	1,540	-	-	-	-	-	-	-	-
Eden Housing Limited * (note 5.1.2.3.1 & 5.1.2.4)	September 29, 2014	6 months KIBOR plus base rate of 2.5%	5,000	-	-	5,000	-	-	-	-	-	-	-	-
Arzoo Textile Mills Limited * (note 5.1.2.3 & 5.1.2.4)	April 15, 2014	6 months KIBOR plus base rate of 2%	5,000	-	-	5,000	-	-	-	-	-	-	-	-
Lalpir Power Limited- CP Sukuk (note 5.1.2.3 & 5.1.2.4)	February 4, 2016	6 months KIBOR plus base rate of 0.25%	10,000	-	-	10,000	50,000	50,000	-	1.13	0.00	1.47		
Total						553,207	557,631	4,424						
Total cost of investments									586,026					

* In case 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.

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

5.1.2.5 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 Balanced Fund (the Fund) as 'Balanced Scheme' in accordance with the said circular. As at September 30, 2015, 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 certificates which are below 'investments grade' securities:

Name of the investee company	Type of investments	Value of investment before provision	Provision held as at September 30, 2015	Value of investment after provision	Percentage of net assets	Percentage of total assets
		----- (Rupees in '000) -----			---- % ----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
		37,623	37,623	-		

5.1.3 Preference Shares - Unlisted

Note
(Unaudited)
September 30,
2015
(Rupees in '000)

(Audited)
June 30,
2015

Name of Security

Mari Petroleum Company Limited- at cost	5.1.3.1	-	2,894
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5.1.3.1 As per Notice to the minority preference shareholders by Mari Petroleum Company Limited dated September 23, 2015, all preference shares were surrendered by the Fund on September 30, 2015. Redemption amount of Rs. 2.894 million is included in deposits and other receivable.

5.2 Investments - 'available for sale'

Shares of listed companies (Ordinary shares)

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Sales during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to		
								Net assets of the Fund on the basis of market value (see note 5.1.1)	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	11,075	-	-	11,075	2,422	11,091	8,669	0.25	0.01	0.33
Pakistan Suzuki Motor Company Limited	11,260	-	-	11,260	833	4,668	3,835	0.11	0.01	0.14
								0.36		0.46
Banks										
Meezan Bank Limited (an associate of the Fund)	1,207	-	-	1,207	17	61	44	0.00	0.00	0.00
BankIslami Pakistan Limited	875	-	-	875	6	9	3	0.00	0.00	0.00
								0.00		0.00
Fertilizers										
Fauji Fertilizer Bin Qasim Limited	377	-	-	377	13	23	10	0.00	0.00	0.00
Fauji Fertilizer Company Limited	30,599	-	-	30,599	2,465	3,777	1,312	0.09	0.00	0.11
								0.09		0.11
Chemicals										
ICI Pakistan Limited	7,921	-	-	7,921	999	3,812	2,813	0.09	0.01	0.11
Cement										
Attock Cement Pakistan Limited	287	-	-	287	11	50	39	0.00	0.00	0.00
DG Khan Cement Company Limited	79,249	-	-	79,249	3,121	10,859	7,738	0.25	0.02	0.32
Lucky Cement Limited	7,451	-	-	7,451	887	3,924	3,037	0.09	0.00	0.12
								0.34		0.44
Power Generation & Distribution										
The Hub Power Company Limited	1,264,050	-	-	1,264,050	46,726	124,180	77,454	2.82	0.11	3.65
Paper and Board										
Packages Limited	150,000	-	-	150,000	77,511	80,025	2,514	1.82	0.18	2.35
Oil & Gas										
Pakistan Petroleum Limited	4,548	-	-	4,548	558	542	(16)	0.01	0.00	0.02
Total					135,569	243,021	107,452			
Total cost of investments					135,569					

5.2.1 Net unrealised appreciation / (diminution) on re-measurement of investment classified as 'available for sale'

	Note	(Unaudited) September 30, 2015 (Rupees in '000)	(Audited) June 30, 2015
Market value of investments		243,021	250,166
Less: Cost of investments		135,569	135,568
		107,452	114,598
Less: Net unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the period		114,598	98,514
		(7,146)	16,084

5.3 Investment- loans and receivables

Term deposit receipts - having original maturity of more than 3 months	5.3.1	174,000	-
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5.3.1	Name of the bank	Maturity date	Profit rate	As at July 01, 2015	Placement made during the quarter	Matured during the quarter	As at September 30, 2015	Percentage of total value of investments
			----- % ----- (Rupees in '000)				----- % -----
	Meezan Bank Limited	June 22, 2016	6.70	174,000	-	-	174,000	5.11
				174,000	-	-	174,000	

6. OTHER ASSETS

Particulars	Number of rights	Underlying	Fair value	
			September 30, 2015	June 30, 2015
			(Rupees in '000)	
Entitlement of letter of rights				
Crescent Steels Limited	56,250	Equity indices	1,407	-

7. CONTINGENCIES AND COMMITMENTS

The Finance Act, 2014, introduced amendments to Income Tax Ordinance, 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. These shares will be released upon payments of tax by shareholders. The value of tax will be computed on the basis of day-end price on the first day of book closure.

In this regard, a Constitutional Petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. On September 8, 2015, the Sindh High Court has dismissed the suit on the basis that bonus shares are included in the definition of income and accordingly are chargeable to tax. An appeal against the judgment has been instituted and a stay order has been granted by the High Court of Sindh in favour of CISs.

In the current period, Hascol Petroleum Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These haven't been deposited by the Company with the Government Treasury due to pending adjudication of the aforementioned Constitutional Petition and the stay order.

There were no other contingencies and commitments outstanding as at September 30, 2015.

8. 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 High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company as a matter of abundant caution has recognised WWF amounting to Rs. 37.909 million till June 30, 2015. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.12 (0.84%).

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015 hence, effective from July 1, 2015 no provision of WWF is being made in the Fund.

9. 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 this 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 gain / (loss) on the appreciation / (diminution) in the value of the investments.

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

	For the quarter ended September 30, 2015			For the quarter ended September 30, 2014		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Total net segment (loss) / income	(81,388)	19,348	(62,040)	34,882	10,216	45,098
Unallocated expenses	-	-	8,925	-	-	(8,625)
Total net (loss) / income	(81,388)	19,348	(53,115)	<u>34,882</u>	<u>10,216</u>	<u>36,473</u>

	As at September 30, 2015			As at June 30, 2015		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Total segment assets	2,421,701	1,026,535	3,448,236	1,868,813	1,000,333	2,869,146
Unallocated assets			1,074,330	-	-	650,857
Total assets	2,421,701	1,026,535	4,522,566	<u>1,868,813</u>	<u>1,000,333</u>	<u>3,520,003</u>
Total segment liabilities	1,961	-	1,961	2,050	-	2,050
Unallocated liabilities	-	-	112,340	-	-	134,493
Total liabilities	1,961	-	114,301	<u>2,050</u>	<u>-</u>	<u>136,543</u>

There were no transactions between reportable segments.

10. 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 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 Financial Planning Fund of Funds, Meezan Capital Preservation Fund -III, Meezan Capital Preservation Fund -II, Meezan Gold 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 - Employees Gratuity Fund and unitholders holding 10% or more units of the Fund's net assets.

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.

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

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	7,241	5,515
Sindh Sales Tax and Federal Excise Duty payable on management fee	19,280	15,433
Sales load payable	1,595	3,418
Sindh Sales Tax and Federal Excise Duty payable on sales load	4,570	3,667
Investment of 830,090 units (June 30, 2015: 830,090 units)	12,020	12,177
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	508	358
Deposits	300	300
Meezan Bank Limited		
Bank balance	40,395	84,014
Term deposit receipts	174,000	174,000
Investment in 977,300 shares (June 30, 2015: 1,352,300 shares)	49,334	55,443
Investment of 18,886,746 units (June 30, 2015: 18,886,746 units)	273,480	277,069
Pakistan Kuwait Investment Company (Private) Limited		
Investment of 11,057,791 units (June 30, 2015: 11,057,791 units)	160,117	162,218
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 400,115 units (June 30, 2015: 400,115 units)	5,794	5,870
Directors and Executives of the Management Company		
Investment of 2,392,045 units (June 30, 2015: 2,322,530 units)	34,637	34,072

	For the quarter ended September 30,	
	2015	2014
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the quarter	<u>20,070</u>	<u>9,788</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>6,470</u>	<u>3,269</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the quarter	<u>1,255</u>	<u>741</u>
Charges for the quarter	<u>40</u>	<u>32</u>
Meezan Bank Limited		
Profit on saving account	<u>411</u>	<u>1,924</u>
Profit on term deposit receipts	<u>2,804</u>	<u>-</u>
Cash dividend income during the quarter	<u>2,367</u>	<u>1,428</u>
Sale of shares: 375,000 shares (September 30, 2014: nil)	<u>18,392</u>	<u>-</u>
Directors and Executives of the Management Company		
Units issued: 108,920 (September 30, 2014: 81,505 units)	<u>1,625</u>	<u>1,106</u>
Units redeemed: 39,405 (September 30, 2014: nil)	<u>587</u>	<u>-</u>

11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Management Company.

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

Chief Executive

Director



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
Mr. Tasnimul Haq Farooqui	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh SultanTrust 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
Bank Al Habib Limited - Islamic Banking	Burj Bank Limited
Bankislami Pakistan Limited	Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking	Habib Bank Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking	MCB Bank Limited - Islamic Banking
Meezan Bank Limited	National Bank of Pakistan - Islamic Banking
UBL Ameen - Islamic Banking	

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2015

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Assets			
Balances with banks	5	4,719,731	2,559,304
Investments	6	3,493,057	3,209,537
Deposits, prepayments and other receivables		80,446	96,081
Total assets		8,293,234	5,864,922
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		42,168	35,897
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		632	472
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,104	4,761
Payable to Meezan Bank Limited (MBL)		-	350
Payable on redemption and conversion of units		2,576	1,509,505
Accrued expenses and other liabilities		46,449	50,937
Total liabilities		92,929	1,601,922
Net assets		8,200,305	4,263,000
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		8,200,305	4,263,000
(Number of units)			
Number of units in issue		158,817,573	78,577,810
(Rupees)			
Net assets value per unit		51.63	54.25

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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	September 30,	
		2015	2014
		(Rupees in '000)	
Income			
Profit on saving accounts with banks		41,596	93,672
Profit on term deposit receipts		23,300	-
Profit on sukuk certificates		41,874	59,240
Realised gain on sale of sukuk certificates		1,171	6,163
Other income		1,748	74
		109,689	159,149
Unrealised appreciation on re-measurement of investments at fair value through profit or loss (net)	6.1.1 & 6.1.3	8,671	5,618
Reversal of provision against sukuk certificates (net)		-	169
		8,671	5,787
Total income		118,360	164,936
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company		22,077	23,832
Sindh Sales Tax and Federal Excise Duty on Management Fee		7,118	7,960
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,428	1,515
Sindh Sales Tax on Trustee Fee		200	-
Annual fee to Securities and Exchange Commission of Pakistan		1,104	1,192
Auditors' remuneration		201	155
Fees and subscription		76	78
Legal and professional charges		133	-
Brokerage		30	90
Bank and settlement charges		25	23
Provision for Workers' Welfare Fund (WWF)		-	2,565
Total Expenses		32,392	37,410
Net income from operating activities		85,968	127,526
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed (net)		38,309	(1,842)
Net income for the quarter before taxation		124,277	125,684
Taxation		-	-
Net income for the quarter after taxation		124,277	125,684
Other comprehensive income for the quarter		-	-
Total comprehensive income for the quarter		124,277	125,684

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Undistributed income / accumulated (loss) brought forward		
- Realised	308,543	88,966
- Unrealised	22,460	(79,179)
	331,003	9,787
Final distribution for the year ended June 30, 2015		
- cash dividend: @ 6.80% i.e. Rs. 3.40 per unit (June 30, 2014: nil)	(267,165)	-
Net income for the quarter	124,277	125,684
Undistributed income carried forward	188,115	135,471
Undistributed income carried forward		
- Realised	179,444	129,684
- Unrealised	8,671	5,787
	188,115	135,471

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the quarter	4,263,000	4,918,355
Issue of 94,016,510 units (September 30, 2014: 72,735,736 units)	4,828,551	3,677,491
Issue of 4,720,443 units for re-investment of cash dividend (September 30, 2014: nil)	240,035	-
Redemption of 18,497,190 units (September 30, 2014: 50,693,144 units)	(950,084)	(2,573,456)
	4,118,502	1,104,035
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed (net)	(38,309)	1,842
Net realised gain on sale of sukuk certificates	1,171	6,163
Unrealised appreciation in value of investments (net)	8,671	5,787
Other net income for the quarter	114,435	113,734
Total comprehensive income for the quarter	124,277	125,684
Final distribution for the year ended June 30, 2015 - cash dividend: @ 6.80% i.e. Rs. 3.40 per unit (June 30, 2014: nil)	(267,165)	-
Net assets at end of the quarter	8,200,305	6,149,916
	(Rupees)	
Net asset value per unit as at beginning of the quarter	54.25	50.17
Net asset value per unit as at end of the quarter	51.63	51.21

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30, 2015	2014
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter	124,277	125,684
Adjustments for		
Unrealised appreciation on re-measurement of investments at fair value through profit or loss (net)	(8,671)	(5,618)
Reversal of provision against sukuk certificates (net)	-	(169)
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed (net)	(38,309)	1,842
	<u>77,297</u>	<u>121,739</u>
(Increase) / decrease in assets		
Investments (net)	(274,849)	(903,425)
Deposits, prepayments and other receivables	15,635	(53,999)
	<u>(259,214)</u>	<u>(957,424)</u>
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	6,271	7,227
Payable to Central Depository Company of Pakistan Limited - Trustee	160	94
Payable to Securities and Exchange Commission of Pakistan	(3,657)	(1,509)
Payable to Meezan Bank Limited	(350)	(112)
Accrued expenses and other liabilities	(4,488)	2,734
	<u>(2,064)</u>	<u>8,434</u>
Net cash used in operating activities	<u>(183,981)</u>	<u>(827,251)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units	4,828,551	3,677,491
Receipts against dividend re-investment	240,035	-
Payments against redemption of units	(2,457,013)	(2,579,817)
Dividend paid	(267,165)	(983)
Net cash generated from financing activities	<u>2,344,408</u>	<u>1,096,691</u>
Net increase in cash and cash equivalents during the quarter	<u>2,160,427</u>	<u>269,440</u>
Cash and cash equivalents at beginning of the quarter	<u>2,559,304</u>	<u>3,298,683</u>
Cash and cash equivalents at end of the quarter	<u>5</u> <u>4,719,731</u>	<u>3,568,123</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 INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (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 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. The Fund is categorized as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).

1.4 The Fund has been given a stability rating of A-(f) by JCR - VIS Credit Rating Company Limited. The Management Company of the Fund has been given quality rating of AM2+ by JCR - VIS Credit Rating Company Limited.

1.5 Title to the assets of the Fund are in the name of CDC as the 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 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 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, 2015.

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, 2015.

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, 2015.

	Note	(Unaudited) September 30, 2015 (Rupees in '000)	(Audited) June 30, 2015
5. BALANCES WITH BANKS			
On saving accounts	5.1	4,710,453	2,554,137
On current accounts		9,278	5,167
		4,719,731	2,559,304

5.1 The balance in saving accounts have an expected profit ranging from 2.71% to 6.80% per annum (June 30, 2015: 3.79% to 7.00% per annum).

6. INVESTMENTS

Investments - 'at fair value through profit or loss'	6.1	1,808,057	2,030,537
Investments - 'loans and receivables'	6.2	1,685,000	1,179,000
		3,493,057	3,209,537

6.1 Investments at fair value through profit or loss

- Held for trading	6.1.1	100,380	420,186
- Investments at fair value through profit or loss upon initial recognition	6.1.3	1,707,677	1,610,351
		1,808,057	2,030,537

6.1.1 Held for trading - Sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 01, 2015	Purchases during the quarter	Sales / maturity during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised loss	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the Fund on the basis of market value	Total market value of investments	
GoP Ijarah Sukuk Certificates -IX (note 6.1.2 & 6.1.2.1)	November 21, 2015	Weighted average 6 months T-Bills	3,170	-	3,170	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -XII (note 6.1.2 & 6.1.2.1)	November 21, 2015	Weighted average 6 months T-Bills	1,000	-	-	1,000	100,650	100,380	(270)	1.22	2.87
Grand Total							100,650	100,380	(270)		
Total cost of investments								100,000			

6.1.2 The nominal value of these sukuk certificates is Rs 100,000 each.

6.1.2.1 On December 12, 2014, the GoP extended the maturity of these sukuk to November 21, 2015 through a resolution passed in the Extra Ordinary General Meeting of Sukuk holders held on November 10, 2014.

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

Name of the security	Maturity date	Profit rate	As at July 01, 2015	Purchases during the quarter	Sales / redemptions during the quarter	As at September 30, 2015	*Carrying value as at September 30, 2015	*Market value as at September 30, 2015	Unrealised gain / (loss)	Percentage in relation to		
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the Fund on the basis of market value	Total issue (with face value of investment)	Total market value of investments	
Arzoo Textile Mills Limited (note 6.1.4 & 6.1.6) *	April 15, 2014	6 months Kibor plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	9.46	-
Eden Housing Limited (note 6.1.5 & 6.1.6) *	September 29, 2014	6 months Kibor plus base rate of 2.5%	59,400	-	-	59,400	-	-	-	-	12.32	-
Security Leasing Corporation Limited II (note 6.1.4 & 6.1.6) *	January 19, 2022	Nil	3,081	-	-	3,081	-	-	-	-	6.67	-
Maple Leaf Cement Factory Limited (note 6.1.4) (A-, PACRA) "	December 3, 2018	3 months Kibor plus base rate of 1.70%	27,464	-	3,000	24,464	97,729	99,464	1,735	1.21	4.00	2.85
Engro Fertilizer Limited (note 6.1.4) (A+, PACRA)	September 1, 2015	6 months Kibor plus base rate of 1.5%	17,750	-	17,750	-	-	-	-	-	-	-
Engro Fertilizer Limited (note 6.1.4) (A+, PACRA, traded)	July 9, 2019	6 months Kibor plus base rate of 1.75%	82,875	-	2,125	80,750	418,386	418,285	(101)	5.10	13.28	11.97
K-Electric Limited (sukuk 2) (note 6.1.4) (AA, JCR-VIS, non-traded)	March 19, 2017	3 months Kibor plus base rate of 2.25%	35,600	-	-	35,600	182,621	181,786	(835)	2.22	4.75	5.20
K-Electric Limited (sukuk 4) (note 6.1.4) (AA+, JCR-VIS, non-traded)	June 17, 2022	3 months Kibor plus base rate of 1.00%	160,000	-	-	160,000	800,000	808,142	8,142	9.86	3.64	23.14
Lalpir Power Limited CP Sukuk (note 6.1.4 & 6.1.4.1)	February 04, 2016	6 months Kibor plus base rate of 0.25%	-	40,000	-	40,000	200,000	200,000	-	2.44	10.00	5.73
Grand Total							1,698,736	1,707,677	8,941			
Total cost of investments								1,828,197				

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

8 WORKERS' WELFARE FUND

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

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company as a matter of abundant caution has recognised WWF amounting to Rs. 45.462 million till June 30, 2015. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.30 (0.58%).

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015 hence, effective from July 1, 2015 no provision of WWF is being made in the Fund.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan Investment Management Limited (AI 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, Directors and Executives of the Management Company, Meezan Islamic Fund, AI Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund – III, Meezan Capital Preservation Fund – II, Meezan Gold 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, AI Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

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 and the Trust Deed.

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

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	9,080	7,314
Sales load payable	486	408
Certificate charges payable	1	1
Sindh Sales Tax and Federal Excise Duty on management fee	31,540	27,339
Sindh Sales Tax and Federal Excise Duty on sales load	1,061	835
Investments as at September 30, 2015: 10,209,243 units (June 30, 2015: 9,721,722 units)	527,103	527,403
Meezan Bank Limited		
Sales load payable	-	350
Balances with bank	12,312	41,621
Profit receivable on saving accounts	-	118
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	554	472
Sindh Sales Tax on Trustee Fee	78	-
Security deposit	100	100
Meezan Capital Preservation Fund - III		
Investments as at September 30, 2015: 24,088,259 units (June 30, 2015: 1,991 units)	1,243,677	108
Meezan Capital Preservation Fund - II		
Investments as at September 30, 2015: 20,649,438 units (June 30, 2015: 1,053,621)	1,066,130	57,159
Al Meezan Investment Management Limited - Employees Gratuity Fund		
Investments as at September 30, 2015: 40,893 units (June 30, 2015: 38,330 units)	2,111	2,079
Directors and executives of the Management Company		
Investments as at September 30, 2015: 1,297,208 units (June 30, 2015: 1,236,744 units)	66,975	67,093
Unitholders holding 10% or more units of the Fund		
Investments as at September 30, 2015: nil (June 30, 2015: 13,709,348 units)	-	743,732

Al-Meezan Investment Management Limited - Management Company

Remuneration for the quarter

Sindh Sales Tax & Federal Excise Duty on management fee for the quarter

Units issued: 487,521 units (September 30, 2014: 595,120 units)

Redemptions: nil (September 30, 2014: 3,094,930 units)

Cash dividend paid (September 30, 2014: nil)

Meezan Bank Limited

Profit on saving accounts

Central Depository Company of Pakistan Limited - Trustee

Remuneration for the quarter

Sindh Sales Tax on trustee fee for the quarter

CDS Charges for the quarter

Meezan Capital Preservation Fund - III

Units issued: 24,086,268 units (September 2014: 11,240,894 units)

Redemptions: nil (September 2014: 14,391,198 units)

Cash dividend paid (September 30, 2014: nil)

Meezan Capital Preservation Fund - II

Units issued: 19,625,154 units (September 2014: 39,659,889 units)

Redemptions: 29,337 units (September 2014: 25,232,325 units)

Cash dividend paid (September 30, 2014: nil)

Al Meezan Investment Management Limited - Employees Gratuity Fund

Units issued: 2,563 units (September 2014: nil)

Cash dividend paid (September 30, 2014: nil)

Directors and executives of the Management Company

Units issued: 118,790 units (September 2014: 65,378 units)

Redemptions: 58,326 units (September 2014: 156,831 units)

Cash dividend paid (September 30, 2014: nil)

**For the quarter ended
September 30,****2015** **2014****(Rupees in '000)**

22,077	23,832
7,118	7,960
24,790	30,000
-	157,000
33,054	-
268	1,910
1,428	1,515
200	-
2	9
1,239,364	570,000
-	729,900
7	-
1,009,682	1,997,000
1,500	1,278,874
3,582	-
130	-
130	-
6,061	3,325
2,980	7,896
4,205	-

10. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Management Company.

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

Chief Executive**Director**



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
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

Askari Bank Limited - Islamic Banking	MCB Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	National Bank of Pakistan - Islamic Banking
Faysal Bank Limited - Islamic Banking	UBL Ameen
Habib Metropolitan Bank Limited - Islamic Banking	
Habib Bank Limited - Islamic Banking	

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 36103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2015

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Assets			
Balances with banks	5	3,217,634	3,234,525
Investments	6	4,069,583	8,275,796
Receivable on conversion of units		-	79,483
Deposits, prepayments and other receivables		135,303	192,846
Total assets		7,422,520	11,782,650
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		73,030	71,521
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		738	807
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,815	10,213
Payable to Meezan Bank Limited (MBL)		-	499
Payable on redemption and conversion of units		28,084	2,901,599
Accrued expenses and other liabilities		135,652	141,310
Total liabilities		239,319	3,125,949
Net assets		7,183,201	8,656,701
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		7,183,201	8,656,701
(Number of units)			
Number of units in issue		140,776,452	160,548,092
(Rupees)			
Net assets value per unit		51.03	53.92

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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	September 30,	
		2015	2014
		(Rupees in '000)	
Income			
Profit on saving accounts with banks		35,927	108,077
Profit on sukuk certificates		142,514	304,669
Net realised loss on sale of sukuk certificates		(16,413)	(17,834)
		<u>162,028</u>	<u>394,912</u>
Unrealised diminution on re-measurement of investments 'at fair value through profit or loss' (net)	6.1	(13,613)	(91,815)
Total income		<u>148,415</u>	<u>303,097</u>
Expenses			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		24,201	45,031
Sindh Sales Tax and Federal Excise Duty on management fee		7,802	15,040
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		2,006	3,269
Sindh Sales Tax on Trustee fee		281	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		1,815	3,377
Auditors' remuneration		153	146
Legal and Professional charges		133	-
Fees and subscription		67	64
Amortisation of preliminary expenses and floatation costs		-	129
Brokerage		199	400
Bank and settlement charges		70	36
Provision for Workers' Welfare Fund (WWF)		-	3,981
Printing expenses		72	189
Total expenses		<u>36,799</u>	<u>71,662</u>
Net income from operating activities		<u>111,616</u>	<u>231,435</u>
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(27,909)	(36,373)
Net income for the quarter before taxation		<u>83,707</u>	<u>195,062</u>
Taxation		-	-
Net income for the quarter after taxation		<u>83,707</u>	<u>195,062</u>
Other comprehensive income for the quarter			
Items that can be reclassified to income statement in subsequent periods			
Net unrealised diminution on re-measurement of investments classified as 'available for sale'		(6,872)	(19,059)
Total comprehensive income for the quarter		<u>76,835</u>	<u>176,003</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Undistributed income / accumulated (loss) brought forward		
- Realised	783,971	15,835
- Unrealised	(47,805)	147,842
	736,166	163,677
Less: Final distribution for the year ended June 30, 2015		
- cash dividend @ 6.90% i.e. Rs. 3.45 per unit (June 30, 2014: nil)	(553,891)	-
Net income for the quarter	83,707	195,062
Element of income and capital gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments (net)	1,436	2,231
Undistributed income carried forward	267,418	360,970
Undistributed income / accumulated (loss) carried forward		
- Realised	281,031	452,785
- Unrealised	(13,613)	(91,815)
	267,418	360,970

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the quarter	8,656,701	20,280,685
Issue of 93,900,417 units (September 30, 2014: 139,716,277 units)	4,773,200	7,107,849
Issue of 6,576,704 units for re-investment of cash dividend (September 30, 2014: nil)	331,926	-
Redemption of 120,248,761 units (September 30, 2014: 243,318,195 units)	(6,129,479)	(12,371,814)
	(1,024,353)	(5,263,965)
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	27,909	36,373
Net realised loss on sale of sukuk certificates	(16,413)	(17,834)
Unrealised diminution in the value of investments (net)	(20,485)	(91,815)
Other net income for the quarter	113,733	285,652
Total other comprehensive income for the quarter	76,835	176,003
Final distribution for the year ended June 30, 2015 - cash dividend @ 6.90% i.e. Rs. 3.45 per unit (June 30, 2014: nil)	(553,891)	-
Net assets at end of the quarter	7,183,201	15,229,096
	(Rupees)	
Net assets value per unit at beginning of the quarter	53.92	50.48
Net assets value per unit at end of the quarter	51.03	51.08

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30, 2015 (Rupees in '000)	2014
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter	83,707	195,062
Adjustments for		
Unrealised diminution on re-measurement of investments 'at fair value through profit or loss' (net)	13,613	91,815
Amortisation of preliminary expenses and floatation costs	-	129
Element of loss and capital losses included in prices of units sold less those in units redeemed (net)	27,909	36,373
	125,229	323,379
Decrease / (increase) in assets		
Investments (net)	4,185,728	2,571,613
Deposits, prepayments and other receivables	57,543	(47,261)
	4,243,271	2,524,352
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	1,509	3,668
Payable to Central Depository Company of Pakistan Limited - Trustee	(69)	(252)
Payable to Securities and Exchange Commission of Pakistan	(8,398)	(11,909)
Payable to Meezan Bank Limited	(499)	(270)
Accrued expenses and other liabilities	(5,658)	5,176
	(13,115)	(3,587)
Net cash generated from operating activities	4,355,385	2,844,144
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units	4,773,200	7,107,849
Receipts against dividend re-investment	331,926	-
Payments against redemption of units	(9,002,994)	(12,564,586)
Dividend paid	(553,891)	-
Net cash used in from financing activities	(4,372,276)	(5,456,737)
Net decrease in cash and cash equivalents during the quarter	(16,891)	(2,612,593)
Cash and cash equivalents at beginning of the quarter	3,234,525	6,690,140
Cash and cash equivalents at end of the quarter	3,217,634	4,077,547

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 QUARTER ENDED SEPTEMBER 30, 2015 (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 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 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, the NBFC Regulations and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued

under the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations 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, 2015.

The accounting policies and method 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, 2015.

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, 2015.

5. BALANCES WITH BANKS	Note	(Unaudited) September 30, 2015 (Rupees in '000)	(Audited) June 30, 2015
On saving accounts	5.1	3,208,157	3,218,428
On current accounts		<u>9,477</u>	<u>16,097</u>
		<u>3,217,634</u>	<u>3,234,525</u>

5.1 The balances in saving accounts have an expected profit ranging from 2.71% to 9.27% per annum (June 30, 2015: 4.00% to 9.27% per annum).

6. INVESTMENTS	Note	(Unaudited) September 30, 2015 (Rupees in '000)	(Audited) June 30, 2015
Investments - 'at fair value through profit or loss'	6.1	3,795,573	6,891,142
Investments - 'available for sale'	6.2	<u>274,010</u>	<u>1,384,654</u>
		<u>4,069,583</u>	<u>8,275,796</u>

6.1 Investments - 'At Fair Value Through Profit & Loss' - Sukuk Certificates

Name of the security	Maturity date	Profit rate	As at July 01, 2015	Purchases during the quarter	Sales / maturity during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised (loss) / gain	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the fund on the basis of market value	Total market value of investments	
GoP Ijarah Sukuk Certificates - IX (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	29,770	-	20,570	9,200	927,360	923,128	(4,232)	10.66	11.15
GoP Ijarah Sukuk Certificates - X (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	18,030	-	10,000	8,030	809,826	805,891	(3,935)	9.31	9.74
GoP Ijarah Sukuk Certificates - XII (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	19,669	-	-	19,669	1,979,685	1,974,374	(5,311)	22.81	23.86
GoP Ijarah Sukuk Certificates - XIII (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	750	-	-	750	75,510	75,345	(165)	0.87	0.91
GoP Ijarah Sukuk Certificates - XIV (note 6.2.1)	March 28, 2016	Weighted average 6 months T-Bills	167	-	-	167	16,805	16,835	30	0.19	0.20
GoP Ijarah Sukuk Certificates - XV (note 6.2.1)	June 25, 2017	Weighted average 6 months T-Bills	-	-	-	-	-	-	-	-	-
Total							3,809,186	3,795,573	(13,613)		
Total cost of investments							3,800,323				

6.2 Investments - 'Available for Sale' - Sukuk Certificates

Name of the security	Maturity date	Profit rate	As at July 01, 2015	Purchases during the period	Sales / maturity during the period	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised (loss) / gain	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the fund on the basis of market value	Total market value of investments	
GoP Ijarah Sukuk Certificates - X (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	13,500	-	11,000	2,500	250,857	250,900	43	2.90	3.03
GoP Ijarah Sukuk Certificates - XI (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	230	-	-	230	23,045	23,110	65	0.27	0.28
Total							273,902	274,010	108		
Total cost of investments							273,902				

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

6.2.2 On December 12, 2014, the GoP extended the maturity of these sukuks to November 21, 2015 through a resolution passed in the Extra Ordinary General Meeting of Sukuk holders held on November 10, 2014.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2015.

8. WORKERS' WELFARE FUND

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

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company as a matter of abundant caution has recognised WWF amounting to Rs. 133.886 million till June 30, 2015. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.97 (1.90%).

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015 hence, effective from July 1, 2015 no provision of WWF is being made in the Fund.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan Investment Management Limited (AI 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, Meezan Islamic Fund, Meezan Gold Fund, AI Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islami Income Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund – III, Meezan Capital Preservation Fund – II 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 AI Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the 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 at the year end are as follows:

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
AI Meezan Investment Management Limited		
- Management Company		
Remuneration payable	7,689	10,333
Sindh Sales Tax and Federal Excise Duty payable on management fee	62,219	58,277
Sales load payable	1,002	904

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Sindh Sales Tax and Federal Excise Duty payable on sales load	<u>2,120</u>	<u>2,007</u>
Investments as at 30 September, 2015: 1,374,436 units (30 June, 2015: nil)	<u>70,137</u>	<u>-</u>
Meezan Bank Limited		
Balances with bank	<u>42,913</u>	<u>101,475</u>
Profit receivable on saving accounts	<u>162</u>	<u>332</u>
Sales load payable	<u>-</u>	<u>499</u>
Investments as at 30 September, 2015: 35,098,352 units (30 June, 2015: 56,706,764 units)	<u>1,791,069</u>	<u>3,057,628</u>
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	<u>648</u>	<u>807</u>
Sales Tax payable on trustee fee	<u>90</u>	<u>-</u>
Deposits	<u>100</u>	<u>100</u>
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investments as at September 30, 2015: 47,890 units (30 June 2015: 44,826 units)	<u>2,444</u>	<u>2,417</u>
MFPF - Aggressive Allocation Plan		
Investment as at 30 September 2015: 2,042,000 units (30 June 2015: 1,936,916 units)	<u>104,203</u>	<u>104,439</u>
MFPF - Conservative Allocation Plan		
Investment as at 30 September 2015: 3,583,103 units (30 June 2015: 4,984,360 units)	<u>182,846</u>	<u>268,757</u>
MFPF - Moderate Allocation Plan		
Investment as at 30 September 2015: 2,959,234 units (30 June 2015: 3,485,449 units)	<u>151,010</u>	<u>187,935</u>
MFPF - Meezan Capital Preservation Plan I		
Investment as at 30 September 2015: nil (30 June 2015 4,529,964 units)	<u>-</u>	<u>244,256</u>
MFPF - Meezan Capital Preservation Plan II		
Investment as at 30 September 2015: nil (30 June 2015 8,689,559 units)	<u>-</u>	<u>468,541</u>
Meezan Capital Preservation Funds III		
Investments as at September 30, 2015: nil units (June 30, 2015: 5,533,153 units)	<u>-</u>	<u>298,348</u>
Meezan Capital Preservation Funds II		
Investments as at September 30, 2015: nil units (June 30, 2015: 5,647,987 units)	<u>-</u>	<u>304,540</u>
Directors and officers of the Management Company		
Investments as at September 30, 2015: 121,244 units (June 30, 2015: 177,443 units)	<u>6,187</u>	<u>9,568</u>

	For the quarter ended September 30,	
	2015	2014
	(Rupees in '000)	
Al Meezan Investment Management Limited		
- Management Company		
Remuneration for the quarter	24,201	45,031
Sindh Sales Tax and Federal Excise Duty on management fee	7,802	15,040
Units issued 1,374,436 units (30 September 2014: nil)	70,000	-
Redemptions: nil (30 September 2014: 619,702 units)	-	31,481
Meezan Bank Limited		
Profit on saving accounts	424	1,938
Redemptions: 21,608,412 units (30 September 2014: 49,236,129 units)	1,102,029	2,500,000
Cash dividend paid (30 September 2014: nil)	195,638	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the quarter	2,006	3,269
Sindh Sales Tax on trustee fee for the quarter	281	-
CDS Charges for the quarter	2	2
Al Meezan Investment Management Limited		
- Staff Gratuity Fund		
Units issued 3,064 units (30 September 2014: nil units)	155	-
Cash dividend paid (30 September 2014: nil)	155	-
MFPF - Aggressive Allocation Plan		
Units issued: 248,081 units (30 September 2014: 197,446 units)	12,562	10,032
Redemptions: 142,997 units (30 September 2014: 247,125 units)	7,282	12,555
Cash dividend paid (30 September 2014: nil)	6,682	-
MFPF - Conservative Allocation Plan		
Units issued: 1,066,359 units (30 September 2014: 1,800,261 units)	54,096	91,467
Redemptions: 2,467,615 units (30 September 2014: 1,327,212 units)	124,785	67,500
Cash dividend paid (30 September 2014: nil)	17,196	-
MFPF - Moderate Allocation Plan		
Units issued: 313,936 units (30 September 2014: 400,851 units)	15,875	20,344
Redemptions: 840,150 units - Moderate Allocation Plan (30 September 2014: 347,191 units)	42,561	16,800
Cash dividend paid (30 September 2014: nil)	12,025	-
MFPF - Meezan Capital Preservation Plan I		
Units issued: 9,152,912 units (30 September 2014: nil)	465,988	-
Redemptions: 13,682,876 units (30 September 2014: nil)	697,687	-
Cash dividend paid (30 September 2014: nil)	15,628	-

	For the quarter ended September 30,	
	2015	2014
	(Rupees in '000)	
MFPF - Meezan Capital Preservation Plan II		
Units issued: 14,893,463 units (30 September 2014: nil)	<u>756,979</u>	<u>-</u>
Redemptions: 23,583,023 units (30 September 2014: nil)	<u>1,202,706</u>	<u>-</u>
Cash dividend paid (30 September 2014: nil)	<u>29,979</u>	<u>-</u>
MFPF - Meezan Asset Allocation Plan		
Units issued: 15,328,111 units (30 September 2014: nil)	<u>780,000</u>	<u>-</u>
Redemptions: 15,328,111 units (30 September 2014: nil)	<u>781,014</u>	<u>-</u>
Meezan Capital Preservation Fund III		
Units issued 3,836,414 (30 September 2014: nil)	<u>194,889</u>	<u>-</u>
Redemptions: 9,369,567 units (30 September 2014: nil)	<u>477,647</u>	<u>-</u>
Cash dividend paid (30 September 2014: nil)	<u>19,089</u>	<u>-</u>
Meezan Capital Preservation Fund II		
Units issued: 2,061,055 (30 September 2014: nil)	<u>104,585</u>	<u>-</u>
Redemptions: 7,709,043 (30 September 2014: nil)	<u>393,024</u>	<u>-</u>
Cash dividend paid (30 September 2014: nil)	<u>19,486</u>	<u>-</u>
Directors and officers of the Management Company		
Units issued 105,086 units (30 September 2014: 37,494 units)	<u>5,444</u>	<u>1,902</u>
Redemptions: 161,284 units (30 September 2014: 634,403 units)	<u>8,213</u>	<u>32,108</u>
Cash dividend paid (30 September 2014: nil)	<u>612</u>	<u>-</u>

10. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Management Company.

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

Chief Executive

Director



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
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 SultanTrust Building No.2, Beaumont Road, Karachi - 75530.

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Askari Bank Limited - Islamic Banking	MCB Bank Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	National Bank of Pakistan - Islamic Banking
Faysal Bank Limited - Islamic Banking	UBL Ameen
Habib Bank Limited - Islamic Banking	Sindh Bank Limited - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking	

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2015

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Assets			
Balances with banks	5	7,159,105	3,177,258
Investments	6	809,953	1,291,766
Receivable on conversion of units		-	3,505,115
Profit receivable		100,671	59,920
Deposit and prepayments		479	521
Total assets		8,070,208	8,034,580
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		24,098	19,805
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		948	338
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,069	2,975
Payable on redemption and conversion of units		7,731	314,563
Brokerage payable		-	25
Dividend payable		-	3,820
Accrued expenses and other liabilities		59,801	75,315
Total liabilities		93,647	416,841
Net assets		7,976,561	7,617,739
Contingencies and commitments	7		
Unitholders' fund (as per statement attached)		7,976,561	7,617,739
(Number of units)			
Number of units in issue		157,297,389	152,058,910
(Rupees)			
Net assets value per unit		50.71	50.10

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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	September 30,	
		2015	2014
(Rupees in '000)			
Income			
Profit on saving accounts with banks		72,566	42,630
Profit on placements		8,340	15,897
Profit on sukuk certificates		2,796	14,795
Profit on Government of Pakistan (GoP) Ijarah Sukuks		9,949	-
Realised loss on sale of sukuk certificates (net)		(3,572)	-
		<u>90,079</u>	<u>73,322</u>
Unrealised diminution on re-measurement of investments 'at fair value through profit or loss' (net)	6.2	(4)	(3,515)
Total income		<u>90,075</u>	<u>69,807</u>
Expenses			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		14,254	8,251
Sindh Sales Tax and Federal Excise Duty on Management Fee		4,596	2,756
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		1,258	808
Sindh Sales Tax on Trustee Fee		176	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		1,069	619
Auditors' remuneration		143	137
Fees and subscription		68	66
Legal and Professional charges		33	-
Brokerage		73	43
Bank and settlement charges		79	20
Provision for Workers' Welfare Fund (WWF)	8	-	1,456
Total expenses		<u>21,749</u>	<u>14,156</u>
Net income from operating activities		<u>68,326</u>	<u>55,651</u>
Element of income and capital gains included in prices of units issued less those in units redeemed (net)		28,049	15,698
Net income for the quarter before taxation		<u>96,375</u>	<u>71,349</u>
Taxation		-	-
Net income for the quarter after taxation		<u>96,375</u>	<u>71,349</u>
Other comprehensive income for the quarter		-	-
Total comprehensive income for the quarter		<u>96,375</u>	<u>71,349</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Undistributed income brought forward		
- Realised	11,339	8,803
- Unrealised	1,796	-
	13,135	8,803
Net income for the quarter	96,375	71,349
Undistributed income carried forward	109,510	80,152
Undistributed income / accumulated (loss) carried forward		
- Realised	109,514	83,667
- Unrealised	(4)	(3,515)
	109,510	80,152

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the quarter	7,617,739	3,049,366
Issue of 85,695,382 units (September 30, 2014: 53,587,444 units)	4,432,411	2,712,895
Redemption of 82,428,904 units (September 30, 2014: 30,645,341 units)	(4,141,915)	(1,548,486)
	290,496	1,164,409
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(28,049)	(15,698)
Unrealised diminution on re-measurement of investments 'at fair value through profit or loss' (net)	(4)	(3,515)
Net realised loss on sale of sukuk certificates	(3,572)	-
Other net income for the quarter	99,951	74,864
Total comprehensive income for the quarter	96,375	71,349
Net assets at end of the quarter	7,976,561	4,269,426
	(Rupees)	
Net assets value per unit at beginning of the quarter	50.10	50.07
Net assets value per unit at end of the quarter	50.71	50.92

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	September 30,	
		2015	2014
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the quarter		96,375	71,349
Adjustments for			
Unrealised diminution on re-measurement of investments 'at fair value through profit or loss' (net)		4	3,515
Element of income and capital gains included in prices of units sold less those in units redeemed (net)		(28,049)	(15,698)
		68,330	59,166
Decrease / (increase) in assets			
Deposit and prepayments		42	(158)
Profit receivable		(40,751)	(1,730)
Receivable against Bai Muajjal		-	(12,790)
Investments (net)		481,809	(1,252,400)
		441,100	(1,267,078)
Increase / (Decrease) in liabilities			
Payable to Al Meezan Investment Management Limited - Management Company		4,293	1,552
Payable to Central Depository Company of Pakistan Limited - Trustee		610	4
Payable to Securities and Exchange Commission of Pakistan - SECP		(1,906)	(3,580)
Brokerage payable		(25)	-
Accrued expenses and other liabilities		(15,514)	1,876
		(12,542)	(148)
Net cash generated from / (used in) operating activities		496,888	(1,208,060)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		7,937,526	2,712,895
Payment against redemption of units		(4,448,747)	(1,554,925)
Dividend paid		(3,820)	-
Net cash generated from financing activities		3,484,959	1,157,970
Net increase / (decrease) in cash and cash equivalents during the quarter		3,981,847	(50,090)
Cash and cash equivalents at beginning of the quarter		3,177,258	2,544,117
Cash and cash equivalents at end of the quarter	5	7,159,105	2,494,027

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 QUARTER ENDED SEPTEMBER 30, 2015 (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. The Fund shall seek to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid shariah compliant money market and shriaah compliant debt securities. 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 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, provisions 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 require 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, 2015.

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, 2015.

The Fund's financial unit holders' fund risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2015.

5. BALANCES WITH BANKS	Note	(Unaudited) September 30, 2015 (Rupees in '000)	(Audited) June 30, 2015
On saving accounts	5.1	7,137,820	3,167,390
On current accounts		<u>21,285</u>	<u>9,868</u>
		<u>7,159,105</u>	<u>3,177,258</u>

5.1 The balances in saving accounts have an expected profit ranging from 2.71% to 9.27% per annum (June 30, 2015: 4.00% to 9.27% per annum).

6. INVESTMENTS	Note	(Unaudited) September 30, 2015 (Rupees in '000)	(Audited) June 30, 2015
Investments - 'loans and receivables'	6.1	559,000	559,000
Investments - 'fair value through profit or loss'	6.2	<u>250,953</u>	<u>732,766</u>
		<u>809,953</u>	<u>1,291,766</u>
6.2 Investments - 'fair value through profit or loss'			
- Held for trading		953	732,766
- Investment at fair value through profit or loss upon initial recognition		<u>250,000</u>	-
		<u>250,953</u>	<u>732,766</u>

6.1 Loans and receivables - Term deposit receipts (TDR)

Name of the bank	Maturity date	Profit rate	As at July 01, 2015	Placed during the quarter	Matured during the quarter	As at September 30, 2015	Percentage in relation to	
							Net assets of the fund on the basis of market value	Total market value of investments
	 (%) (Rupees in '000) %	
Meezan Bank Limited	December 22, 2015	6.19	559,000	-	-	559,000	7.01	69.02

6.2 Fair Value through profit or loss

Name of the security	Maturity date	Profit rate	As at July 01, 2015	Purchases during the quarter	Sales / redemptions during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised loss	Percentage in relation to		
										Net assets of the fund on the basis of market value	Total issue (with face value of investment)	Total market value of investments
		 (Number of certificates) (Rupees in '000) %			
Held for trading												
GoP Ijarah Sukuk - IX (note 6.2.1 & 6.2.1.1)	November 21, 2015	Weighted Average 6 months T-Bills	7,270	-	7,260	10	957	953	(4)	0.01	n/a	0.12
Fair Value through profit or loss upon initial recognition												
Lalpir Power Limited - Sukuk (note 6.2.1.2)	February 04, 2016	6 months KIBOR plus base rate of 0.25%	-	50,000	-	50,000	250,000	250,000	-	3.13	12.50	30.87
Total							250,957	250,953	(4)			
Total cost of investment							250,957					

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

6.2.1.1 On December 12, 2014, the GoP extended the maturity of these sukuk holders held on November 10, 2014.

6.2.1.2 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.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2015.

8. 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 2 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 High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company as a matter of abundant caution has recognised WWF amounting to Rs. 58.59 million till June 30, 2015. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.38 (0.75%).

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015 hence, effective from July 1, 2015 no provision of WWF is being made in the Fund.

9. 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, Directors and Executives of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, KSE Meezan Index Fund, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund – III, Meezan Capital Preservation Fund – II, Meezan Gold 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, Al Meezan Investment Management Limited - Employees' Gratuity Fund and Unitholders holding 10 percent or more of the Fund's net assets.

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 are as follows:

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	5,207	3,690
Sindh Sales Tax and Federal Excise Duty on management fee payable	18,891	16,115
Investment of 9,079,231 units (June 30, 2015: 8,185,592 units)	460,408	410,098
Meezan Bank Limited		
Balances with bank	147,368	574,501
Investment - Term deposit receipts	559,000	559,000
Profit receivable on saving account	146	236
Central Depository Company of Pakistan Limited		
Trustee fee payable	948	338
Deposit	100	100

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Investments of 47,160 units (June 30, 2015 : 47,160 units)	<u>2,391</u>	<u>2,363</u>
MFPF - Meezan Capital Preservation Plan - I		
Investments of 16,762,071 units (June 30, 2015 : 1,591,429 units)	<u>850,005</u>	<u>79,731</u>
MFPF - Meezan Capital Preservation Plan - II		
Investments of 46,213,248 units (June 30, 2015 : 21,072,974 units)	<u>2,343,474</u>	<u>1,055,756</u>
MFPF - Meezan Asset Allocation Plan - I		
Investments of 11,616,862 units (June 30, 2015 : nil)	<u>589,091</u>	<u>-</u>
Meezan Capital Preservation Fund - II		
Investments of 4,351,497 units (June 30, 2015 : 5,570,285 units)	<u>220,664</u>	<u>279,071</u>
Meezan Capital Preservation Fund - III		
Investments of 2,717,573 units (June 30, 2015 : 3,016,655 units)	<u>137,808</u>	<u>151,134</u>
Directors and executives of the Management Company		
Investments of 65,565 units (June 30, 2015: 76,676 units)	<u>3,325</u>	<u>3,841</u>
Unit Holders holding 10% of more units of the Fund	<u>3,193,478</u>	<u>-</u>
	For the quarter ended September 30,	
	2015	2014
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the quarter	<u>14,254</u>	<u>8,251</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>4,596</u>	<u>2,756</u>
Units issued: 1,389,330 units (September 30, 2014: 1,577,909 units)	<u>70,000</u>	<u>80,000</u>
Redemptions: 495,691 units (September 30, 2014: nil)	<u>25,000</u>	<u>-</u>
Meezan Bank Limited		
Profit on saving account	<u>444</u>	<u>1,993</u>
Profit on placement	<u>8,340</u>	<u>-</u>
Central Depository Company of Pakistan Limited		
Trustee fee for the quarter	<u>1,258</u>	<u>808</u>
CDS charges	<u>2</u>	<u>2</u>

	For the quarter ended September 30,	
	2015	2014
	(Rupees in '000)	
MFPF - Meezan Capital Preservation Plan - I		
Units issued: 15,405,154 units (September 30, 2014: 13,714,482 units)	780,337	697,000
Redemptions: 234,512 units (September 30, 2014: nil)	11,800	-
MFPF - Meezan Capital Preservation Plan - II		
Units issued: 33,733,179 units (September 30, 2014: nil)	1,706,386	-
Redemptions: 8,592,905 units (September 30, 2014: nil)	431,620	-
MFPF - Meezan Asset Allocation Plan - I		
Units issued: 11,616,862 units (September 30, 2014: nil)	588,514	-
Meezan Capital Preservation Fund - II		
Units issued: 2,809,689 units (September 30, 2014: nil)	141,500	-
Redemptions: 4,028,477 units (September 30, 2014: nil)	202,020	-
Meezan Capital Preservation Fund - III		
Redemptions: 299,082 units (September 30, 2014: nil)	15,050	-
Directors and executives of the Management Company		
Units issued: 88,937 units (September 30, 2014: 456 units)	4,479	23
Redemptions: 100,048 units (September 30, 2014: 5,207 units)	5,045	264

10. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Management Company.

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

Chief Executive

Director



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
Mr. Tasnimul Haq Farooqui	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

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

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Meezan Bank Limited
Habib Metropolitan Bank Limited - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2015

As at September 30, 2015 (Unaudited)							
	Aggressive	Moderate	Conservative	MCPPI	MCPPII	MAAP-I	Total
Note	(Rupees in '000)						
Assets							
Balances with banks	6,269	4,547	2,827	5,437	2,341	26,273	47,694
Investments	347,344	302,020	243,795	1,545,248	3,042,419	869,338	6,350,164
Preliminary expenses and floatation cost	-	-	507	-	-	-	507
Profit receivable on saving accounts with banks	34	25	38	31	4	383	515
Total assets	353,647	306,592	247,167	1,550,716	3,044,764	895,994	6,398,880
Liabilities							
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	460	423	479	4,538	9,454	20,698	36,052
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	1,071	42	61	182	165	81	1,602
Payable to Securities and Exchange Commission of Pakistan (SECP)	412	384	444	1,410	1,870	97	4,617
Payable on redemption and conversion of units	31	781	9	-	307	1	1,129
Accrued expenses and other liabilities	6,544	1,851	1,561	2,432	361	16	12,765
Total liabilities	8,518	3,481	2,554	8,562	12,157	20,893	56,165
Net assets	345,129	303,111	244,613	1,542,154	3,032,607	875,101	6,342,715
Contingencies and Commitments							
Unitholders' fund (as per statement attached)	345,129	303,111	244,613	1,542,154	3,032,607	875,101	6,342,715
(Number of units)							
Number of units in issue	5,065,759	4,752,978	3,966,447	28,970,759	61,007,824	18,067,336	
(Rupees)							
Net assets value per unit	68.13	63.77	61.67	53.23	49.71	48.44	

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 ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2015

		As at June 30, 2015 (Audited)					
		Aggressive	Moderate	Conservative	MCPPI	MCPPII	Total
	Note	(Rupees in '000)					
Assets							
Balances with banks		4,513	44,016	37,237	2,827	2,605	91,198
Investments	5	348,128	375,871	358,342	1,595,540	3,090,388	5,768,269
Receivable on conversion of units		12,354	23,584	21	-	-	35,959
Preliminary expenses and floatation cost		-	-	557	-	-	557
Profit receivable on saving accounts with banks		22	66	42	36	10	176
Total assets		365,017	443,537	396,199	1,598,403	3,093,003	5,896,159
Liabilities							
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		423	415	423	4,537	9,530	15,328
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		27	25	35	104	194	385
Payable to Meezan Bank Limited (MBL)		1	2	-	-	-	3
Payable to Securities and Exchange Commission of Pakistan (SECP)		327	307	386	1,114	1,124	3,258
Payable on redemption and conversion of units		5,030	120,556	156,318	-	1	281,905
Accrued expenses and other liabilities		2,794	2,186	1,616	2,410	355	9,361
Total liabilities		8,602	123,491	158,778	8,165	11,204	310,240
Net assets		356,415	320,046	237,421	1,590,238	3,081,799	5,585,919
Contingencies and Commitments							
Unitholders' fund (as per statement attached)	7	356,415	320,046	237,421	1,590,238	3,081,799	5,585,919
		(Number of units)					
Number of units in issue		5,087,294	4,977,786	3,874,698	29,498,825	61,362,673	
		(Rupees)					
Net assets value per unit		70.06	64.29	61.27	53.91	50.22	

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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	For the quarter ended September 30, 2015						Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	
Note (Rupees in '000).....							
Income							
Net realised (loss) / gain on sale of investments	(599)	(2,185)	(6,952)	(30,034)	(71,956)	1,014	(110,712)
Dividend income	15,455	18,791	20,421	61,405	86,359	-	202,431
Back end load	-	-	-	1,475	925	-	2,400
Profit on saving accounts with banks	55	57	141	51	120	384	808
	<u>14,911</u>	<u>16,663</u>	<u>13,610</u>	<u>32,897</u>	<u>15,448</u>	<u>1,398</u>	<u>94,927</u>
Unrealised diminution on re-measurement of investments at 'fair value through profit or loss' (net)	5.1 (23,040)	(18,858)	(12,017)	(50,613)	(41,853)	(26,676)	(173,057)
Total income	(8,129)	(2,195)	1,593	(17,716)	(26,405)	(25,278)	(78,130)
Expenses							
Remuneration to Al Meezan Investment Management Limited - Management Company	11	85	80	7	3	35	221
Sindh Sales Tax and Federal Excise Duty on Management Fee	5	30	28	4	2	12	81
Remuneration to Central Depository Company of Pakistan Limited - Trustee	942	58	61	292	562	70	1,985
Sindh Sales Tax on Trustee Fee	153	10	10	47	92	11	323
Annual fee to Securities and Exchange Commission of Pakistan	85	77	58	296	746	97	1,359
Auditors' remuneration	6	6	4	75	67	7	165
Fees and subscription	4	4	6	4	4	-	22
Preliminary expenses and floatation cost	-	-	50	-	-	-	50
Legal and Professional Fee	9	8	6	38	73	-	134
Bank and settlement charges	-	-	1	-	-	-	1
Printing charges	-	-	-	2	6	-	8
Total expenses	1,215	278	304	765	1,555	232	4,349
Net (loss) / income from operating activities	(9,344)	(2,473)	1,289	(18,481)	(27,960)	(25,510)	(82,479)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)	(433)	(8)	281	(556)	(362)	(2,760)	(3,838)
Net (loss) / income for the quarter before taxation	(9,777)	(2,481)	1,570	(19,037)	(28,322)	(28,270)	(86,317)
Taxation	-	-	-	-	-	-	-
Net (loss) / income for the quarter after taxation	(9,777)	(2,481)	1,570	(19,037)	(28,322)	(28,270)	(86,317)
Other comprehensive income for the quarter	-	-	-	-	-	-	-
Total comprehensive income for the quarter	(9,777)	(2,481)	1,570	(19,037)	(28,322)	(28,270)	(86,317)

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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	For the quarter ended September 30, 2014				
	Aggressive	Moderate	Conservative	MCPPI	Total
	(Rupees in '000)				
Income					
Net realised gain on sale of investments	69	189	907	-	1,165
Profit on saving accounts with banks	69	45	114	234	462
	138	234	1,021	234	1,627
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss' (net)	6,603	4,475	5,201	1,341	17,620
Total income	6,741	4,709	6,222	1,575	19,247
Expenses					
Remuneration to Al Meezan Investment Management Limited - Management Company	14	9	13	17	53
Sindh Sales Tax and Federal Excise Duty on Management Fee	4	3	4	6	17
Remuneration to Central Depository Company of Pakistan Limited - Trustee	81	66	92	20	259
Annual fee to Securities and Exchange Commission of Pakistan	79	63	89	21	252
Auditors' remuneration	32	26	36	6	100
Fees and subscription	2	2	2	-	6
Preliminary expenses and floatation cost	-	-	50	-	50
Bank and settlement charges	56	50	76	-	182
Printing charges	2	2	2	-	6
Provision for Workers' Welfare Fund (WWF)	130	92	107	80	409
Total expenses	400	313	471	150	1,334
Net income from operating activities	6,341	4,396	5,751	1,425	17,913
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)	47	131	(531)	2,494	2,141
Net income for the quarter before taxation	6,388	4,527	5,220	3,919	20,054
Taxation	-	-	-	-	-
Net income for the quarter after taxation	6,388	4,527	5,220	3,919	20,054
Other comprehensive income for the quarter	-	-	-	-	-
Total comprehensive income for the quarter	6,388	4,527	5,220	3,919	20,054

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	For the quarter ended September 30, 2015						Total
	Aggressive	Moderate	Conservative	MCPPI	MCPPII	MAAP-I	
Note	(Rupees in '000)						
Undistributed income brought forward							
- Realised	61,683	35,241	29,192	14,093	2,929	-	143,138
- Unrealised	42,171	30,353	26,499	101,204	10,737	-	210,964
	103,854	65,594	55,691	115,297	13,666	-	354,102
Final distribution for the year ended June 30, 2015							
- cash dividend:							
MCPPI @ 0.04% i.e. Rs. 0.02 per unit	-	-	-	590	-	-	590
MCPPII @ 0.10% i.e. Rs. 0.05 per unit	-	-	-	-	3,068	-	3,068
Net (loss) / income for the quarter	(9,777)	(2,481)	1,570	(19,037)	(28,322)	(28,270)	(86,317)
Undistributed income / (accumulated loss) carried forward	94,077	63,113	57,261	96,850	(11,588)	(28,270)	271,443
Undistributed income / (accumulated loss) carried forward							
- Realised	117,117	81,971	69,278	147,463	30,265	(1,594)	444,500
- Unrealised	(23,040)	(18,858)	(12,017)	(50,613)	(41,853)	(26,676)	(173,057)
	94,077	63,113	57,261	96,850	(11,588)	(28,270)	271,443

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

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

Chief Executive

Director

CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	For the quarter ended September 30, 2014				
	Aggressive	Moderate	Conservative	MCPPI	Total
	(Rupees in '000)				
Undistributed income brought forward					
- Realised	5,850	3,638	2,433	-	11,921
- Unrealised	47,622	23,730	31,555	-	102,907
	<u>53,472</u>	<u>27,368</u>	<u>33,988</u>	<u>-</u>	<u>114,828</u>
Net income for the quarter	6,388	4,527	5,220	3,919	20,054
Undistributed income carried forward	<u>59,860</u>	<u>31,895</u>	<u>39,208</u>	<u>3,919</u>	<u>134,882</u>
Undistributed income / (accumulated loss) carried forward					
- Realised	55,385	26,694	37,867	(13,701)	136,377
- Unrealised	4,475	5,201	1,341	17,620	(1,495)
	<u>59,860</u>	<u>31,895</u>	<u>39,208</u>	<u>3,919</u>	<u>134,882</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	For the quarter ended September 30, 2015						
	Aggressive	Moderate	Conservative	MCPPI	MCPPII	MAAP-I	Total
	(Rupees in '000)						
Net assets at beginning of the quarter	356,415	320,046	237,421	1,590,238	3,081,799	-	5,585,919
Issue of units: Aggressive: 345,473, Moderate: 421,712, Conservative: 898,255, MCPPI: Nil, MCPPII: Nil, MAAP I: 20,223,743	24,573	27,967	56,308	-	-	1,015,035	1,123,883
Issue of units for re-investment of cash dividend: Aggressive: Nil Conservative: Nil Moderate: Nil MCPPI: 9,364, MCPPII: 48,728	-	-	-	581	2,737	-	3,318
Redemption of units: Aggressive: 367,008, Moderate: 646,520, Conservative: 806,506, MCPPI: 537,430, MCPPII: 403,577, MAAP I: 2,156,407	(26,514)	(42,429)	(50,406)	(29,595)	(20,901)	(114,424)	(284,268)
	(1,942)	(14,462)	5,903	(29,013)	(18,164)	900,611	842,933
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	433	8	(281)	556	362	2,760	3,838
Net realised (loss) / gain on sale of investments	(599)	(2,185)	(6,952)	(30,034)	(71,956)	1,014	(110,712)
Unrealised diminution on re-measurement of investments 'at fair value through profit or loss' (net)	(23,040)	(18,858)	(12,017)	(50,613)	(41,853)	(26,676)	(173,057)
Net other income / (loss) for the quarter	13,862	18,562	20,539	61,610	85,487	(2,608)	197,452
Total comprehensive (loss) / income for the quarter	(9,777)	(2,481)	1,570	(19,037)	(28,322)	(28,270)	(86,317)
Final distribution for the year ended June 30, 2015 - cash dividend: MCPPI @ 0.04% i.e. Rs. 0.02 per unit MCPPII @ 0.10% i.e. Rs. 0.05 per unit	-	-	-	(590)	-	-	(590)
	-	-	-	-	(3,068)	-	(3,068)
Net assets at end of the quarter	345,129	303,111	244,613	1,542,154	3,032,607	875,101	6,342,715
	(Rupees)						
Net assets value per unit at beginning of the quarter	70.06	64.29	61.27	53.91	50.22	-	
Net assets value per unit at end of the quarter	68.13	63.77	61.67	53.23	49.71	48.44	

The annexed notes 1 to 9 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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	For the quarter ended September 30, 2014				Total
	Aggressive	Moderate	Conservative	MCPPI	
	(Rupees in '000)				
Net assets at beginning of the quarter	330,020	255,369	341,276	-	926,665
Issue of units; Aggressive: 830,837, Moderate: 896,672, Conservative: 2,671,854 MCPPI: 16,574,492	50,974	51,353	149,410	831,219	1,082,956
Redemption of units; Aggressive: 1,032,795, Moderate: 854,215, Conservative: 2,154,821 MCPPI: Nil	(63,075) (12,101)	(48,817) 2,536	(121,154) 28,257	- 831,219	(233,046) 849,911
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(47)	(131)	531	(2,494)	(2,141)
Net realised gain on sale of investments	69	189	907	-	1,165
Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	6,603	4,475	5,201	1,341	17,620
Net other (loss) / income for the quarter	(284)	(137)	(888)	2,578	1,269
Net Income for the quarter	6,388	4,527	5,220	3,919	20,054
Net assets at end of the quarter	<u>324,260</u>	<u>262,301</u>	<u>375,284</u>	<u>832,644</u>	<u>1,794,489</u>
	(Rupees)				
Net assets value per unit at beginning of the quarter	<u>60.16</u>	<u>56.62</u>	<u>55.68</u>	<u>-</u>	
Net assets value per unit at end of the quarter	<u>61.37</u>	<u>57.61</u>	<u>56.46</u>	<u>50.24</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	For the quarter ended September 30, 2015						Total
	Aggressive	Moderate	Conservative	MCPPI	MCPPII	MAAP-I	
(Rupees in '000)							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net (loss) / income for the quarter	(9,777)	(2,481)	1,570	(19,037)	(28,322)	(28,270)	(86,317)
Adjustments for							
Unrealised diminution on re-measurement of investments - 'at fair value through profit or loss' (net)	23,040	18,858	12,017	50,613	41,853	26,676	173,057
Preliminary expenses and floatation costs	-	-	50	-	-	-	50
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	433	8	(281)	556	362	2,760	3,838
	13,696	16,385	13,356	32,132	13,893	1,166	90,628
(Increase) / decrease in assets							
Investments (net)	(22,256)	54,993	102,530	(321)	6,116	(896,014)	(754,952)
Profit receivable on saving accounts with bank	(12)	41	4	5	6	(383)	(339)
	(22,268)	55,034	102,534	(316)	6,122	(896,397)	(755,291)
Increase / (decrease) in liabilities							
Payable to Al Meezan Investment Management Limited - Management Company	37	8	56	1	(76)	20,698	20,724
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,044	17	26	78	(29)	81	1,217
Payable to Securities and Exchange Commission of Pakistan	85	77	58	296	746	97	1,359
Payable to Meezan Bank Limited (MBL)	(1)	(2)	-	-	-	-	(3)
Accrued expenses and other liabilities	3,750	(335)	(55)	22	6	16	3,404
	4,915	(235)	85	397	647	20,892	26,701
Net cash (used in) / generated from operating activities	(3,657)	71,184	115,975	32,213	20,662	(874,339)	(637,962)
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds against issuance of units	36,927	51,551	56,329	-	-	1,015,035	1,159,842
Payments against redemption of units	(31,513)	(162,204)	(206,715)	(29,595)	(20,595)	(114,423)	(565,044)
Dividend payable	-	-	-	(590)	(3,068)	-	(3,658)
Net cash (used in) / generated from financing activities	5,413	(110,653)	(150,385)	(30,185)	(23,663)	900,612	591,140
Net increase / (decrease) in cash and cash equivalents during the quarter	1,756	(39,469)	(34,410)	2,028	(3,001)	26,273	(46,822)
Cash and cash equivalents at beginning of the quarter	4,513	44,016	37,237	2,827	2,605	-	91,198
Cash and cash equivalents at end of the quarter	6,269	4,547	2,827	4,855	(396)	26,273	44,376

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	For the quarter ended September 30, 2014				
	Aggressive	Moderate	Conservative	MCPPI	Total
	(Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the quarter	6,388	4,527	5,220	3,919	20,054
Adjustments for:					
Unrealised appreciation on re-measurement of investments at fair value through profit or loss (net)	(6,603)	(4,475)	(5,201)	(1,341)	(17,620)
Element of (income) /loss and capital (gains) /losses included in prices of units issued less those in units redeemed (net)	(47)	(131)	531	(2,494)	(2,141)
	(262)	(79)	550	84	293
Decrease / (increase) in assets					
Investments (net)	11,177	(5,721)	(31,052)	(797,000)	(822,596)
Preliminary expenses and floatation costs	-	-	51	-	51
Prepayment and other receivables	(17)	(6)	(26)	(233)	(282)
	11,160	(5,727)	(31,027)	(797,233)	(822,827)
Increase / (decrease) in liabilities					
Payable to Al Meezan Investment Management Limited - Management Company	20	161	310	15,855	16,346
Payable to the Central Depository Company of Pakistan Limited - Trustee	(1)	1	3	21	24
Payable to Meezan Bank Limited	-	(2)	-	-	(2)
Payable to Securities and Exchange Commission of Pakistan	(196)	(110)	(224)	21	(509)
Accrued expenses and other liabilities	237	159	192	86	674
	60	209	281	15,983	16,533
Net cash generated from / (used in) operating activities	10,957	(5,597)	(30,196)	(781,166)	(806,002)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance of units	50,974	51,353	149,410	831,219	1,082,956
Payments against redemption of units	(62,438)	(48,498)	(121,542)	-	(232,478)
Net cash (used in) / generated from financing activities	(11,464)	2,855	27,868	831,219	850,478
Net (decrease) / increase in cash and cash equivalents during the quarter	(507)	(2,742)	(2,328)	50,053	44,476
Cash and cash equivalents at beginning of the quarter	5,970	6,652	3,855	-	16,477
Cash and cash equivalents at end of the quarter	5,463	3,910	1,527	50,053	60,953

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

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

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (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 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 of fund scheme listed on Islamabad Stock Exchange. Units are offered for public subscription on a continuous basis except for two new plans Meezan Capital Preservation Plan-I (MCPPI) and Meezan Capital Preservation Plan-II (MCPPII) in which the offer of units is discontinued after the end of the subscription period, however the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan 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, Conservative Plan, Meezan Capital Preservation Plan-I (MCPPI) and Meezan Capital Preservation Plan-II (MCPPII) by investing in Shariah compliant income, money market and equity 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** In the current year, two new plans (i.e. Meezan Capital Preservation Plan - I and Meezan Capital Preservation Plan - II) were introduced. The brief description of the plans is as follows:

Aggressive Allocation Plan	<i>High risk - Long term investor</i> This plan invests at least 65 percent of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.
Moderate Allocation Plan	<i>Moderate risk - Medium and long term investor</i> This plan invests at least 45 percent of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.
Conservative Allocation Plan	<i>Low risk - Medium and short term investor</i> This plan invests at least 20 percent of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

Meezan Capital Preservation Plan I	<i>Low risk - High return along with capital preservation upon maturity</i> This plan is based on the Constant Proportion Portfolio Insurance (CPPI) methodology and may invest up to 100 percent in equity or fixed income, depending on the market conditions. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 27, 2014). Units shall be subject to front end load and back end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
Meezan Capital Preservation Plan II	<i>Low risk - High return along with capital preservation upon maturity</i> This plan is based on the Constant Proportion Portfolio Insurance (CPPI) methodology and may invest up to 100 percent in equity or fixed income, depending on the market conditions. The initial maturity of this plan is two years after the close of the subscription period (i.e. March 26, 2015) . Units shall be subject to front end load and back end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.

Each allocation plan announces separate NAV which ranks Pari Passu according to the number of units of the respective allocation plans. The books and records of each plan have been maintained separately.

- 1.6** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund. The Fund's 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.
- 1.7** The Management Company of the Fund has been given 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, provisions 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, 2015.

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, 2015.

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, 2015.

5. INVESTMENTS

As at September 30, 2015 (Unaudited)								(Audited) June 30, 2015	
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	Total		
Note	(Rupees in '000)								
Investments - 'at fair value through profit or loss' - held for trading	5.1	347,344	302,020	243,795	1,545,248	3,042,419	869,338	6,350,164	5,768,269

5.1 Held for Trading - Units of mutual funds

Name of Investee Funds	As at July 01, 2015	Purchases during the quarter	Bonus	Redemption during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage of Market value to total investments
	(Number of units)					(Rupees in '000)		(Percentage)	
Aggressive Allocation Plan									
Meezan Islamic Fund	3,987,725	439,460	-	143,518	4,283,668	261,045	243,141	(17,903)	70.00
Meezan Sovereign Fund	1,936,916	248,081	-	142,997	2,042,000	109,340	104,203	(5,137)	30.00
Total cost of investments						370,385	347,344	(23,040)	100
Moderate Allocation Plan									
Meezan Islamic Fund	3,075,363	228,915	-	643,782	2,660,496	162,169	151,010	(11,161)	50.00
Meezan Sovereign Fund	3,485,449	313,936	-	840,150	2,959,235	158,707	151,010	(7,697)	50.00
Total cost of investments						320,876	302,020	(18,858)	100
Conservative Allocation Plan									
Meezan Islamic Fund	1,465,973	273,086	-	665,264	1,073,795	65,390	60,949	(4,441)	25.00
Meezan Sovereign Fund	4,984,360	1,066,359	-	2,467,615	3,583,104	190,422	182,846	(7,576)	75.00
Total cost of investments						255,812	243,795	(12,017)	100
Meezan Capital Preservation Plan I									
Meezan Islamic Fund	20,807,623	777,063	-	9,335,861	12,248,825	747,556	695,243	(52,313)	44.99
Meezan Cash Fund	1,591,429	15,405,155	-	234,513	16,762,071	848,305	850,005	1,700	55.01
Meezan Sovereign Fund	4,529,964	9,152,912	-	13,682,876	-	-	-	-	-
Total cost of investments						1,595,861	1,545,248	(50,613)	100
Meezan Capital Preservation Plan II									
Meezan Islamic Fund	25,627,412	2,896,783	-	16,210,163	12,314,031	752,665	698,944	(53,721)	22.97
Meezan Cash Fund	21,072,974	33,733,179	-	8,592,905	46,213,248	2,331,606	2,343,474	11,868	77.03
Meezan Sovereign Fund	8,689,559	14,893,463	-	23,583,023	-	-	-	-	-
Total cost of investments						3,084,271	3,042,418	(41,853)	100
Meezan Asset Allocation Plan I									
Meezan Islamic Fund	-	4,937,395	-	-	4,937,395	307,500	280,247	(27,253)	32.24
Meezan Cash Fund	-	11,616,862	-	-	11,616,862	588,514	589,091	577	67.76
Meezan Sovereign Fund	-	15,328,112	-	15,328,112	-	-	-	-	-
Total cost of investments						896,014	869,338	(26,676)	100
Total investments in units of mutual funds									
Meezan Islamic Fund	54,964,096	9,552,702	-	26,998,588	37,518,210	2,296,325	2,129,534	(166,792)	58.23
Meezan Cash Fund	22,664,403	60,755,195	-	8,827,418	74,592,181	3,768,425	3,782,570	14,145	19.69
Meezan Sovereign Fund	23,626,248	41,002,863	-	56,044,773	8,584,339	458,469	438,059	(20,410)	22.08
Total cost of investments						6,523,219	6,350,163	(173,057)	100

6. WORKERS' WELFARE FUND

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

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company as a matter of abundant caution has recognised WWF amounting to Rs. 45.462 million till June 30, 2015. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.30 (0.58%).

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015 hence, effective from July 1, 2015 no provision of WWF is being made in the Fund.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2015 and September 30, 2015.

8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI 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 executives of the Management Company, AI Meezan Mutual Fund, Meezan Islamic Fund, Meezan Tahaffuz Pension Fund, Meezan Islamic Income Fund, Meezan Balanced Fund, Meezan Gold Fund, KSE Meezan Index Fund, Meezan Cash Fund, Meezan Sovereign Fund, Meezan Capital Preservation Fund-II 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, AI Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10% or more units of the Fund.

Transactions with connected persons / related parties 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, 2003, NBFC Regulations, 2008, and the Trust Deed respectively.

Detail of transactions with connected persons and balances with them at the quarter end are as follows:

	September 30, 2015 (Unaudited)						Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	
(Rupees in '000)							
Al Meezan Investment Management Limited							
- Management Company							
Management fee payable	1	1	3	4	2	35	46
Sindh Sales Tax and Federal Excise Duty on Management fee	3	3	3	26	50	12	97
Sales load payable	94	76	65	-	-	15,513	15,748
Sindh Sales Tax and Federal Excise Duty on Sales load payable	362	343	343	4,508	9,402	5,138	20,096
Investment of 98,437 units - Conservative Allocation Plan	-	-	6,071	-	-	-	6,071
Investment of 2,651,947 units - MCPP I	-	-	-	141,163	-	-	141,163
Meezan Bank Limited							
Bank balance	6,269	4,547	2,827	5,437	2,341	26,273	47,694
Profit Receivable	32	22	36	31	5	384	510
Investment of 3,964,321 units - MCPP II	-	-	-	-	197,066	-	197,066
Central Depository Company of Pakistan Limited - Trustee							
Trustee Fee payable	1,071	42	61	182	165	81	1,602
Directors and Executives of the Management Company							
Investment of 22,312 units - Aggressive Allocation Plan	1,520	-	-	-	-	-	1,520
Investment of 11,788 units - Moderate Allocation Plan	-	752	-	-	-	-	752
Investment of 10,492 units - Conservative Allocation Plan	-	-	647	-	-	-	647
Investment of 21,315 units - MCPP I	-	-	-	1,135	-	-	1,135
Investment of 297,324 units - MCPP II	-	-	-	-	14,793	-	14,793
Investment of 19 units - MAAP I	-	-	-	-	-	1	1
Meezan Islamic Fund							
Investment of 4,283,668 units - Aggressive Allocation Plan	243,141	-	-	-	-	-	243,141
Investment of 2,660,496 units - Moderate Allocation Plan	-	151,010	-	-	-	-	151,010
Investment of 1,073,795 units - Conservative Allocation Plan	-	-	60,949	-	-	-	60,949
Investment of 12,248,825 units - MCPP I	-	-	-	695,243	-	-	695,243
Investment of 12,314,031 units - MCPP II	-	-	-	-	698,944	-	698,944
Investment of 4,937,395 units - MAAP I	-	-	-	-	-	280,247	280,247
Meezan Sovereign Fund							
Investment of 2,042,000 units - Aggressive Allocation Plan	104,203	-	-	-	-	-	104,203
Investment of 2,959,235 units - Moderate Allocation Plan	-	151,010	-	-	-	-	151,010
Investment of 3,583,104 units - Conservative Allocation Plan	-	-	182,846	-	-	-	182,846
Meezan Cash Fund							
Investment of 16,762,071 units - MCPP I	-	-	-	850,005	-	-	850,005
Investment of 46,213,248 units - MCPP II	-	-	-	-	2,343,474	-	2,343,474
Investment of 11,616,862 units - MAAP I	-	-	-	-	-	589,091	589,091
Unit Holders holding 10% or more units of the Fund	221,464	41,567	-	157,568	-	283,082	703,680
June 30, 2015 (Audited)							
Al Meezan Investment Management Limited							
- Management Company							
Management fee payable	4	23	6	5	69	-	107
Sindh Sales Tax and Federal Excise Duty on Management fee	15	22	17	24	59	-	137
Sales load payable	60	45	15	-	-	-	120
Sindh Sales Tax and Federal Excise Duty on Sales load payable	344	325	325	4,508	9,402	-	14,904
Investment of 98,437 units - Conservative Allocation Plan	-	-	6,031	-	-	-	6,031
Investment of 2,651,209 units - MCPP I	-	-	-	142,927	-	-	142,927
Meezan Bank Limited							
Bank balance	4,414	43,921	37,126	2,827	2,605	-	90,893
Sales load payable	1	2	-	-	-	-	3
Profit Receivable	19	63	39	36	10	-	167
Investment of 3,964,321 units - MCPP II	-	-	-	-	199,088	-	199,088

June 30, 2015 (Audited)

Central Depository Company of Pakistan Limited - Trustee

Trustee Fee payable

27	25	35	104	194	-	385
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Directors and Executives of the Management Company

Investment of 13,528 units - Aggressive Allocation Plan	948	-	-	-	-	948
Investment of 11,788 units - Moderate Allocation Plan	-	758	-	-	-	758
Investment of 10,492 units - Conservative Allocation Plan	-	-	643	-	-	643
Investment of 21,315 units - MCPP I	-	-	-	1,149	-	1,149
Investment of 297,324 units - MCPP II	-	-	-	-	14,932	14,932

Meezan Islamic Fund

Investment of 3,987,725 units - Aggressive Allocation Plan	243,690	-	-	-	-	243,690
Investment of 3,075,363 units - Moderate Allocation Plan	-	187,935	-	-	-	187,935
Investment of 1,465,973 units - Conservative Allocation Plan	-	-	89,586	-	-	89,586
Investment of 20,807,623 units - MCPP I	-	-	-	1,271,553	-	1,271,553
Investment of 25,627,412 units - MCPP II	-	-	-	-	1,566,091	1,566,091

Meezan Sovereign Fund

Investment of 1,936,916 units - Aggressive Allocation Plan	104,439	-	-	-	-	104,439
Investment of 3,485,449 units - Moderate Allocation Plan	-	187,935	-	-	-	187,935
Investment of 4,984,360 units - Conservative Allocation Plan	-	-	268,756	-	-	268,756
Investment of 4,529,964 units - MCPP I	-	-	-	244,256	-	244,256
Investment of 8,689,559 units - MCPP II	-	-	-	-	468,541	468,541

Meezan Cash Fund

Investment of 1,591,429 units - MCPP I	-	-	-	79,731	-	79,731
Investment of 21,072,974 units - MCPP II	-	-	-	-	1,055,756	1,055,756

Unit Holders holding 10% or more units of the Fund

227,737	41,912	-	159,536	-	-	429,185
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For the quarter ended September 30, 2015 (Unaudited)

Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	Total
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(Rupees in '000)

AI Meezan Investment Management Limited

- Management Company

Remuneration for the quarter	11	85	80	7	3	35	221
Sindh Sales Tax and Federal Excise Duty on Management Fee	5	30	28	4	2	12	81

Meezan Bank Limited

Profit on saving account	55	57	141	51	120	384	808
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Central Depository Company of Pakistan Limited - Trustee

Trustee fee for the quarter	942	58	61	292	562	70	1,985
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Directors and Executives of the Management Company

Issuance of 8,784 units - Aggressive Allocation Plan	627	-	-	-	-	-	627
Issuance of 7 units - MCPP I	-	-	-	0	-	-	0
Issuance of 267 units - MCPP II	-	-	-	-	15	-	15
Issuance of 30 units - MAAP	-	-	-	-	-	2	2
Redemption of 11 units - MAAP	-	-	-	-	-	1	1
Cash Dividend paid	-	-	-	0	-	-	0
Cash Dividend paid	-	-	-	-	15	-	15

Meezan Islamic Fund

Purchase of 439,460 units - Aggressive Allocation Plan	26,116	-	-	-	-	-	26,116
Purchase of 228,915 units - Moderate Allocation Plan	-	13,527	-	-	-	-	13,527
Purchase of 273,086 units - Conservative Allocation Plan	-	-	16,411	-	-	-	16,411
Purchase of 777,063 units - MCPP I	-	-	-	45,777	-	-	45,777
Purchase of 2,896,783 units - MCPP II	-	-	-	-	177,380	-	177,380

For the quarter ended September 30, 2015 (Unaudited)							
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	Total
(Rupees in '000)							
Purchase of 4,937,395 units - MAAP	-	-	-	-	-	307,500	307,500
Sale of 143,518 units - Aggressive Allocation Plan	8,540	-	-	-	-	-	8,540
Sale of 643,782 units - Moderate Allocation Plan	-	39,650	-	-	-	-	39,650
Sale of 665,263 units - Conservative Allocation Plan	-	-	41,300	-	-	-	41,300
Sale of 9,335,860 units - MCPP I	-	-	-	552,260	-	-	552,260
Sale of 16,210,163 units - MCPP II	-	-	-	-	940,580	-	940,580
Meezan Sovereign Fund							
Purchase of 248,081 units - Aggressive Allocation Plan	K2,562	-	-	-	-	-	12,562
Purchase of 313,936 units - Moderate Allocation Plan	-	15,875	-	-	-	-	15,875
Purchase of 1,066,359 units - Conservative Allocation Plan	-	-	54,096	-	-	-	54,096
Purchase of 9,152,912 units - MCPP I	-	-	-	465,988	-	-	465,988
Purchase of 14,893,463 units - MCPP II	-	-	-	-	756,979	-	756,979
Purchase of 15,328,112 units - MAAP	-	-	-	-	-	780,000	780,000
Sale of 142,997 units - Aggressive Allocation Plan	7,283	-	-	-	-	-	7,283
Sale of 840,150 units - Moderate Allocation Plan	-	42,561	-	-	-	-	42,561
Sale of 2,467,615 units - Conservative Allocation Plan	-	-	124,785	-	-	-	124,785
Sale of 13,682,876 units - MCPP I	-	-	-	697,687	-	-	697,687
Sale of 23,583,023 units - MCPP II	-	-	-	-	1,202,706	-	1,202,706
Sale of 15,328,111 units - MAAP	-	-	-	-	-	781,014	781,014
Meezan Cash Fund							
Purchase of 15,405,155 units - MCPP I	-	-	-	780,337	-	-	780,337
Purchase of 33,733,179 units - MCPP II	-	-	-	-	1,706,386	-	1,706,386
Purchase of 11,616,862 units - MAAP	-	-	-	-	-	588,514	588,514
Sale of 234,512 units - MCPP I	-	-	-	11,800	-	-	11,800
Sale of 8,592,905 units - MCPP II	-	-	-	-	431,620	-	431,620
For the quarter ended September 30, 2014 (Unaudited)							
Al Meezan Investment Management Limited - Management Company							
Remuneration for the quarter	14	9	13	17	-	-	53
Sindh Sales Tax and Federal Excise Duty on Management Fee	4	3	4	6	-	-	17
Preliminary expenses and floatation costs paid	-	-	50	-	-	-	50
Issuance of bonus Nil units - Conservative Allocation Plan (2013 : 23,401)	-	-	-	-	-	-	-
Meezan Bank Limited							
Profit on saving account	66	39	107	234	-	-	446
Central Depository Company of Pakistan Limited - Trustee							
Trustee fee for the quarter	81	66	92	20	-	-	259
Meezan Islamic Fund							
Purchase of 424,349 units - Aggressive Allocation Plan	21,407	-	-	-	-	-	21,407
Purchase of 384,257 units - Moderate Allocation Plan	-	19,541	-	-	-	-	19,541
Purchase of 598,757 units - Conservative Allocation Plan	-	-	29,980	-	-	-	29,980
Sales of 599,633 units - Aggressive Allocation Plan	30,129	-	-	-	-	-	30,129
Sales of 347,463 units - Moderate Allocation Plan	-	17,553	-	-	-	-	17,553
Sales of 464,813 units - Conservative Allocation Plan	-	-	23,802	-	-	-	23,802
Transaction cost paid - Aggressive Allocation Plan	54	-	-	-	-	-	54
Transaction cost paid - Moderate Allocation Plan	-	49	-	-	-	-	49
Transaction cost paid - Conservative Allocation Plan	-	-	75	-	-	-	75

For the quarter ended September 30, 2014 (Unaudited)

Meezan Sovereign Fund

Purchase of 197,446 units - Aggressive Allocation Plan	10,032	-	-	-	-	-	10,032
Purchase of 400,851 units - Moderate Allocation Plan	-	20,344	-	-	-	-	20,344
Purchase of 1,800,261 units - Conservative Allocation Plan	-	-	91,467	-	-	-	91,467
Sales of 247,125 units - Aggressive Allocation Plan	12,555	-	-	-	-	-	12,555
Sales of 330,298 units - Moderate Allocation Plan	-	16,800	-	-	-	-	16,800
Sales of 1,327,212 units - Conservative Allocation Plan	-	-	67,500	-	-	-	67,500

Meezan Cash Fund

Purchase of 15,678,347 units - MCPP I	-	-	-	797,000	-	-	797,000
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9. DATE OF AUTHORISATION FOR ISSUE / OTHERS

- 9.1** This Condensed Interim Financial Information was authorised for issue on October 22, 2015 by the Board of Directors of the Management Company.
- 9.2** There are no corresponding figures in Meezan Asset Allocation Plan I as this plan commenced operations from 9 July, 2015.

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

Chief Executive

Director



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
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

Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2015

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Assets			
Balances with banks		1,402	257
Investments	5	2,186,087	2,245,251
Prepayments and other receivables		109	108
Preliminary expenses and floatation costs		1,849	2,479
Total assets		2,189,447	2,248,095
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		6,188	6,184
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		225	158
Payable to Securities and Exchange Commission of Pakistan (SECP)		427	1,628
Payable on redemption of units		-	129
Accrued expenses and other liabilities		4,403	4,444
Total liabilities		11,243	12,543
Net assets		2,178,204	2,235,552
Contingencies and Commitments	6		
Unitholders' fund (as per statement attached)		2,178,204	2,235,552
(Number of units)			
Number of units in issue		40,067,478	40,519,661
(Rupees)			
Net assets value per unit		54.36	55.17

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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	September 30, 2015	For the period from June 28, 2014 to September 30, 2014
(Rupees in '000)			
Income			
Net realised loss on sale of investments		(43,167)	(8,167)
Profit on saving accounts with banks		21	2,073
Dividend Income		79,447	-
Back end load		1,265	111
		<u>37,566</u>	<u>(5,983)</u>
Unrealised (diminution) / appreciation on re-measurement of investments - at 'fair value through profit or loss' (net)	5.1	(67,673)	40,964
Total income		<u>(30,107)</u>	<u>34,981</u>
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company		5	245
Sindh Sales Tax and Federal Excise Duty on Management Fee		2	84
Remuneration to Central Depository Company of Pakistan Limited - Trustee		491	467
Sindh Sales Tax on Trustee Fee		116	-
Annual fee to Securities and Exchange Commission of Pakistan - SECP		427	402
Auditors' remuneration		85	88
Fees and subscription		33	33
Legal and professional charges		100	-
Amortisation of preliminary expenses and floatation costs		630	651
Bank and Settlement charges		1	4,255
Provision for Workers' Welfare Fund (WWF)	7	-	575
Total expenses		<u>1,890</u>	<u>6,800</u>
Net (loss) / income from operating activities		<u>(31,997)</u>	<u>28,181</u>
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(403)	(22)
Net (loss) / income for the quarter / period before taxation		<u>(32,400)</u>	<u>28,159</u>
Taxation		-	-
Net (loss) / income for the quarter / period after taxation		<u>(32,400)</u>	<u>28,159</u>
Other comprehensive income for the quarter / period		-	-
Total comprehensive income for the quarter / period		<u>(32,400)</u>	<u>28,159</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30, 2015	For the period from June 28, 2014 to September 30, 2014
	(Rupees in '000)	
Undistributed income brought forward		
- Realised	78,880	-
- Unrealised	130,688	-
	209,568	-
Net (loss) / income for the quarter / period	(32,400)	28,159
Undistributed income carried forward	<u>177,168</u>	<u>28,159</u>
Undistributed income / accumulated (loss) carried forward		
- Realised	244,841	(12,805)
- Unrealised	(67,673)	40,964
	<u>177,168</u>	<u>28,159</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30, 2015	For the period from June 28, 2014 to September 30, 2014
	(Rupees in '000)	
Net assets at beginning of the quarter / period	2,235,552	-
Issue of units: Nil (September 30, 2014: 41,295,834 units)	-	2,064,792
Redemption of 452,183 units (September 30, 2014: 51,425 units)	(25,351)	(2,593)
	(25,351)	2,062,199
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	403	22
Net realised loss on sale of investments	(43,167)	(8,167)
Unrealised (diminution) / appreciation in the value of investments (net)	(67,673)	40,964
Net other income / (loss) for the quarter / period	78,440	(4,638)
Total comprehensive income for the quarter / period	(32,400)	28,159
Net assets at end of the quarter / period	<u>2,178,204</u>	<u>2,090,380</u>
	(Rupees)	
Net assets value per unit at beginning of the quarter / period	<u>55.17</u>	<u>50.00</u>
Net assets value per unit at end of the quarter / period	<u>54.36</u>	<u>50.68</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30, 2015	For the period from June 28, 2014 to September 30, 2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the quarter / period	(32,400)	28,159
Adjustments for		
Unrealised diminution / (appreciation) on re-measurement of investments - at 'fair value through profit or loss' (net)	67,673	(40,964)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	403	22
Amortisation of preliminary expenses and floatation costs	630	-
	<u>36,306</u>	<u>(12,783)</u>
Increase in assets		
Investments - net	(8,509)	(2,047,085)
Prepayments and other receivables	(1)	(926)
Preliminary expenses and floatation costs	-	(4,349)
	<u>(8,510)</u>	<u>(2,052,360)</u>
(Decrease) / Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	4	11,188
Payable to Central Depository Company of Pakistan Limited- Trustee	67	149
Payable to Securities and Exchange Commission of Pakistan - SECP	(1,201)	402
Accrued expenses and other liabilities	(41)	672
	<u>(1,171)</u>	<u>12,411</u>
Net cash generated from / (used in) operating activities	<u>26,625</u>	<u>(2,052,732)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt against issuance of units	-	2,064,792
Payments against redemption of units	(25,480)	(2,593)
Net cash (used in) / generated from financing activities	<u>(25,480)</u>	<u>2,062,199</u>
Net increase in cash and cash equivalents during the quarter / period	<u>1,145</u>	<u>9,467</u>
Cash and cash equivalents at beginning of the quarter / period	<u>257</u>	<u>-</u>
Cash and cash equivalents at end of the quarter / period	<u>1,402</u>	<u>9,467</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Capital Preservation Fund - II (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 March 28, 2014 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 fund commenced its operations from June 28, 2014. SECP granted exemption for preparation of accounts as at June 30, 2014 vide its letter no. SCD/AMCW/MCPF-II/004/2014. 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 listed 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 Unitholders of the Fund. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unitholders subject to the applicability of back end load at the rate of 5% if transferred / redeemed before maturity of the Fund. The units of the Fund were initially offered to the public (IPO) in June 2014. The Initial Maturity of the Fund shall be two (2) years from the date of commencement of the Fund.
- 1.3** The Fund is categorized as Fund of Fund Scheme in accordance with Circular No.7 issued by Securities and Exchange Commission of Pakistan.
- 1.4** 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. 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. The Fund is categorized as fund of funds scheme.
- 1.5** The Management Company has been given a quality rating of AM2+ by JCR - VIS Credit Rating Company of Pakistan Limited.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited 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. 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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and directives issued by the SECP have been followed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This 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 information of the Fund for the year ended June 30, 2015.

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 for the year ended June 30, 2015.

The Fund's financial and unit holder's fund risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2015.

5. INVESTMENTS

	Note	(Unaudited) September 30, 2015 (Rupees in '000)	(Audited) June 30, 2015
Investments 'at fair value through profit or loss'			
- Held for trading	5.1	<u>2,186,086</u>	<u>2,245,251</u>

5.1 Held for trading - Units of mutual funds

Name of the investee funds	As at July 01, 2015	Purchases during the quarter	Redemption during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to	
	----- (Number of certificates) -----				----- (Rupees in '000) -----			Net assets of the fund on the basis of market value	Market value of investments
KSE Meezan Index Fund	1,734,306	44,749	1,165,932	613,123	45,067	41,349	(3,718)	1.90	1.89
Meezan Cash Fund	5,570,286	2,809,689	4,028,477	4,351,498	218,722	220,665	1,943	10.13	10.09
Meezan Islamic Fund	24,168,266	3,964,446	13,017,432	15,115,280	924,717	857,943	(66,774)	39.39	39.25
Meezan Islamic Income Fund	1,053,622	19,625,153	29,337	20,649,438	1,065,254	1,066,130	876	48.95	48.77
Meezan Sovereign Fund	5,647,987	2,151,429	7,799,416	-	-	-	-	-	-
Total					2,253,760	2,186,087	(67,673)	100	100
Total cost of investments							2,184,034		

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2015.

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, a Constitutional Petition has been filed by certain CISs through their Trustees in the High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company as a matter of abundant caution has recognised WWF amounting to Rs. 4.277 million till June 30, 2015. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.11 (0.20%).

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 AI 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.

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015 hence, effective from July 1, 2015 no provision of WWF is being made in the Fund.

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 and directors and 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 Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Capital Preservation Fund – III, Meezan Gold 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, Al Meezan Investment Management Limited - Employees Gratuity Fund and Unitholders holding 10 percent or more units of the Fund.

Transactions with connected persons / related parties 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 / related parties and balances with them at period end are as follows:

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable	2	-
Sindh Sales Tax and Federal Excise Duty payable on management fee payable	52	50
Sindh Sales Tax and Federal Excise Duty payable on sales load payable	6,134	6,134
Investments as at September 30, 2015: 3,259,889 units (June 30, 2015: 3,259,889 units)	177,208	179,848
Meezan Bank Limited		
Balances with bank	1,402	257
Profit receivable on savings account	12	3
Unitholders holding 10 percent or more of the Fund's net assets		
Investments as at September 30, 2015: 5,308,575 units (June 30, 2015: 5,308,575 units)	288,574	292,874
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	225	158
KSE Meezan Index Fund		
Investment of 613,123 units (June 30, 2015: 1,734,306 units)	41,349	127,558

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Meezan Cash Fund		
Investment of 4,351,498 units (June 30, 2015: 5,570,286 units)	<u>220,664</u>	<u>279,071</u>
Meezan Islamic Fund		
Investment of 15,115,280 units (June 30, 2015: 24,168,266 units)	<u>857,943</u>	<u>1,476,923</u>
Meezan Islamic Income Fund		
Investment of 20,649,438 units (June 30, 2015: 1,053,622 units)	<u>1,066,130</u>	<u>57,159</u>
Meezan Sovereign Fund		
Investment of nil units (June 30, 2015: 5,647,987 units)	<u>-</u>	<u>304,540</u>
Directors and officers of the Management Company		
Investments as at September 30, 2015: 200,284 units (June 30, 2015: 200,284 units)	<u>10,887</u>	<u>11,050</u>
	For the quarter ended September 30, 2015	For the period from June 28, 2014 to September 30, 2014
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the quarter	<u>5</u>	<u>245</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>2</u>	<u>84</u>
Units Issued: Nil units (2015: 3,259,889 units)	<u>-</u>	<u>162,994</u>
Meezan Bank Limited		
Profit on saving accounts	<u>21</u>	<u>2,073</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the quarter	<u>491</u>	<u>467</u>
Unitholders holding 10 percent or more of the Fund's net assets		
Units Issued: Nil (2015: 5,308,575 units)	<u>-</u>	<u>265,429</u>
AI Meezan Mutal Fund		
Purchase of nil units (2015: 15,521,243 units)	<u>-</u>	<u>217,455</u>
Sale of nil units (2015: 4,535,147 units)	<u>-</u>	<u>60,000</u>
Transaction cost paid	<u>-</u>	<u>545</u>
KSE Meezan Index Fund		
Purchase of 44,749 units (2015: 7,091,294 units)	<u>3,208</u>	<u>253,937</u>
Sale of 1,165,932 units (2015: Nil units)	<u>85,100</u>	<u>-</u>
Dividend income	<u>3,208</u>	<u>-</u>
Transaction cost paid	<u>-</u>	<u>636</u>

	For the quarter ended September 30, 2015	For the period from June 28, 2014 to September 30, 2014
	(Rupees in '000)	
Meezan Cash Fund		
Purchase of 2,809,689 units (2015: Nil units)	141,500	-
Sale of 4,028,477 units (2015: Nil units)	202,020	-
Meezan Islamic Fund		
Purchase of 3,964,446 units (2015: 24,204,816 units)	244,170	1,225,728
Sale of 13,017,432 units (2015: 6,059,342 units)	769,825	300,000
Dividend income	53,170	-
Transaction cost paid	-	3,072
Meezan Islamic Income Fund		
Purchase of 19,625,153 units (2015: 39,659,889 units)	1,009,682	1,997,000
Sale of 29,337 units (2015: 25,232,325 units)	1,500	1,278,874
Dividend income	3,582	-
Meezan Sovereign Fund		
Purchase of 2,151,429 units (2015: 99 units)	109,186	5
Sale of 7,799,416 units (2015: Nil units)	397,624	-
Dividend income	19,486	-
Directors and officers of the Management Company		
Issuance of nil units (2015: 200,284 units)	-	10,014

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Management Company.

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

Chief Executive

Director



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
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

Bank Alfalah - Islamic Banking Branch
Meezan Bank Limited

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
Meezan House
C-25, Estate Avenue, SITE, Karachi.
Phone: 38103538 Fax: 36406017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2015

	Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Assets			
Balances with banks		4,290	1,519
Investments	5	3,290,593	3,401,797
Receivable against sale of Investments		-	3,000
Prepayments and other receivables		79	90
Preliminary expenses and floatation costs		837	1,473
Total assets		3,295,799	3,407,879
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		10,925	10,923
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		256	229
Payable to Securities and Exchange Commission of Pakistan (SECP)		3,089	2,440
Payable on redemption of units		-	3,000
Accrued expenses and other liabilities		11,113	11,117
Total liabilities		25,383	27,709
Net assets		3,270,416	3,380,170
Contingencies and Commitments	6		
Unitholders' fund (as per statement attached)		3,270,416	3,380,170
(Number of units)			
Number of units in issue		57,164,418	57,697,312
(Rupees)			
Net assets value per unit		57.21	58.58

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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	September 30,	
		2015	2014
(Rupees in '000)			
Income			
Net realised loss on sale of investments		(58,372)	(16,756)
Dividend Income		121,677	49
Profit on saving accounts with banks		30	-
Back end load		1,612	601
		<u>64,947</u>	<u>(16,106)</u>
Unrealised (diminution) / appreciation on re-measurement of investments - at 'fair value through profit or loss' (net)	5.1	(140,118)	61,044
Total income		<u>(75,171)</u>	<u>44,938</u>
Expenses			
Remuneration to Al Meezan Investment Management Limited - Management Company		7	8
Sindh Sales Tax and Federal Excise Duty on Management Fee		2	3
Remuneration to Central Depository Company of Pakistan Limited - Trustee		711	652
Sindh Sales Tax on Trustee fee		100	-
Annual fee to Securities and Exchange Commission of Pakistan		649	589
Auditors' remuneration		87	63
Fees and subscription		139	33
Amortisation of preliminary expenses and floatation costs		636	630
Transaction cost		-	1,798
Printing expenses		-	12
Provision for Workers' Welfare Fund (WWF)		-	824
Total expenses		<u>2,331</u>	<u>4,612</u>
Net income from operating activities		<u>(77,502)</u>	<u>40,326</u>
Element of (loss) / gain and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(1,031)	46
Net (loss) / income for the quarter before taxation		<u>(78,533)</u>	<u>40,372</u>
Taxation		-	-
Net (loss) / income for the quarter after taxation		<u>(78,533)</u>	<u>40,372</u>
Other comprehensive income for the quarter		-	-
Total comprehensive income for the quarter		<u>(78,533)</u>	<u>40,372</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Undistributed income / accumulated (loss) brought forward		
- Realised	213,218	(906)
- Unrealised	286,240	135,860
	499,458	134,954
Net (loss) / income for the quarter	(78,533)	40,372
Undistributed income carried forward	420,925	175,326
Undistributed income / accumulated (loss) carried forward		
- Realised	561,043	114,282
- Unrealised	(140,118)	61,044
	420,925	175,326

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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
Net assets at beginning of the quarter	3,380,170	3,111,277
Redemption of 532,894 units (September 30,2014 : 230,990 units)	(32,252)	(12,028)
Element of (loss) / gain and capital (losses) / gains included in prices of units issued less those in units redeemed (net)	1,031	(46)
Unrealised (diminution) / appreciation in the value of investments (net)	(140,118)	61,044
Net realised loss on sale of investments	(58,372)	(16,756)
Other comprehensive income for the quarter	119,957	(3,916)
Total comprehensive income for the quarter	(78,533)	40,372
Net assets at end of the quarter	<u>3,270,416</u>	<u>3,139,575</u>
	(Rupees)	
Net assets value per unit at beginning of the quarter	<u>58.58</u>	<u>52.27</u>
Net assets value per unit at end of the quarter	<u>57.21</u>	<u>52.95</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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30,	
	2015	2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the quarter	(78,533)	40,372
Adjustments for		
Unrealised diminution/(appreciation) on re-measurement of investments - 'at fair value through profit or loss' (net)	140,118	(61,044)
Element of loss / (gain) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	1,031	(46)
	62,616	(20,718)
(Increase) / Decrease in assets		
Investments - net	(28,914)	29,055
Prepayments and other receivables	11	27
Receivable against sale of Investments	3,000	-
Preliminary expenses and floatation costs	636	631
	(25,267)	29,713
Increase/ (Decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	2	(1)
Payable to Central Depository Company of Pakistan Limited- Trustee	27	3
Payable to Securities and Exchange Commission of Pakistan	649	(339)
Accrued expenses and other liabilities	(4)	896
	674	559
Net cash generated from operating activities	38,023	9,554
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments against redemption of units	(35,252)	(12,173)
Net cash used in financing activities	(35,252)	(12,173)
Net increase / (decrease) in cash and cash equivalents during the quarter	2,771	(2,619)
Cash and cash equivalents at beginning of the quarter	1,519	5,877
Cash and cash equivalents at end of the quarter	4,290	3,258

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 QUARTER ENDED SEPTEMBER 30, 2015 (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) on December 11, 2013 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 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 end mutual fund listed 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 after intimation to the Trustee and by providing notice to investors in order to protect the interests of the unitholders of the Fund. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unitholders subject to the applicability of back end load at the rate of 5 percent 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 duration of the Fund is twenty four (24) months after which it shall stand automatically dissolved after thirty (30) business days of the life of the Fund.
- 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. 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. The Fund is categorized as fund of funds scheme.
- 1.4** The Management Company of the Fund has been given quality rating of AM2+ by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company Limited of Pakistan as a Trustee.
- 1.6** According to the offering document of the fund dated August 18, 2014, the fund will cease to exist (mature) on January 31, 2016. Resultantly, the financial statements have not been prepared on a going concern basis. All financial assets and financial liabilities of the fund are stated at their fair values.

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. 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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations 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, 2015.

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, 2015.

The Fund's financial and unitholder's fund risk management objective and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2015.

5. INVESTMENTS

	Note	(Unaudited) September 30, 2015 (Rupees in '000)	(Audited) June 30, 2015
Investments 'at fair value through profit or loss'			
- Held for trading	5.1	<u>3,290,593</u>	<u>3,401,797</u>

5.1 Held for trading - Units of mutual funds

Name of the investee funds	As at July 01, 2015	Purchases during the quarter	Bonus issue	Redemption during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised gain / (loss) as at September 30, 2015	Percentage in relation to	
									Net assets of the fund on the basis of market value	Total market value of investments
					----- (Number of units) -----		----- (Rupees in '000) -----			
Meezan Islamic Fund	42,727,003	1,595,644	-	13,490,856	30,831,791	1,881,688	1,750,012	(131,676)	53	53.18
Meezan Islamic Income Fund	1,991	24,086,265	-	-	24,088,256	1,239,472	1,243,677	4,205	38	37.79
KSE Meezan Index Fund	4,638,473	119,682	-	2,399,076	2,359,079	173,401	159,096	(14,305)	5	4.83
Meezan Cash Fund	3,016,655	-	-	299,082	2,717,573	136,150	137,808	1,658	4	4.19
Meezan Sovereign Fund	5,533,153	3,836,414	-	9,369,567	-	-	-	-	-	-
						3,430,711	3,290,593	(140,118)		

Total cost of investments

3,211,443

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2015.

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, a Constitutional Petition has been filed by certain CISs through their Trustees in the High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company as a matter of abundant caution has recognised WWF amounting to Rs. 10.831 million till June 30, 2015. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.19 (0.33%).

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015 hence, effective from July 1, 2015 no provision of WWF is being made in the Fund.

8 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan Investment Management Limited (AI 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, directors and officers of the Management Company, Meezan Islamic Fund, AI 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, Meezan Capital Preservation Fund II, Meezan Tahaffuz Pension Fund, Meezan Gold 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 AI Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10% or more of the Fund.

Transactions with connected persons / related parties 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 / related parties and balances with them at period end are as follows:

	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	2	1
Sindh Sales Tax and Federal Excise Duty payable on management fee	63	62
Sindh Sales Tax and Federal Excise Duty payable on sales load	10,860	10,860
Investments as at September 30, 2015: 2,101,382 units (June 30, 2015: 2,101,382 units)	120,220	123,109
Meezan Bank Limited		
Balances with bank	4,289	1,518
Profit receivable on savings account	12	8
Central Depository Company of Pakistan Limited- Trustee		
Trustee fee payable	256	229
KSE Meezan Index Fund		
Investments as at September 30, 2015: 2,359,079 units (June 30, 2015: 4,638,473 units)	159,096	341,160
Meezan Cash Fund		
Investments as at September 30, 2015: 2,717,573 units (June 30, 2015: 3,016,655 units)	137,808	151,134
Meezan Islamic Fund		
Investments as at September 30, 2015: 30,831,791 units (June 30, 2015: 42,727,003 units)	1,750,012	2,611,047
Meezan Islamic Income Fund		
Investments as at September 30, 2015: 24,088,256 units (June 30, 2015: 1,991 units)	1,243,677	108
Meezan Sovereign Fund		
Investment as at September 30, 2015: Nil Units (June 30, 2015: 5,533,153 units)	-	298,348
Directors and officers of the Management Company		
Investments as at September 30, 2015: 26,640 units (June 30, 2015: 26,640 units)	1,524	1,561

	For the quarter ended September 30,	
	2015	2014
	(Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration for the quarter	7	8
Sindh Sales Tax and Federal Excise Duty on management fee for the quarter	2	3
Meezan Bank Limited		
Profit on saving accounts	30	49
Central Depository Company of Pakistan Limited- Trustee		
Remuneration for the quarter	711	652
KSE Meezan Index Fund		
Issuance of 119,681 units (2014:1,532,729 units)	8,581	100,000
Redemption of 2,399,076 units (2014: Nil units)	175,804	-
Dividend Received (2014: Nil)	8,581	-
Transaction cost	-	250
Meezan Cash Fund		
Redemption of 299,082 units (2014: Nil units)	15,050	-
Meezan Islamic Fund		
Issuance of 1,595,644 units (2014:11,023,825 units)	93,999	558,001
Redemption of 13,490,856 units (2014:11,766,623 units)	780,986	570,000
Dividend Received (2014: Nil)	93,999	-
Transaction Cost	-	1,398
Meezan Islamic Income Fund Fund		
Issuance of 24,086,265 units (2014:11,240,894 units)	1,239,479	570,000
Redemptions of Nil units (2014:14,391,198 units)	-	729,000
Dividend Received (2014: Nil)	7	-
Meezan Sovereign Fund		
Issuance of 3,836,414 units (2014:Nil units)	194,890	-
Redemption of 9,369,567 units (2014: Nil units)	477,661	-
Dividend Received (2014: Nil)	19,089	-
AI Meezan Mutual Fund		
Investment of nil units (2014:4,130,435 units)	-	60,000
Transaction Cost	-	150
Directors and officers of the Management Company		
Units issued: Nil (2014:10,000 units)	-	500

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Management Company.

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

Chief Executive

Director



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

FUND INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Non-Executive	Chairman
Mr. P. Ahmed	Independent	
Mr. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
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 SultanTrust Building No.2, Beaumont Road, Karachi - 75530.

SHARIAH ADVISER

Meezan Bank Limited

BANKERS TO THE FUND

Meezan Bank Limited

LEGAL ADVISER

Bawaney & Partners
3rd & 4th floor, 58-C, Lane-13, Bokhari Commercial Area, Phase VI, DHA, Karachi.
Phone: (9221) 3515619-94 Fax: (9221) 35156195
E-mail: bawaney@cyber.net.pk

TRANSFER AGENT

Meezan Bank Limited
Meezan House,
C-25, Estate Avenue, SITE, Karachi.
Phone: 3810 3538 Fax: 3640 6017
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2015 (UNAUDITED)

	Note	(Unaudited) September 30, 2015 (Rupees in '000)
Assets		
Balances with banks	4	27,910
Investments	5	81,198
Profit receivable on saving accounts		60
Other receivables		98
Total assets		<u>109,266</u>
Liabilities		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	6	314
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	7	23
Payable to Securities and Exchange Commission of Pakistan (SECP)	8	9
Payable on conversion of units		10
Accrued expenses and other liabilities	9	103
Total liabilities		<u>459</u>
Net assets		<u>108,807</u>
Contingencies and commitments	12	
Unitholders' fund (as per statement attached)		<u>108,807</u>
		(Number of units)
Number of units in issue		<u>2,241,192</u>
		(Rupees)
Net assets value per unit		<u>48.55</u>

The annexed notes 1 to 20 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 AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	For the period from August 13, 2015 to September 30, 2015
(Rupees in '000)		
Income		
Profit on saving accounts with banks		130
Unrealised diminution on re-measurement of investments	5.1	<u>(2,512)</u>
Total income		(2,382)
Expenses		
Remuneration to Al Meezan Investment Management Limited (Al Meezan)'- Management Company	6.1	175
Sindh Sales Tax and Federal Excise Duty on Management Fee	6.2 & 6.3	57
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	7	20
Sindh Sales Tax on Trustee Fee		3
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	8	9
Auditors' remuneration	10	38
Brokerage		9
Bank and settlement charges		130
Total expenses		441
Net loss from operating activities		(2,823)
Element of loss and capital losses included in prices of units sold less those in units redeemed (net)		(430)
Net loss for the period before taxation		(3,253)
Taxation	17	-
Net loss for the period after taxation		(3,253)
Other comprehensive income for the period		-
Total comprehensive income for the period		(3,253)

The annexed notes 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

For the period from
August 13, 2015 to
September 30, 2015

(Rupees in '000)

Net loss for the period	(3,253)
Accumulated loss carried forward	<u>(3,253)</u>
Accumulated loss carried forward	
- Realised	(741)
- Unrealised	<u>(2,512)</u>
	<u>(3,253)</u>

The annexed notes 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	For the period from August 13, 2015 to September 30, 2015
(Rupees in '000)		
Issue of 2,456,686 units		122,328
Redemption of 215,494 units		(10,698)
		111,630
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		430
Unrealised diminution on re-measurement of investments		(2,512)
Other net loss for the period		(741)
Total comprehensive income for the period		(3,253)
Net assets at end of the period		108,807
Net assets value per unit at beginning of the period		-
Net assets value per unit at end of the period		48.55

The annexed notes 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	Note	For the period from August 13, 2015 to September 30, 2015 (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period		(3,253)
Adjustments for:		
Unrealised diminution on re-measurement of investments		2,512
Element of loss and capital losses included in prices of units sold less those in units redeemed (net)		430
		(311)
Increase in assets		
Investments (net)		(83,710)
Receivable against sale of investments (net)		(98)
Profit receivable		(60)
		(83,868)
Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company		314
Payable to Central Depository Company of Pakistan Limited - Trustee		23
Payable to Securities and Exchange Commission of Pakistan		9
Accrued expenses and other liabilities		103
		449
Net cash used in operating activities		(83,730)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units		122,328
Payment against redemption of units		(10,688)
Net cash generated from financing activities		111,640
Net increase in cash and cash equivalents during the period		27,910
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	4	27,910

The annexed notes 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Gold 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 October 15, 2014 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 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 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 Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner, by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange (PMEX)."
- 1.3** The Management Company of the Fund has been given quality rating of AM2+ by JCR-VIS Credit Rating Company Limited.
- 1.4** 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 aforementioned guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) , the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations, 2008) and directives issued by the SECP. Wherever, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, 2008, and the said directives differ with the requirements of these standards, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, 2008, and the said directives shall prevail.

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis except for investments.

2.3 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.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of critical accounting estimates. It also requires the Management Company to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually \ evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable in the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) Classification (notes 3.1);
- b) Fair value of investment (note 3.1.5);
- c) Taxation (note 3.7.1, and 17).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Classification

The Fund classified its assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the assets were acquired. The management determines the appropriate classification of its assets at the time of initial recognition and re-evaluates this classification on a regular basis.

(a) Investments

An instrument is classified as 'at fair value through profit or loss' if it is held-for-trading or is designated as such upon initial recognition. Investments are designated as 'at fair value through profit or loss' if the Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's documented risk management or investment strategy. Assets which are acquired principally for the purpose of generating profit from short term price fluctuation or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading.

Investment in gold are initially measured at fair value (transaction price). Transactions costs are charged to income statement. Subsequent to initial recognition, these are measured at fair value (lowest rate (i.e. spot rate) fixed by Pakistan Mercantile Exchange (PMEX). Gains or loss arising, from changes in fair value are recognized in income statement

(b) 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.

3.1.2 Regular way contracts

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

3.1.3 Recognition

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

Liabilities are not recognized unless one of the parties has performed its part of the contract.

3.1.4 Measurement

Investments are measured initially at fair value (transaction price) plus, in case of a 'asset or liability not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the asset or liability. Transaction costs on 'assets and liabilities at fair value through profit or loss' are charged to Income Statement.

Subsequent to initial recognition, instruments classified as 'assets at fair value through profit or loss' are measured at fair value. Gains or losses arising, from changes in the fair value of the 'assets at fair value through profit or loss' are recognized in the Income Statement.

Assets classified as 'loans and receivables' are carried at amortized cost using the effective yield method, less impairment losses, if any.

Liabilities, other than those 'at fair value through profit or loss', are measured at amortized cost using the effective yield method.

3.1.5 Fair value measurement principles

The fair value of investment is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

3.1.6 Derecognition

The Fund derecognizes asset when the contractual rights to the cash flows from the asset expire or it transfers the asset and the transfer qualifies for derecognition in accordance with IAS 39.

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

3.1.7 Offsetting of assets and liabilities

Assets and liabilities are set off and the net amount is reported in the Statement of Assets and Liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.2 Unitholders' fund

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

3.3 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 assets value per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

An equalization account called 'element of income / (loss) and capital gains / (losses) included in prices of units sold 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.

Fund records the 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 unrealized gain / (losses) held in the respective 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 element of income/ (loss) and capital gain / (losses) relating to units issued and redeemed during an accounting period is recognized in the Income Statement.

3.5 Provisions

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

3.6 Net assets value per Unit

The net assets value (NAV) per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the fund by the number of units in issue of the fund.

3.7 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Income Statement except to the extent that it relates to items recognised directly in other comprehensive income in which case it is recognised in other comprehensive income.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, which arises from assessments / developments during the year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

- 3.7.1** The income of the Fund is exempt from income tax under clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, Supertax introduced in Finance Act, 2015 is also not applicable on funds (Section 4B of Income Tax Ordinance, 2001).

3.8 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- (ii) Profit on bank deposit is recognized on time proportion basis using accrual method.

3.9 Expenses

All expenses, including Management fee, Trustee fee and Securities and Exchange Commission of Pakistan fee are recognized in the Income Statement as and when incurred.

3.10 Cash and cash equivalents

Cash and cash equivalents are carried on the Statement of Assets and Liabilities at cost. Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.11 Earnings per unit

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

3.14 Distribution

Distribution (including bonus units) are recognized in the period in which they are approved.

	Note	(Unaudited) September 30, 2015 (Rupees in '000)
4. BALANCE WITH BANK		
On saving account	4.1	27,910
		<u>27,910</u>
4.1 The balance in saving account have a profit rate of 4.18%.		
5. INVESTMENTS		
Investment in gold	5.1	81,198

5.1 Investment in gold

Commodity	As at July 01, 2015	Purchases during the Period	Sales during the Period	As at September 30, 2015 (note 5.1.3)	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised loss as at September 30, 2015	Net Assets of the Fund on the basis of investments (note 5.1.2)
TOLAGOLD	-	1,800	-	1,800	83,710	81,198	(2,512)	74.63

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

5.1.3 As per agreement physical gold is in the custody of PMEX

6. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED (Al Meezan) - Management Company

	Note	(Unaudited) September 30, 2015 (Rupees in '000)
Management fee	6.1	175
Sindh Sales Tax and Federal Excise Duty on management fee	6.2 & 6.3	56
Sales load payable		63
Sindh Sales Tax and Federal Excise Duty on sales load	6.2 & 6.3	20
		<u>314</u>

6.1 Under the provisions of NBFC Regulations, 2008, the Management Company is entitled to a remuneration of 1.5% of the average annual net assets on a daily basis of the Fund.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 14 percent on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from July 1, 2015.

6.3 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan and the High Court of Sindh in a Constitutional Petition relating to levy of Federal Excise Duty (FED) on Mutual Fund has granted stay order for the recovery of Federal Excise Duty (FED). As a matter of abundant caution, the Management Company has made a provision with effect from August 18, 2015, aggregating to Rs. 0.028 million.

7. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC) - Trustee

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the trust deed in accordance with the tariff specified therein, based on the daily net assets value of the Fund.

The remuneration of the trustee for the period ended September 30, 2015 has been calculated as per the following applicable tariff:

Net assets	Tariff
From Rs 1 to Rs 1 Billion	0.17% p.a. of net assets of the Fund
Above 1 Billion to 5 Billion	Rs. 1.7 million plus 0.085% of net assets of the Fund on amount exceeding Rs. 1 Billion.
Above 5 Billion	Rs. 5.1 million plus 0.070% p.a. of net assets of the Fund on amount exceeding Rs. 5 Billion

8. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee at the rate of 0.075% of the average annual net assets of the Fund payable to SECP under regulation 62 read with Schedule II of NBFC Regulations.

9. ACCRUED EXPENSES AND OTHER LIABILITIES

	(Unaudited) September 30, 2015 (Rupees in '000)
Custodian fee payable	65
Auditors' remuneration	37
Withholding tax payable	1
	<u>103</u>

10. AUDITORS' REMUNERATION

	For the period from August 13, 2015 to September 30, 2015 (Rupees in '000)
Statutory Audit fee	22
Half yearly review	16
	<u>38</u>

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan Investment Management Limited (AI 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, Directors and Officers of the Management Company, Meezan Islamic Fund, AI 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, Meezan Capital Preservation Fund – II 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, AI Meezan Investment Management Limited - Employees Gratuity Fund and Unitholders holding 10 percent or more of the Fund's net assets.

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.

Details of transactions with connected persons and balances with them for the year ended September 30, 2015 are as follows:

	(Unaudited) September 30, 2015 (Rupees in '000)
Al Meezan Investment Management Limited - Management Company	
Remuneration payable	<u>175</u>
Sindh Sales Tax and Federal Excise Duty on management fee payable	<u>56</u>
Sales load payable	<u>63</u>
Sindh sales tax and Federal Excise Duty on sales load payable	<u>20</u>
Investments as at September 30, 2015: 506,796 units	<u>24,605</u>
Meezan Bank Limited	
Bank balance	<u>27,910</u>
Investments as at September 30, 2015: 1,000,000 units	<u>48,550</u>
Central Depository Company of Pakistan Limited - Trustee	
Trustee fee payable	<u>23</u>
Directors and executives of the Management Company	
Investments as at September 30, 2015: 1,000 units	<u>49</u>
	For the period from August 13, 2015 to September 30, 2015 (Rupees in '000)
Al Meezan Investment Management Company Limited - Management Company	
Remuneration for the period	<u>175</u>
Sindh Sales Tax and Federal Excise Duty on management fee for the period	<u>57</u>
Units issued: 506,796 units	<u>25,000</u>
Meezan Bank Limited	
Profit on saving account	<u>130</u>
Units issued: 1,000,000 units	<u>50,000</u>
Central Depository Company of Pakistan Limited - Trustee	
Remuneration for the period	<u>20</u>
Directors and executives of the Management Company	
Units issued: 1,000 units	<u>50</u>

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2015.

13. FINANCIAL INSTRUMENTS BY CATEGORY

	2015				Total
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Financial assets categorized as 'available for sale'	Financial liabilities measured at amortized cost	
(Rupees in '000)					
On balance sheet - financial assets					
Balances with banks	27,910	-	-	-	27,910
Investments	81,198	-	-	-	81,198
Profit receivable on saving accounts	60	-	-	-	60
Other receivables	98	-	-	-	98
	<u>109,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,266</u>
On balance sheet - financial liabilities					
Payable to Al Meezan - Management Company	-	-	-	314	314
Payable to CDC - Trustee	-	-	-	23	23
Payable to SECP	-	-	-	9	9
Payable on conversion of units	-	-	-	10	10
Accrued expenses and other liabilities	-	-	-	103	103
	<u>-</u>	<u>-</u>	<u>-</u>	<u>459</u>	<u>459</u>

14. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies:

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

Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk and interest rate risk) credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the NBFC Regulations, 2008 and the directives issued by the SECP.

Risks managed and measured by the Fund are explained below:

14.1 Credit risk

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

Credit risk arises from deposits with banks and financial institutions, profit receivable on bank deposits, credit exposure arising as a result of dividends receivable on equity securities and receivable against sale of investments.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. Credit risk on dividend receivable is minimal due to statutory protection. Further, all transactions in securities are settled through approved brokers, thus the risk of default is considered to be minimal. In accordance with the risk management policy of the Fund, the Investment Committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

The maximum exposure to credit risk as at September 30, 2015 along with comparative is tabulated below:

	(Unaudited) September 30, 2015 (Rupees in '000)
Financial Assets	
Balances with banks	27,910
Profit receivable on saving accounts	60
Other receivables	98
	<u>28,068</u>

Credit rating wise analysis of bank balance of the Fund are tabulated below:

	(Unaudited) September 30, 2015 (%)
AA	100.00
	<u>100.00</u>

None of the financial assets were considered to be past due or impaired as on September 30, 2015.

The Fund does not have any collateral against any of the aforementioned assets.

Due to the Fund's long outstanding business relationships with these counter parties and after giving due consideration to their strong financial standing, the Fund does not expect any non performance by these counter parties on their obligations to the Fund.

14.2 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Fund's offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholder's redemptions at any time. The Fund manages the liquidity risk by maintaining maturities of liabilities and investing a major portion of the

Fund's assets in highly liquid assets. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

In accordance with the risk management policy of the Fund, the Investment Committee monitors the liquidity position on a daily basis, which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

In accordance with regulation 58(1)(k) of the NBFC Regulations, 2008 the Fund has the ability to borrow funds for meeting the redemption requests, with the approval of the Trustee, for a period not exceeding three months to the extent of fifteen per cent of the net assets . However, no such borrowing has been obtained during the period.

Further, the Fund is also allowed in accordance with regulation 57 (10) of the NBFC Regulations, 2008 to defer redemption requests to the next dealing day, had such requests exceed ten percent of the total number of units in issue.

In addition to unitholder fund, analysis of the Fund's financial liabilities into relevant maturity grouping as at September 30, 2015 is tabulated below:

September 30, 2015 - (Unaudited)					
	Maturity upto			More than one year	Total
	Three months	Six months	One year		
(Rupees in '000)					
Payable to Al Meezan - Management Company	314	-	-	-	314
Payable to CDC - Trustee	23	-	-	-	23
Payable on and conversion of units	10	-	-	-	10
Accrued expenses and other liabilities	102	-	-	-	102
	449	-	-	-	449

Units of the Fund are redeemable on demand at the option of the unitholder, however, the Fund does not anticipate significant redemption of units.

14.3 Market risk

14.3.1 Price risk

The Fund's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the unit holders by investing a significant portion of the Fund's net assets in deliverable gold based contracts in a shariah compliant manner available on Pakistan Mercantile Exchange (PMEX). The Fund's market risk is managed on a daily basis by the investment committee in accordance with the policies and procedures laid down by the SECP. Further, it is managed by monitoring exposure to gold and by complying with the internal risk management policies and regulations laid down in NBFC Regulations.

The Fund's overall market positions are monitored by the Board of Directors of the Management Company on a quarterly basis.

14.3.2 Interest rate risk

The interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates which affect cash flows pertaining to debt instruments and their fair values. The Fund does not hold any debt instruments therefore its net assets are not exposed to these risks.

Cash flow interest rate risk

The Fund's interest risk arises from the balances in saving accounts.

During the period ended September 30, 2015, the net income would have increased / (decreased) by Rs 0.279 million had the interest rates on profit and loss saving accounts increased / (decreased) by 100 basis points.

Fair value interest rate risk

Since the Fund does not have investment in fixed rate security, therefore, is not exposed to fair value interest rate risk.

15. UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by redeemable units. These units are entitled to distribution and payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown in the Statement of Movement in Unitholders' Fund.

The Fund's objective when managing unitholders funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unitholders and to maintain a strong base of assets under management.

The Fund has no restrictions on the subscription and redemption of units.

The Fund meets the requirement of sub-regulation 54(3a) of which requires that the minimum size of an Open End Scheme shall be one hundred million rupees at all time during the life of the scheme.

In accordance with the risk management policies stated in the note 14, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short term borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

16. FAIR VALUES OF INVESTMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between the carrying value and fair value estimates.

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

The fair value of assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the year end date. The quoted market prices used for assets held by the Fund is lowest closing price.

Investments on the Statement of Assets and Liabilities are carried at fair value. The Management Company is of the view that the fair value of the remaining assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

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

- Level 1: Quoted market price (unadjusted) in active markets for an 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 (that is, as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The following table presents the assets that are measured at fair value as at September 30, 2015:

	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Investments				
- Gold	81,198	-	-	81,198
	81,198	-	-	81,198

17. TAXATION

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 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that for the purpose of determining distribution of at least 90 percent of accounting income, the income distributed through bonus units shall not be taken into accounts. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current year as the Management Company intends to distribute sufficient income of the Fund for the year ended June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unitholders.

18. INVESTMENT COMMITTEE MEMBERS

18.1 Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Twenty five years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Nineteen years
Mrs. Sanam Ali Zaib	Head of Research	CFA / MBA	Eleven years
Mr. Asif Mobin	VP Investments	MBA	Seventeen years
Mr. Ahmed Hassan	VP Investments	CFA / MBA	Eight years
Mr. Zain Malik	AVP Investments	CFA level II / BBA	Six years
Mr. Fahad Sultan	Head of Risk Management	CA / B.Com	Eight years

18.2 The Fund manager of the Fund is Mr. Ahmed Hassan. Other Funds being managed by the Fund manager are as follows:

- Al Meezan Mutual Fund.
- KSE Meezan Index Fund.
- Meezan Financial Planning Fund of Funds
- Meezan Capital Preservation Fund - II
- Meezan Capital Preservation Fund - III

19. PATTERN OF UNIT HOLDING

	September 30, 2015 - (Unaudited)		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individuals	157	35,460	32.59
Associated companies	2	73,153	67.23
Other corporate	1	194	0.18
	<u>160</u>	<u>108,807</u>	<u>100.00</u>

20. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Management Company.

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

Chief Executive

Director



QUARTERLY REPORT
SEPTEMBER 30, 2015
(UNAUDITED)

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
Website: 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. Abdullah Ahmed Muhammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Mr. Atif Azim	Independent	
Mr. Tasnimul Haq Farooqui	Non-Executive	
Mr. Moin M. Fudda	Independent	
Mr. Mazhar Sharif	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. Ariful Islam	Chairman
Mr. Tasnimul Haq Farooqui	Member
Mr. Mazhar Sharif	Member
Mr. Mohammad Shoaib, CFA	Member

TRUSTEE

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

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2, 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
Bank Alfalah - Islamic Banking Branch
Habib Bank Limited- Islamic Banking
MCB Bank Limited- Islamic Banking
UBL Arneen - Islamic Banking

LEGAL ADVISER

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

TRANSFER AGENT

Meezan Bank Limited
SITE Branch
Plot # B/9-C, Estate Avenue, SITE, Karachi.
Phone: (9221) 3206 2891 Fax: 3255 2771
Website: www.meezanbank.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

BALANCE SHEET

AS AT SEPTEMBER 30, 2015

Note	Un-Audited September 30, 2015				Audited June 30, 2015	
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total	
(Rupees in '000)						
Assets						
Bank balances	5	65,147	275,405	160,506	501,058	455,016
Investments (net)	6	2,792,037	1,181,260	188,347	4,161,644	4,040,031
Other assets	7	938	-	-	938	-
Receivable against sale of investments		-	-	-	-	20,898
Dividend receivable		38,058	-	-	38,058	4,061
Profit receivable	8	1,632	23,855	5,781	31,268	17,846
Deposits and other receivables	9	20,135	100	100	20,335	300
Receivable against change of plan / change of fund manager		543	-	-	543	41,486
Total assets		2,918,490	1,480,620	354,734	4,753,844	4,579,638
Liabilities						
Payable to AI Meezan Investment Management Limited (AI Meezan) - pension fund manager		14,099	8,212	2,256	24,567	20,776
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		316	159	37	512	405
Payable to auditors		37	36	37	110	216
Payable to Securities and Exchange Commission of Pakistan (SECP)		246	120	29	395	1,163
Payable against purchase of investments		7,105	-	-	7,105	33,365
Payable against withdrawal / change of plan		638	782	256	1,676	16,856
Accrued expenses and other liabilities	10	25,219	4,171	1,126	30,516	30,336
Total liabilities		47,660	13,480	3,741	64,881	103,117
Net assets		2,870,830	1,467,140	350,993	4,688,963	4,476,521
Contingencies and commitments	11					
Participants' sub-funds (as per statement attached)		2,870,830	1,467,140	350,993	4,688,963	4,476,521
(Number of units)						
Number of units in issue (as per statement attached)		7,025,370	7,427,984	1,781,759		
(Rupees)						
Net assets value per unit		408.64	197.52	196.99		

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

Note	September 30, 2015				September 30, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total
	(Rupees in '000)				
Income					
Profit from sukuk certificates	-	18,240	4,780	23,020	28,098
Profit on saving accounts with banks	668	4,808	1,396	6,872	4,631
Profit on term deposit receipts	-	2,740	-	2,740	986
Dividend income	40,059	-	-	40,059	24,204
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss' (net)	(91,693)	(3,598)	(829)	(96,120)	42,635
Net realised gain / (loss) on sale of investments	8,217	(460)	(494)	7,263	942
Reversal of provision against Sukuk Certificates	-	-	-	-	16
Total income	(42,749)	21,730	4,853	(16,166)	101,512
Expenses					
Remuneration to Al Meezan Investment Management Limited - Pension Fund Manager	11,068	5,413	1,305	17,786	11,297
Sindh Sales Tax and Federal Excise Duty on management fee	3,568	1,745	421	5,734	3,772
Remuneration of Central Depository Company of Pakistan Limited (CDC) - Trustee	816	403	96	1,315	879
Sindh Sales Tax on trustee fee	122	56	14	192	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	246	120	29	395	251
Auditors' remuneration	46	45	46	137	105
Legal & Professional Charges	33	33	33	99	-
Brokerage	1,348	10	2	1,360	432
Settlement and bank charges	58	14	5	77	90
Charity expense	324	-	-	324	310
Provision for Workers' Welfare Fund (WWF)	-	284	60	344	1,708
Total expenses	17,629	8,123	2,011	27,763	18,844
Net (loss) / income from operating activities	(60,378)	13,607	2,842	(43,929)	82,668
Element of income and capital gains included in prices of units issued less those in units redeemed - net	3,927	332	79	4,338	1,028
Net (loss) / income for the quarter before taxation	(56,451)	13,939	2,921	(39,591)	83,696
Taxation	-	-	-	-	-
Net (loss) / income for the quarter after taxation	(56,451)	13,939	2,921	(39,591)	83,696
Other comprehensive income for the quarter					
Items that can be reclassified to income statement in subsequent periods					
Net unrealised diminution on re-measurement of investment classified as "available for sale"	-	(368)	-	(368)	(915)
Total comprehensive income for the quarter	(56,451)	13,571	2,921	(39,959)	82,781

The annexed notes from 1 to 16 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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

Note	September 30, 2015				September 30, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total
CASH FLOW FROM OPERATING ACTIVITIES					
(Rupees in '000)					
Net (loss) / income for the quarter	(56,451)	13,939	2,921	(39,591)	83,696
Adjustments for					
Unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss'	91,693	3,598	829	96,120	(42,635)
Reversal of provision against Sukuk Certificates	-	-	-	-	(16)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(3,927)	(332)	(79)	(4,338)	(1,028)
	31,315	17,205	3,671	52,191	40,017
(Increase) / decrease in assets					
Investment (net)	(271,479)	(43,200)	96,578	(218,101)	(274,154)
Receivable against sale of investments	20,898	-	-	20,898	26,342
Dividend receivable	(33,997)	-	-	(33,997)	(19,004)
Profit receivable	712	(10,813)	(3,321)	(13,422)	(13,601)
Deposits and other receivables	(20,035)	-	-	(20,035)	-
Other assets	(938)	-	-	(938)	(2,560)
	(304,839)	(54,013)	93,257	(265,595)	(282,977)
(Decrease) / increase in liabilities					
Payable against purchase of investments	(26,260)	-	-	(26,260)	2,950
Payable to AI Meezan - pension fund manager	2,405	1,131	255	3,791	2,535
Payable to Central Depository Company of Payable to auditors	-	-	-	-	-
Payable to Securities and Exchange Commission of Provision for Workers' Welfare Fund	-	-	-	-	-
Accrued expenses and other liabilities	(211)	258	27	74	2,130
Profit received on placements with banks	-	-	-	-	-
Net cash (used in) / generated from operating activities	(297,931)	(35,666)	97,137	(236,460)	(235,778)
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts of contribution	281,506	93,275	25,473	400,254	349,686
Payments on withdrawal	(51,535)	(47,546)	(18,671)	(117,752)	(213,012)
Net cash generated from financing activities	229,971	45,729	6,802	282,502	136,674
Net cash (decrease) / increase during the quarter	(67,960)	10,063	103,939	46,042	(99,104)
Cash and cash equivalents at beginning of the quarter	133,107	265,342	56,567	455,016	281,259
Cash and cash equivalents at end of the quarter	5	65,147	275,405	160,506	501,058
					182,155

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

MOVEMENT IN PARTICIPANTS' SUB FUNDS FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30, 2015			September 30, 2014	
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total
	(Rupees in '000)				
Net assets at beginning of the quarter	2,740,148	1,398,572	337,801	4,476,521	2,883,326
Amount received on issue of units (2015: Equity sub fund: 560,664 units Debt sub fund: 473,681 units; Money market sub fund: 129,592 units) (2014: Equity sub fund: 521,158 units Debt sub fund: 741,073 units; Money market sub fund: 199,107 units)	240,563	93,275	25,473	359,311	349,686
Amount paid on redemption of units (2015: Equity sub fund: 111,564 units; Debt sub fund: 192,639 units; Money market sub fund: 76,932 units) (2014: Equity sub fund: 342,695 units; Debt sub fund: 363,214 units; Money market sub fund: 122,194 units)	(49,503)	(37,946)	(15,123)	(102,572)	(206,396)
	191,060	55,329	10,350	256,739	143,290
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(3,927)	(332)	(79)	(4,338)	(1,028)
Net realised gain / (loss) on sale of investments	8,217	(460)	(494)	7,263	942
Unrealised (diminution) / appreciation on re-measurement of investments (net)	(91,693)	(3,966)	(829)	(96,488)	42,635
Other net comprehensive income for the quarter	27,025	17,997	4,244	49,266	39,204
Total comprehensive (loss) / income for the quarter	(56,451)	13,571	2,921	(39,959)	82,781
Net assets at end of the quarter	2,870,830	1,467,140	350,993	4,688,963	3,108,369

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM CONTRIBUTION TABLE FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

September 30, 2015							September 30, 2014
Equity sub fund		Debt sub fund		Money market sub fund		Total	Total
Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)

Contribution net of front end fee received during the quarter

Individuals							
- issue of units	<u>560,664</u>	<u>240,563</u>	<u>473,681</u>	<u>93,275</u>	<u>129,592</u>	<u>25,473</u>	<u>359,311</u>
							<u>349,686</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

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

Chief Executive

Director

CONDENSED INTERIM NUMBER OF UNITS IN ISSUE FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	September 30, 2015		
	Equity sub fund	Debt sub fund	Money market sub fund
	(Number of units)		
Total units outstanding at beginning of the quarter	6,576,270	7,146,942	1,729,099
Add: Units issued / converted / reallocated during the quarter	560,664	473,681	129,592
Less: Units redeemed / converted / reallocated during the quarter	(111,564)	(192,639)	(76,932)
Total units in issue at end of the quarter	<u>7,025,370</u>	<u>7,427,984</u>	<u>1,781,759</u>

	September 30, 2015		
	Equity sub fund	Debt sub fund	Money market sub fund
	(Number of units)		
Total units outstanding at beginning of the quarter	4,668,921	5,695,017	1,636,351
Add: Units issued / converted / reallocated during the quarter	521,158	741,073	199,107
Less: Units redeemed / converted / reallocated during the quarter	(342,695)	(363,214)	(122,194)
Total units in issue at end of the quarter	<u>4,847,384</u>	<u>6,072,876</u>	<u>1,713,264</u>

The annexed notes from 1 to 16 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 QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Tahaffuz Pension Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as pension fund manager and 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 Sharah-e-Faisal, Karachi 74400, Pakistan.

The Fund offers a saving mechanism where an individual saves from his / her income during work life in order to retain financial security and comfort in terms of regular income stream after retirement. The Fund comprises of three Sharia compliant sub funds namely Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund (collectively the "Sub-Funds"). Participants are offered various investment allocation schemes depending on their investment horizon, return requirements, risk tolerance and any unique circumstances. The Fund offers six types of allocation schemes to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility, Variable Volatility and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. Allocation scheme can be selected initially at the time of opening of account and subsequently the allocation and percentages may change twice in a financial year. The contributions from participants are invested in various instruments belonging to different asset classes to get full benefits of risk minimization through diversification.

1.2 Summary of significant investment policy for each of the Sub-Fund is as follows:

- The Equity Sub-Fund shall invest atleast 90% of net assets in listed equity securities based on quarterly average investment calculated on daily basis. Investment in single company shall not exceed 10% of NAV or paid-up capital of the investee company, whichever is lower. Surplus funds may be invested in Government Securities with maturity of less than one year or deposits with Banks which are rated not less than "A" by a rating agency registered with the Commission.
- The Debt Sub-Fund shall consist of debt securities with maturity of not more than 5 years. At least 25% net assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government. However, if such shariah compliant securities are not available, the assets of shariah compliant Debt Sub Fund may be deposited in Islamic Commercial Banks, having not less than "A+" rating. Up to 25% of net assets of Debt Sub-Fund may be deposited with Banks having rating of not less than "AA Plus".
- The Money Market Sub-Fund consists of short term debt instruments with weighted average maturity upto one year. Shariah Compliant Money Market Sub Fund can invest in shariah compliant government securities where the time to maturity may be upto three years.

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 participants.
- 1.5** Title to the assets of the Sub Funds are held in the name of CDC as a Trustee of the Fund.
- 1.6** JCR-VIS Credit Rating Company Limited has assigned management quality rating of 'AM2+' to the Pension Fund Manager.

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

These financial statements of the Fund have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the VPS Rules and directives issued by the SECP.

Wherever the requirements of the VPS Rules or the said directives differ with requirements of IFRSs, the requirements of the VPS Rules and the said directives take precedence.

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, 2015.

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, 2015.

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, 2015.

Note	September 30, 2015 (Un-audited)				June 30, 2015 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total
(Rupees in '000)					
5. BANK BALANCES					
On Current accounts	1,288	-	-	1,288	1,512
On Savings accounts	63,859	275,405	160,506	499,770	453,504
	<u>65,147</u>	<u>275,405</u>	<u>160,506</u>	<u>501,058</u>	<u>455,016</u>

5.1 The balances in savings accounts carry expected profit which ranges from 2.71% to 9.27% (June 30, 2015: 4.00% to 9.27%) per annum.

Note	September 30, 2015 (Un-audited)				June 30, 2015 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total
(Rupees in '000)					
6. INVESTMENTS (net)					
Held-for-trading					
- shares of listed companies	2,792,037	-	-	2,792,037	2,592,216
- sukuk certificates	-	782,884	188,347	971,231	1,172,792
	<u>2,792,037</u>	<u>782,884</u>	<u>188,347</u>	<u>3,763,268</u>	<u>3,765,008</u>
Investments designated at 'fair value through profit or loss upon initial recognition'					
	-	53,106	-	53,106	73,385
Available-for-sale					
- sukuk certificates	-	75,270	-	75,270	75,638
Loans and receivables	-	270,000	-	270,000	126,000
	<u>2,792,037</u>	<u>1,181,260</u>	<u>188,347</u>	<u>4,161,644</u>	<u>4,040,031</u>

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

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Cost of purchase	Bonus / rights issue	Sales during the quarter	As at September 31, 2015	Carrying value as at September 31, 2015	Market value as at September 30, 2015	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 ---		(Rupees in '000)		Number of shares		(Rupees in '000)				

Sector / Companies

Equity Sub Fund

Automobile Assembler

Indus Motor Company Limited	78,155	10,000	11,800	-	-	88,155	109,416	88,278	(21,138)	3.07	0.11
Pak Suzuki Motor Company Limited	150,733	-	-	-	-	150,733	65,706	62,489	(3,217)	2.18	0.18
Honda Atlas Cars (Pakistan) Limited	318,700	25,000	5,999	-	-	343,700	75,693	79,168	3,475	2.76	0.24
Millat Tractors Limited	26,950	-	-	-	-	26,950	18,483	16,835	(1,648)	0.59	0.06

Automobile Parts & Accessories

Agriauto Industries Limited (note 6.1.1)	45,000	-	-	-	-	45,000	8,368	7,650	(718)	0.27	0.31
Thal Limited (note 6.1.1)	53,645	-	-	-	-	53,645	15,312	13,572	(1,740)	0.47	0.13

Cable & Electrical Goods

Pak Elektron Limited	1,440,000	250,000	22,134	-	214,000	1,476,000	123,390	106,405	(16,985)	3.71	0.37
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Cement

DG Khan Cement Company Limited	150,397	-	-	-	150,397	-	-	-	-	-	-
Lucky Cement Limited	417,006	19,000	9,889	-	3,700	432,306	224,651	227,696	3,045	7.93	0.13
Fauji Cement Company Ltd.	5,344,000	-	-	-	-	5,344,000	186,345	178,917	(7,428)	6.23	0.40
Cherat Cement Company Limited	686,000	154,000	14,395	-	-	840,000	74,098	72,425	(1,673)	2.52	0.48
Pioneer Cement Company Limited	342,000	125,000	10,939	-	25,000	442,000	37,961	38,339	378	1.34	0.19
Attock Cement Pakistan Limited	46,700	-	-	-	-	46,700	8,901	8,164	(737)	0.28	0.04
Maple Leaf Cement Factory Limited	175,000	-	-	-	175,000	-	-	-	-	-	-
Kohat Cement Company Limited	150,000	-	-	-	-	150,000	29,978	28,644	(1,334)	1.00	0.10

Carried forward

75,156

978,302 928,582 49,720

Name of the investee company	As at July 01, 2015	Purchases during the quarter	Cost of purchase	Bonus / rights issue	Sales during the quarter	As at September 31, 2015	Carrying value as at September 31, 2015	Market value as at September 30, 2015	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 ---		(Rupees in '000)		Number of shares		(Rupees in '000)				
Brought forward			75,156				978,302	928,582	49,720		
Chemical											
ICI Pakistan Limited	167,570	-	-	-	-	167,570	71,866	80,650	8,784	2.81	0.18
Sitara Chemical Industries Limited	-	67,600	23,540	-	-	67,600	23,540	24,336	796	0.85	0.32
Engineering											
K.S.B Pumps Company	88,800	9,100	1,994	-	-	97,900	14,337	21,944	7,607	0.76	0.74
Crescent Steel & Allied Products Limited	-	150,000	12,738	-	-	150,000	12,738	12,453	(285)	0.43	0.24
Fertilizer											
Fauji Fertilizer Bin Qasim Limited	3,951	800,000	49,152	-	120,000	683,951	42,002	41,140	(862)	1.43	0.07
Fauji Fertilizer Company Limited	173,198	-	-	-	-	173,198	25,879	21,381	(4,498)	0.74	0.01
Fatima Fertilizer Company Limited	561,000	-	-	-	-	561,000	21,918	25,963	4,045	0.90	0.03
Engro Corporation Limited	775,000	5,000	1,607	-	-	780,000	231,627	232,736	1,109	8.11	0.15
Engro Fertilizers Limited	343,000	252,500	24,532	-	-	595,500	54,952	53,476	(1,476)	1.86	0.04
Dawood Hercules Corporation Limited	-	72,400	9,557	-	-	72,400	9,557	7,628	(1,929)	0.27	0.02
Food & Personal Care Products											
Engro Foods Limited	675,000	85,000	14,513	-	149,000	611,000	93,849	90,037	(3,812)	3.14	0.08
Al-Shaheer Corporation	-	1,374,000	119,864	-	-	1,374,000	119,864	112,805	(7,059)	3.93	1.50
Oil & Gas Exploration Companies											
Pakistan Oilfields Limited	50,550	-	-	-	-	50,550	20,413	14,858	(5,555)	0.52	0.02
Pakistan Petroleum Limited	25,057	-	-	-	25,000	57	9	7	(2)	-	-
Mari Petroleum Company Limited	128,450	-	-	-	-	128,450	60,192	46,650	(13,542)	1.62	0.12
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited	491,433	-	-	-	80,000	411,433	158,727	118,653	(40,074)	4.13	0.15
Attock Petroleum Limited	56,920	-	-	-	-	56,920	32,286	28,474	(3,812)	0.99	0.07
Sui Northern Gas Pipelines Limited	550,000	550,000	18,822	-	200,000	900,000	27,729	28,287	558	0.99	0.14
Hascol Petroleum Limited	55,500	100,000	11,807	31,100	20,000	166,600	16,216	19,924	3,708	0.69	0.17
Paper & Board											
Packages Limited	291,801	160,000	90,522	-	-	451,801	263,875	241,036	(22,839)	8.40	0.51
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	44,600	-	-	-	-	44,600	29,762	29,146	(616)	1.02	0.05
Ferozsons Laboratories Limited	211,200	10,800	8,676	-	40,000	182,000	118,165	137,756	19,591	4.80	0.60
The Searle Company Limited	133,000	5,000	1,917	-	-	138,000	44,568	55,244	10,676	1.92	0.16
Highnoon Laboratories Limited	-	142,800	45,177	-	-	142,800	45,177	51,354	6,177	1.79	0.70
Power Generation & Distribution											
The Hub Power Company Limited	2,369,245	413,000	40,816	-	40,000	2,742,245	258,732	269,398	10,666	9.38	0.24
Kohinoor Energy Limited	155,000	-	-	-	-	155,000	7,828	7,679	(149)	0.27	0.09
K-Electric Limited (note 6.1.1)	6,240,000	2,100,000	16,180	-	-	8,340,000	68,721	58,880	(9,841)	2.05	0.09
Lalpir Power Limited	696,000	-	-	-	-	696,000	21,226	20,303	(923)	0.71	0.18
Refinery											
Attock Refinery Limited	50,000	50,000	12,225	-	100,000	-	-	-	-	-	-
Technology & Communication											
Pakistan Telecommunication Company Limited "A"	1,199,200	-	-	-	1,197,500	1,700	35	30	(5)	-	-
Textile Composite											
Nishat Mills Limited	690,000	-	-	-	690,000	-	-	-	-	-	-
Glass & Ceramics											
Tariq Glass Industries Limited	-	250,000	15,557	-	248,000	2,000	124	145	21	0.01	-
Miscellaneous											
Shifa International Hospitals Limited	41,800	-	-	-	-	41,800	10,452	11,082	630	0.39	0.08
Total			594,352				2,884,667	2,792,037	(92,631)		

6.1.1 All shares have a nominal value of Rs. 10 each except Agriauto Industries Limited & Thal Limited having nominal value of Rs. 5 and K-Electric Limited having nominal value of Rs. 3.50.

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 01, 2015	Purchases during the quarter	Cost of purchase	Sales during the quarter	Maturity during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised 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												
GoP - Ijara sukuk - IX (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	5,890	-	-	1,000	-	4,890	492,911	490,663	(2,248)	33.44
GoP - Ijara sukuk - X (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	1,398	-	-	-	-	1,398	140,988	140,303	(685)	9.56
GoP - Ijara sukuk - XI (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	420	-	-	-	-	420	42,328	42,202	(126)	2.88
GoP - Ijara sukuk - XII (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	1,090	-	-	-	-	1,090	109,709	109,414	(295)	7.46
GoP - Ijara sukuk XIV (note 6.2.1)	March 28, 2016	Weighted average 6 months T-Bills	3	-	-	-	-	3	302	302	-	0.02
Total					-				786,238	782,884	(3,354)	
Money Market Sub Fund												
GoP - Ijara sukuk - IX (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	2,540	40	4,016	-	1,000	1,580	159,254	158,537	(717)	45.17
GoP - Ijara sukuk - X (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	150	-	-	-	-	150	15,128	15,054	(74)	4.29
GoP - Ijara sukuk - XII (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	145	2	200	-	-	147	14,794	14,756	(38)	4.20
Total					4,216				189,176	188,347	(829)	

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

6.2.2 On December 12, 2014, the GoP extended the maturity of these sukuk to November 21, 2015 through a resolution passed in the Extra Ordinary General Meeting of Sukuk holders held on November 10, 2014.

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

Note	(Unaudited) September 30, 2015	(Audited) June 30, 2015
	(Rupees in '000) Carrying Value	

6.3.1 Preference Shares - Unlisted

Equity Sub Fund

Name of Security

Mari Petroleum Company Limited- at cost	6.3.1.1	-	20,035
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6.3.1.1 As per Notice to the minority preference shareholders by Mari Petroleum Company Limited dated September 23, 2015, all preference shares were surrendered by the Fund on September 30, 2015. Redemption amount of Rs. 20.035 million is included in deposits and other receivable.

6.3.2 Sukuk Certificates

Name of the investee company	Maturity date	Profit rate per annum	As at July 01, 2015	Purchases during the quarter	Cost of purchase	Sales during the quarter	Maturity during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	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												
Eden Housing Limited (note 6.3.2.1 & 6.3.2.4)	September 29, 2014	3 months Kibor plus base rate of 2.5%	500	-	-	-	-	500	-	-	-	-
Security Leasing												
Corporation Limited II (note 6.3.2.1 & 6.3.2.4)	January 19, 2022	3 months Kibor plus base rate of 2.5%	154	-	-	-	-	154	-	-	-	-
K-Electric Limited - II (note 6.3.2.2)	March 19, 2017	3 months Kibor plus base rate of 2.25%	10,400	-	-	-	-	10,400	53,350	53,106	(244)	3.62
Total					<u>-</u>				<u>53,350</u>	<u>53,106</u>	<u>(244)</u>	
Money Market Sub Fund												
Security Leasing												
Corporation Limited II (note 6.3.2.2 & 6.3.2.3)	January 19, 2022	-	154	-	-	-	-	154	-	-	-	-

6.3.2.1 The principal buy out reduces the face value per certificate instead of number of certificates. The face value of the sukuk certificates is Rs.984.38 each.

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

6.3.2.3 The agreement with Security Leasing Corporation Limited (SLCL) had been amended on February 19, 2012. In accordance with the revised terms no mark-up is payable on the said sukuk with the approval of contributories to the sukuk certificate. The sukuk certificates have been classified as non-performing by MUFAP on April 3, 2012. Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the provisioning policy of the Fund, an amount of Rs 0.77 million in both debt sub fund and money market sub Fund has also been held as provision against the outstanding principal as at September 30, 2015.

6.3.2.4 On May 6, 2011, Eden Housing sukuk certificates have been classified as non-performing by MUFAP. Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 0.492 million has also been held as provision against the outstanding principal as at September 30, 2015.

6.3.2.4 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 (if any)	Value of investment after provision
----- (Rupees in '000) -----				
Debt Sub Fund				
Eden Housing Limited	Non-traded sukuk certificates	492	492	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	771	771	-
		<u>1,263</u>	<u>1,263</u>	<u>-</u>
Money Market Sub Fund				
Security Leasing Corporation Limited II	Non-traded sukuk certificates	771	771	-
		<u>771</u>	<u>771</u>	<u>-</u>

6.4 'Available-for-sale' - sukuk certificates

Name of the security	Maturity date	Profit rate per annum	As at July 01, 2015	Purchases during the quarter	Cost of purchase	Sales during the quarter	Maturity during the quarter	As at September 30, 2015	Carrying value as at September 30, 2015	Market value as at September 30, 2015	Unrealised 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

GoP - Ijara sukuk - X (note 6.2.1 & 6.2.2)	November 21, 2015	Weighted average 6 months T-Bills	750	-	-	-	-	750	75,243	75,270	27	5.13
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6.4.1 Net unrealised (diminution) / appreciation on re-measurement of investment classified as 'available for sale'

	September 30, 2015	June 30, 2015
	(Rupees in '000)	
Debt Sub Fund		
Market value of investment	75,270	75,638
Less: Cost of investments	<u>75,243</u>	<u>75,243</u>
	27	395
Less: Net unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the quarter	<u>(395)</u>	<u>(1,227)</u>
	<u>(368)</u>	<u>(832)</u>

6.5 Loans and receivables - Term deposit receipts (TDR)

Name of the Bank	Maturity date	Profit rate per annum	----- Face Value -----				Rating	Percentage of net assets value on the basis of total value of investments of the respective sub fund (see note 6.1.2)
			As at July 01, 2015	TRD's Placed during the quarter	Matured during the quarter	As at September 30, 2015		

Debt Sub Fund

Dubai Islamic Bank Pakistan Limited	September 04, 2016	6.65%	-	144,000	-	144,000	A+	9.82
Meezan Bank Limited	June 22, 2016	6.70% - 8.46%	126,000	-	-	126,000	AA	8.59
						<u>270,000</u>		

7. Other Assets

Particulars	Number of Rights	Underlying	Fair value	
			September 30, 2015	June 30, 2015
(Rupees in '000)				
Entitlement of Letter of Rights				
- Crescent Steel & Allied Products Ltd	37,500	Equity indices	938	-

8. PROFIT RECEIVABLE

Note	September 30, 2015 (Un-audited)				June 30, 2015 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total
(Rupees in '000)					
Profit receivable on					
- saving accounts with banks	1,632	7,079	2,520	11,231	8,916
- term deposit receipts	-	3,069	-	3,069	986
- sukuk certificates	-	13,707	3,261	16,968	7,944
	<u>1,632</u>	<u>23,855</u>	<u>5,781</u>	<u>31,268</u>	<u>17,846</u>

9. DEPOSITS AND OTHER RECEIVABLES

Deposit with CDC - Trustee	100	100	100	300	300
Receivable against Preference Shares of Mari Petroleum Company Limited	20,035	-	-	20,035	-
	<u>20,135</u>	<u>100</u>	<u>100</u>	<u>20,335</u>	<u>300</u>

10. ACCRUED EXPENSES AND OTHER LIABILITIES

Payable on redemption of units		-	-	-	-
Provision for Workers' Welfare Fund (WWF)	12	23,597	4,145	1,121	28,519
Charity payable		1,612	-	-	1,788
Brokerage payable		-	10	2	-
Zakat payable		10	16	3	29
		<u>25,219</u>	<u>4,171</u>	<u>1,126</u>	<u>30,516</u>

11. CONTINGENCIES AND COMMITMENTS

The Finance Act, 2014, introduced amendments to Income Tax Ordinance, 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. These shares will be released upon payments of tax by shareholders. The value of tax will be computed on the basis of day-end price on the first day of book closure.

In this regard, a Constitutional Petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. On September 8, 2015, the Sindh High Court has dismissed the suit on the basis that bonus shares are included in the definition of income and accordingly are chargeable to tax. An appeal against the judgment has been instituted and a stay order has been granted by the High Court of Sindh in favour of CISs.

In the current period, Hascol Petroleum Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These haven't been deposited by the Company with the Government Treasury due to pending adjudication of the aforementioned Constitutional Petition and the stay order.

There were no other contingencies and commitments outstanding as at September 30, 2015.

12. 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 High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. However, the Pension Fund Manager / Management Company, as a matter of abundant caution, has recognised WWF charge for the period from January 1, 2013 to September 30, 2015 amounting to Rs. 23.597 million, Rs. 4.145 million and Rs. 1.121 million which includes Rs. 0.284 million and Rs. 0.06 million for Debt Sub Fund and Money Market Sub Fund respectively pertaining to the current year and Rs. 23.597 million, Rs. 3.861 million and Rs. 1.061 million pertaining to prior year for 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. 3.36 (0.82%), Rs. 0.56 (0.28%) and Rs. 0.63 (0.32%) for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

The Board of Directors of the Pension Fund Manager 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 AI Meezan Investment Management Limited (pension fund manager of the fund). Therefore, the Fund is not exposed to this unrecorded accumulated WWF provision. The unrecorded accumulated provision for WWF up to 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.

The mutual funds (i.e. Collective Investment Schemes) have been excluded from levy of WWF vide Finance Act, 2015. However, the Act does not exclude Voluntary Pension Schemes (VPS) therefore, provision in respect of WWF has been continued in the scheme.

13. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan Investment Management Limited (AI Meezan) being the Pension Fund Manager, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, AI Meezan Mutual Fund, Meezan Islamic Income Fund, KSE Meezan Index Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund and Meezan Capital Preservation Fund – III, Meezan Capital Preservation Fund- II and Meezan Gold Fund being the Funds under the common management of the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager, AI Meezan Investment Management Limited - Employees' Gratuity Fund and unitholders holding 10 percent or more of the sub Fund.

Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provisions of VPS Rules, 2005 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 are as follows:

	September 30, 2015 (Un-audited)				June 30, 2015 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total
(Rupees in '000)					
Al Meezan - pension fund manager					
Remuneration payable	3,587	1,795	431	5,813	5,287
Sindh Sales Tax and Federal Excise Duty on management fee	10,512	6,417	1,825	18,754	15,489
Investments as at June 30, 2015: (Equity sub fund: 260,077 units) as at June 30, 2014 (Equity sub fund: 260,077 units)	106,278	-	-	106,278	108,366
Meezan Bank Limited					
Bank balances	2,169	1,112	205	3,486	6,035
Term Deposit Receipts	-	126,000	-	126,000	126,000
Profit receivable on Term Deposit Receipts	-	2,362	-	2,362	986
Profit receivable on saving account	-	9	-	9	-
Central Depository Company of Pakistan Limited - Trustee					
Trustee fee payable	316	159	37	512	405
Deposits	100	100	100	300	300
Directors and Executives of the Pension Fund Manager					
Investments as at June 30, 2015: (Equity sub fund: 674,218 units; Debt Sub Fund: 380,484 units; Money Market Sub Fund: 17,313 units) as at June 30, 2015: (Equity sub fund: 661,334 units; Debt sub fund: 359,344 units; Money Market sub fund: 13,471 units)	275,512	75,153	3,410	354,075	348,510
(Rupees in '000)					
For the quarter ended September 30, 2015					For the quarter ended September 30, 2014
Equity sub fund	Debt sub fund	Money market sub fund	Total	Total	
(Rupees in '000)					
Al Meezan - pension fund manager					
Remuneration for the quarter	11,068	5,413	1,305	17,786	11,297
Sindh Sales Tax and Federal Excise Duty on management fee for the quarter	3,568	1,745	421	5,734	3,772
Meezan Bank Limited					
Profit on Term Deposit Receipts	-	2,034	-	2,034	-
Profit on savings account	-	28	-	28	820
Central Depository Company of Pakistan Limited - Trustee					
Remuneration for the quarter	816	403	96	1,315	879
Sindh Sales Tax on Trustee fee for the quarter	122	56	14	192	-
CDS Charges for the quarter	52	2	2	56	74
Directors and Executives of the Pension Fund Manager					
Units issued (Equity Sub Fund: 15,508 units; Debt Sub Fund: 21,140 units; Money Market Sub Fund: 3,842 units)	6,754	4,163	756	11,673	27,999
Units redeemed / reallocated (Equity Sub Fund: 2,624 units; Debt Sub Fund: nil; Money Market Sub Fund: nil)	1,150	-	-	1,150	5,778

14. 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 / listed sukuku under level 2 and other unlisted sukuku under level 3 of the fair value hierarchy mentioned above.

During the nine-month period ended September 30, 2015, 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.

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Pension Fund Manager.

16. GENERAL

Figure have been rounded off to the nearest thousand rupees.

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

Chief Executive








Director










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