



# SHARED INVESTMENTS, SHARED SUCCESS

Half Yearly Report December 31, 2015







**HALF YEARLY REPORT**  
DECEMBER 31, 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 half year ended December 31, 2015.

### **Equity Funds**

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

### **Income Funds**

- Meezan Islamic Income Fund
- Meezan Sovereign Fund

### **Money Market Fund**

- Meezan Cash Fund

### **Balanced Fund**

- Meezan Balanced Fund

### **Funds of Funds**

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

### **Commodity Fund**

- Meezan Gold Fund

### **Pension Fund**

- Meezan Tahaffuz Pension Fund

### **Economic Review:**

Economic performance of Pakistan showed marked improvement during the first half of FY'16 in part due to reforms under the guidance of IMF and continued meltdown in the global oil prices kept inflationary pressures in check and favorably affected the country's import bill. CPI for the six month period fell to 2.08%, substantially down from 6.08% during the same period last year. Low inflation figures provided the State Bank enough cushion to continue on its monetary easing stance whereby the discount rate was slashed further by 50bps bringing it down to 6.50% while the policy rate has been brought down to 6%. This continued monetary easing has finally started to stimulate private sector credit offtake, which rose to Rs. 343 billion during Jul-Dec'15, up 73% from Rs. 198 billion during the corresponding period last year. The government has also worked well towards achieving exchange rate stability whereby the rupee depreciated by a mere 2.7%, whereas currencies in the region depreciated in the range of 4% to 12.5%.

Although the government's measures to widen the country's tax net have been met with mixed reactions from the business community, the imposition of 0.3% withholding tax on banking transactions for tax non-filers and the amnesty scheme for the trading community show the seriousness of government's intentions regarding tax collection. During the first half of the fiscal year, tax revenues totaled Rs. 1.37 trillion, up 18% from corresponding period last year.



Tumbling commodity prices, especially crude oil, immensely helped in decreasing Pakistan's import bill, which declined 8% YoY to USD 22.25 billion against exports of USD 10.32 billion. During July-December 2015, the current account deficit narrowed down significantly by 48% to USD 1.27 billion from USD 2.45 billion in the same period last year. Lower trade deficit, increase in remittances (up 6% YoY to USD 9.74 billion) and continued inflows to the tune of USD 713 million on account of Coalition Support Fund (CSF), played a major role in reducing current account deficit. The government however, needs to take necessary steps to increase the exports since the external account has continued to disappoint on the exports front with goods exports falling 11% YoY even in the face of easing energy shortage and improved security conditions. Non-competitiveness in the global arena remains the primary challenge that is continuing to hinder exports.

Successful conclusion of IMF's 9th review under the Extended Fund Facility Program led to the disbursement of another USD 500 million tranche in mid-December, pushing forex reserves to over USD 21 Billion for the first time in Pakistan's history. The government also managed to tap into the international markets raising USD 500 million through a Eurobond issue. A positive on the forex front is the USA's agreement on extending the CSF during 2016.

Going forward, the economic fundamentals are expected to continue to improve on the back of reforms undertaken by the government. The government is also progressing towards meeting its major targets of 1) keeping inflation below 6%, 2) capping fiscal deficit at 4.3% of GDP, and 3) achieving GDP growth of 4.5%. Pressure on external account is expected to be eased further on the back of declining oil prices, as oil accounts for around 35% of Pakistan's total import bill. The upcoming LNG deal with Qatar is expected to be finalized soon which will help the energy starved industries; this coupled with falling oil prices will provide much needed respite to the reserves and will assist in maintaining the exchange rate as well. With political stability, low interest rates and improvement in investor sentiment, private sector and consumer credit offtake is expected to increase in the coming months, which will provide impetus to economic growth.

#### **Money Market Review:**

During the first half of FY16, the State of Pakistan (SBP) stayed firm on its monetary easing stance whereby it slashed the Discount Rate (DR) by another 50bps in its bi-monthly Monetary Policy Statement (MPS) announced in the month of September, 2015 bringing it down to a record low of 6.5% (and the target policy rate to 6.0%). As per the SBP, low inflation and country's satisfactory external account position provided the cushion for this rate cut. Overall, in line with the monetary easing scenario, the interest rates and government paper yields in the secondary market have undergone a downward adjustment whereby the KIBORs have declined by 48-59 bps, T-bills fell by 56-58 bps while PIB yields went down by 57-69 bps during the period under review.

On the liquidity front, the Money Market faced a relatively tight liquidity scenario during this period, evidenced by Rs. 31.5 trillion worth of OMO injections carried out by SBP coupled with Rs. 1.3 trillion worth of discounting availed by various counters in comparison to Rs. 262 billion worth of OMO mop-ups and Rs. 152 billion worth of floor placements. Alongside, thirteen T-bill and six PIB auctions were conducted; cumulatively Rs. 2.2 trillion was accepted against a participation of Rs. 3.4 trillion in T-bills and Rs. 376 billion was accepted against a participation of Rs. 1.2 trillion in PIBs.

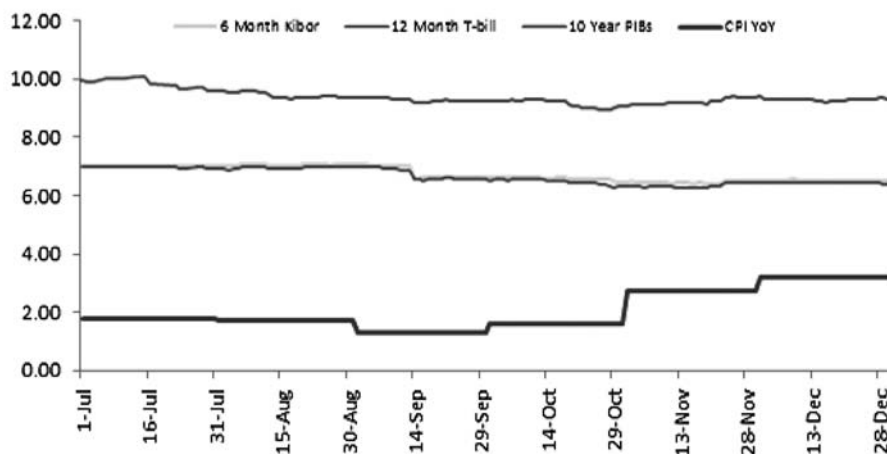
Inflation, which had been on a downward trajectory for almost last one year, slightly increased in December with CPI for the month clocking in at 3.2% compared to 2.7% in November 2015. The 6MFY16 inflation averaged 2.1% as against 6.1% in the same period last year. The declining trend in international oil and commodity prices are expected to keep the inflation in check with SBP's forecast for FY16 in the range of 4.5% to 5.5%.

The Shariah compliant end of the money market, which has been facing an excess liquidity issue due to lack of investment avenues, experienced some respite when the Government carried out Islamic OMOs/Bai Muajjals for Ijarah IX to XIII which matured on November 21, 2015; these Bai Muajjals right before the maturity of these five Ijarahs saw a cumulative participation of Rs. 225 billion by Islamic banks against which the SBP accepted bids worth Rs. 209 billion for a tenor of one (1) year and prevented the market from another major liquidity influx. However, it is pertinent to note that despite repeated requests and follow-ups with the SECP and SBP, Mutual funds have not been granted the permission to participate in these Bai Muajjal Transactions.

Moreover, towards the end of 1HFY16 SBP also carried out a fresh GoP Ijarah Sukuks auction (after almost a year and a half) whereby the target amount was Rs. 100 billion and Rs. 118 billion was accepted against a participation of Rs. 273 billion. However, due to excess liquidity (evident from the participation level), the cut off yield in this auction worked out 50bps below the 6 months T-Bill yield thereby continuing the low yield issue for Islamic market.

On the forex front, the rupee lost value during this period as it stayed under pressure mainly due to IMF's review report which stated that rupee is overvalued by 5%-20% and the strengthening of dollar against other currencies. In the interbank market, it closed Rs. 2.95 lower at Rs. 104.75/\$ while in the open market, it closed Rs. 3.15 lower at Rs. 106.10/\$.

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



### Equity Market Review

During the first half of FY16, performance of the stock market remained dismal with the KMI-30 index closing 2.91% down at 55,604 points while the KSE-100 index closed 4.60% down at 32,816 points. The participation in the market also remained subdued during this period with the KMI-30 index's volumes down by 70.26% and the KSE-100 index's volumes down by 65.64%.

The dull performance of the market can be attributed to i) weaknesses witnessed in regional as well as global equity markets with 25bps increase in US Fed rate and slowdown in Chinese economy which led to foreign

selling from Pakistan's stock market to the tune of USD 241 million in 1HFY16, ii) multiple rumors regarding heightened vigilance by the regulator against stock exchange brokers, iii) declining commodities, especially oil prices (Brent crude down 41%) and iv) heightened political noise following election tribunal's verdict and arrest of influential personalities. The aforementioned variables offset the impact of positives like i) 50bps cut in the key policy rate, ii) healthy corporate result announcements, iii) successful issuance of a US\$ 500 million Eurobond, improvement of Pakistan's credit rating to B3 by Moody's and allotment of a stable outlook by S&P for the sovereign bond issues of Pakistan in the international market, and iv) successful conclusion of IMF's reviews with subsequent disbursement of loan tranches.

FY'16 had commenced on a positive note with the KMI-30 index going up 5.17% to post a record high closing of 60,234 points in August'15. This run-up was attributable to expectations of a low monthly CPI number and consequent monetary softening, rising forex reserves and Judicial Commission's dismissal of election rigging allegations against the government. However, slow-down in the growth momentum of Chinese economy triggered a volatility chain over almost all international bourses as the international investors became jittery on fears of a global economic slow-down; the same resulted in outflow of investment from Pakistan's stock market as well as from all emerging markets. During the second quarter of FY'16, expectations regarding the US Federal Reserve Rate to rise (which materialized in the form of a 25bps increase towards the end of the year for the first time in a decade) kept the market volatile as it drove the international investors to reallocate their investment portfolios accordingly. Resultantly the KMI-30 posted its lowest closing for half year in December'15 at 52,473 points, almost 13% down from its record high closing in August'15.

This sentiment jitteriness, changes in fundamentals on the global front coupled with continuous decline in commodities in the international market impacted many stock markets across the globe but it is pertinent to mention that Pakistan's stock market remained among the least affected bourses. It is also worth noting that despite a foreign selling of USD 241 million during 1HFY16, the stock market has shown consistent resilience, thereby highlighting the confidence of institutional as well as individual investors in the market.

#### **Corporate Profitability and major contributors to the Index**

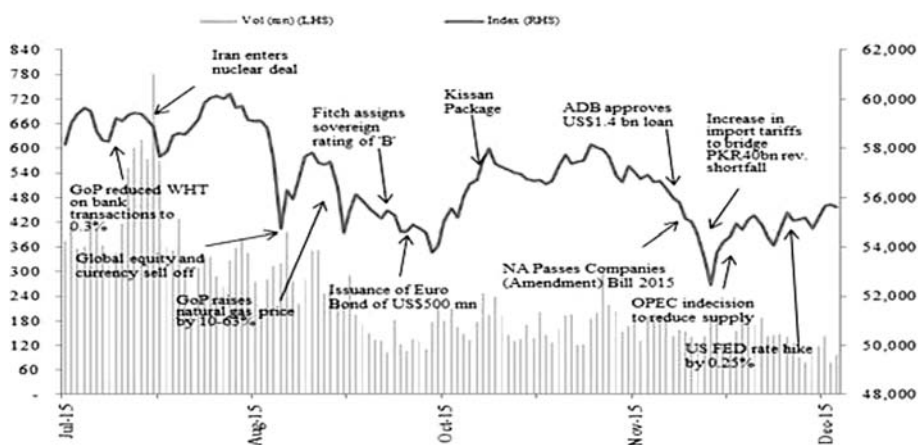
During the half year ended December 2015, Pharmaceutical, Cement and Auto remained the best performing sectors. The best performing stocks during the period were:

<b>Positive Contributors to the Index</b>	<b>Contribution to KMI-30 (Points)</b>	<b>Total Return (%)</b>
Hub Power Co. Ltd	867	15.65
Searle Co. Ltd	460	54.40
Mari Petroleum Co. Ltd	356	50.53
Dawood Hercules Corp Ltd	347	12.92
Fauji Cement Co. Ltd	179	10.29

On the flip side, Oil & Gas Exploration, Telecom and Cable & Electric remained the worst performing sectors. The worst performing stocks in KMI during the period were:

Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Pakistan Petroleum Ltd	-1,265	-23.47
Fauji Fertilizer Co Ltd	-1,197	-18.07
Pakistan Oilfields Ltd	-845	-28.36
Pakistan State Oil Co Ltd	-482	-14.48
Pak Elektron Ltd	-234	-23.15

The overall movement of the KMI-30 during the period can be observed in the following graph:



#### Equity Flows:

Stock market witnessed outflows of USD 241 million by foreign investors during Jul-Dec'15. Highest outflow was recorded in Banking Sector category with an outflow of USD 53 million mainly due to foreign selling in HBL, UBL and MCB, followed by Fertilizer Sector with an outflow of USD 51 million. Inflows were witnessed in Other Sector (USD 31 million), Food and Personal Care (USD 10 million) and Technology and Communications (USD 1.79 million).

Individuals and Companies supported the market with inflows of USD 49 million and USD 67 million respectively. Mutual funds recorded a net buy of USD 39 million while banks bought USD 25 million worth of stock.

#### Mutual Fund Industry Review:

During the first six months of FY16, AUMs of the mutual fund industry witnessed an increase of 9.1% to the size of Rs. 453 billion. Islamic funds increased by 13.8% during the period under review to Rs. 120 billion which brings share of Islamic funds at 26.45% in the mutual fund industry. Al Meezan's share in the overall Mutual Funds industry stands at 14.62% while among the Islamic Funds, it has a share of 55.3% as of December 31, 2015 compared to 12.1% and 62.6% 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 six months ended December 2015. The combined category showed a rise of 15.7% to reach Rs 226 billion at period end. While conventional funds in this category rose by 16.1%, Islamic funds increased by 14.3%. Open end Equity funds (including capital protected, balanced, index tracker, and asset allocation) increased by 3.5%

to Rs. 192 billion as of December 31, 2015 compared to Rs. 185 billion as on June 30, 2015. Conventional funds in this category decreased by 1.3% while Islamic equity based funds showed a reasonable growth of 13.5% in the period under review and stood at Rs. 69 billion.

Pension Funds showed modest growth of 13.52% during the period with their cumulative fund size clocking in over Rs. 15 billion mark, as at December 31, 2015. Islamic Pension Funds also witnessed a decent growth of 14.51% in the period under review to clock in at Rs 9.1 billion as of December end. Meezan Tahaffuz Pension Fund (MTPF) continues to lead the pension fund market with a 33.4% market share while in the Islamic pension funds segment, MTPF holds a 55.8% share compared to 57.8% in the corresponding period last year.

### Performance Review (Funds)

The table provided below depicts a holistic picture of performance of our funds under management for the review period.

Funds	Type	Net Assets Rs. in Millions (Dec 31, 2015)	Growth in Net Assets for 1HFY16	Return (1HFY16)	Benchmark 1HFY16
<b>Equity</b>					
Al Meezan Mutual Fund (AMMF)	Equity	4,260	6.31%	0.26%	-2.91%
Meezan Islamic Fund (MIF)	Equity	27,610	0.76%	1.76%	-2.91%
KSE Meezan Index Fund (KMIF)	Equity Index Tracker	880	-24.06%	-4.03%	-2.91%
<b>Fixed Income</b>					
Meezan Islamic Income Fund (MIIF)	Income	9,936	133.07%	6.97%	3.74%
Meezan Cash Fund (MCF)	Money Market	3,292	-55.84%	4.61%	4.69%
Meezan Sovereign Fund (MSF)	Income	10,517	19.24%	5.95%	4.69%
<b>Balanced</b>					
Meezan Balanced Fund (MBF)	Balanced	4,523	33.67%	1.60%	-0.52%
<b>Capital Preservation (Fund of Funds)</b>					
Meezan Capital Preservation Fund - II	Capital Preservation	2,229	-0.30%	1.64%	-0.52%
Meezan Capital Preservation Fund - III	Capital Preservation	3,380	-0.01%	1.24%	-1.43%
<b>Fund of Fund Scheme</b>					
Meezan Financial Planning Fund of Fund	Fund of Fund				
Aggressive		392	10.00%	1.83%	-1.07%
Moderate		310	-3.16%	2.86%	-0.28%
Conservative		237	-0.02%	3.39%	1.29%
MCCP-I		1,549	-2.62%	2.18%	-0.91%
MCCP-II		3,087	0.15%	1.53%	0.16%
MAAP-I*		1,201	809.59%	-0.95%	-1.20%
MAAP-II**		686	12826.14%	0.68%	0.13%
<b>Commodity Scheme</b>					
Meezan Gold Fund***	Commodity	119	22.88%	-5.23%	-0.36%
<b>Pension Fund Scheme</b>					
Meezan Tahaffuz Pension Fund	Voluntary				
<b>Pension Scheme</b>					
Equity Sub fund		3,179	17.21%	5.29%	-
Debt Sub Fund		1,549	10.77%	4.53%	-
Money Market sub fund		363	7.34%	4.49%	-
<b>Total</b>		<b>66,227</b>	<b>8.68%</b>		

\* Launched in July 2015, \*\* Launched in November 2015, \*\*\*Launched in August 2015

### **Meezan Islamic Fund**

The net assets of Meezan Islamic Fund (MIF) as at December 31, 2015 stood at Rs. 27,609 million as compared to Rs. 27,403 million at end of June 2015. For the period under review, AUMs of MIF grew by 0.76%. The net asset value (NAV) per unit as at December 31, 2015 was Rs. 59.95 in comparison to Rs. 58.91 (Ex-Dividend) per unit as on June 30, 2015 providing a modest return of 2% during the period to its investors as compared to benchmark KSE Meezan Index (KMI 30) which declined by 3%.

MIF posted a total income of Rs. 844 million as compared to Rs. 1,559 million in the corresponding period last year. Total Income mainly comprised of dividend income and unrealized gain on investments of Rs. 648 million and Rs. 214 million respectively. Profits on saving accounts at banks amounted to Rs. 35 million. After deduction of expenses amounting to Rs. 428 million and addition of element of income and capital gains included in prices of units issued less those in units redeemed of Rs. 140 million, the fund posted a net profit of Rs. 556 million.

### **AI Meezan Mutual Fund**

The net assets of AI Meezan Mutual Fund (AMMF) as at December 31, 2015 were Rs. 4,260 million as compared to Rs. 4,007 million at end of June 2015. For the period under review, AUMs grew by 6.31%. The net asset value per unit as at December 31, 2015 was Rs. 16.33 as compared to Rs. 16.28 per unit on June 30, 2015, providing a return of 0.3% during the period to its investors as compared to benchmark KSE Meezan Index (KMI 30) which declined by 3%.

AMMF posted a total income of Rs. 102 million as compared to Rs. 211 million in the corresponding period last year. Total Income mainly comprised of dividend income and net realized gain on investments of Rs. 98 million and Rs. 12 million respectively. Profits on saving accounts at banks amounted to Rs. 4.8 million. After deduction of expenses amounting to Rs. 65.5 million and addition of element of income and capital gains included in prices of units issued less those in units redeemed of Rs. 2.6 million, the fund posted a net profit of Rs. 39.5 million.

### **KSE Meezan Index Fund**

The net assets of KSE Meezan Index Fund (KMIF) as at December 31, 2015 were Rs. 880 million as compared to Rs. 1,159 million at June 30, 2015. The net asset value per unit at December 31, 2015 was Rs. 68.81 as compared to Rs. 71.70 (Ex-Dividend) per unit on June 30, 2015 providing a negative return of 4% during the period as compared to a 3% decline in the benchmark KSE Meezan Index (KMI 30).

KMIF, being a passive fund tracked the performance of KSE-Meezan Index-30 (KMI-30). Due to waning stock market during the period under review, KMIF, before accounting for expenses and element of loss and capital losses included in prices of units issued less those in units redeemed, posted a loss of Rs. 21 million as compared to an income of Rs. 70 million in the corresponding period last year. The loss mainly originated from the unrealized loss on investments of Rs. 48 million. This loss was partially recovered by the dividend income of Rs. 29.3 million. After deduction of expenses amounting to Rs. 10 million and element of loss and capital losses included in prices of units issued less those in units redeemed of Rs. 6 million, the fund posted a net loss of Rs. 36.9 million.

### **Meezan Islamic Income Fund**

The net assets of Meezan Islamic Income Fund (MIIF) as at December 31, 2015 were Rs. 9,936 million as compared to Rs. 4,263 million at June 30, 2015 showing an impressive growth of 133% during the period. The net asset value per unit as at December 31, 2015 was Rs. 52.64 as compared to Rs. 50.85 (Ex-Dividend) per unit on June 30, 2015 providing an annualized return of 6.97% as compared to the benchmark return of 3.74%. As at December 31, 2015, the fund was invested 18% in Islamic Corporate Sukuks, 20% in GoP Ijarah Sukuks while 18% was placed in Term Deposit Receipts and 41% of the net assets were placed with Islamic Banks or windows of Islamic banks.

MIIF posted a total income of Rs. 351 million as compared to Rs. 324 million in the corresponding period last year. Total Income mainly comprised of Profits on saving accounts at banks and profits on Sukuks certificates of Rs. 128 million and Rs. 87.6 million respectively. Unrealized gain on investments amounted to Rs. 62 million. After deduction of expenses amounting to Rs. 84 million and addition of element of income and capital gains included in prices of units issued less those in units redeemed of Rs. 70 million, the fund posted a net profit of Rs. 337.5 million.

#### **Meezan Sovereign Fund**

The net assets of Meezan Sovereign Fund (MSF) as at December 31, 2015 were Rs. 10,517 million as compared to Rs. 8,657 million at June 30, 2015. For the period under review, AUMs of MSF grew by 19.24%. The net asset value per unit at December 31, 2015 was Rs. 51.98 as compared to Rs. 50.47 (Ex-Dividend) per unit on June 30, 2015, providing an annualized return of 5.95% to the investors as compared to the benchmark return of 4.69%. As at December 31, 2015, the fund was invested 83% in GoP Ijarah Sukuks, while 16% of its net assets were placed with Islamic Banks or windows of Islamic banks.

MSF posted a total income of Rs. 331.9 million as compared to Rs. 546.3 million in the corresponding period last year. Total Income mainly comprised of Profits on Sukuks Certificates and unrealized gain on investments of Rs. 201.8 million and Rs. 84.1 million respectively. Profit on saving accounts with banks amounted to Rs. 87.2 million. After deduction of expenses amounting to Rs. 64.2 million and addition of element of income and capital gains included in prices of units issued less those in units redeemed of Rs. 46.1 million, the fund posted a net profit of Rs. 314 million.

#### **Meezan Cash Fund**

The net assets of Meezan Cash Fund (MCF) at December 31, 2015 were Rs. 3,292 million as compared to Rs. 7,618 million at June 30, 2015. The net asset value per unit at December 31, 2015 was Rs. 51.26 as compared to Rs. 50.10 on June 30, 2015 providing an annualized return of 4.61% as compared to the benchmark return of 4.69%. As at December 31, 2015, 20% of the fund was placed in Term Deposit Receipts and commercial paper and 76% of the net assets were placed with Islamic Banks or windows of Islamic banks.

MCF posted a total income of Rs. 191 million as compared to Rs. 172 million in the corresponding period last year. Total Income mainly comprised of Profits on Sukuks Certificates, Profit on saving accounts and profit on term deposit certificates of Rs. 17 million, Rs. 161 million and Rs. 16 million respectively. After deduction of expenses amounting to Rs. 48 million and element of loss and capital losses included in prices of units issued less those in units redeemed of Rs. 68 million, the fund posted a net profit of Rs. 75 million.

#### **Meezan Balanced Fund**

The net assets of Meezan Balanced Fund (MBF) as at December 31, 2015 were Rs. 4,523 million as compared to Rs. 3,383 million at June 30, 2015, depicting a rise of 34%. The net asset value per unit as at December 31, 2015 was Rs. 14.90 as compared to Rs. 14.67 per unit on June 30, 2015 providing a modest return of 2% to its investors as compared to benchmark return which declined by 1%.

MBF posted a total income of Rs. 103 million as compared to Rs. 177 million in the corresponding period last year. Total Income mainly comprised of dividend income, Profits on saving accounts at banks and profit on Sukuks Certificate of Rs. 61 million, Rs. 29 million and Rs. 30 million respectively. After deduction of expenses amounting to Rs. 66 million and addition of element of income and capital gains included in prices of units issued less those in units redeemed of Rs. 24 million, the fund posted a net profit of Rs. 61 million.

### **Meezan Financial Planning Fund of Funds**

The net assets of all plans under Meezan Financial Planning Fund of Funds (MFPF) were Rs. 7,462 million as of December 31, 2015 as compared to Rs. 5,585 million as at June 30, 2015. Details of individual plans are given below.

#### ***Aggressive Allocation Plan***

The net assets of the plan were Rs. 392 million as at December 31, 2015 as compared to Rs. 356 million at June 30, 2015. The plan provided a return of 1.8% during the period compared to a negative benchmark return of 1.1%.

Aggressive Allocation Plan posted a total income of Rs. 7.6 million as compared to Rs. 23.7 million in the corresponding period last year. Total Income mainly comprised of dividend income of Rs. 15.5 million and realized/unrealized losses on investments of Rs. 7.9 million. After deduction of expenses amounting to Rs. 0.43 million and element of loss and capital losses included in prices of units issued less those in units redeemed of Rs. 0.12 million, the plan posted a net profit of Rs. 7 million.

#### ***Moderate Allocation Plan***

The net assets of the plan were Rs. 310 million at December 31, 2015 as compared to Rs. 320 million at June 30, 2015. The plan provided a modest return of 2.9% during the period compared to the benchmark return of -0.3%.

Moderate Allocation Plan posted a total income of Rs. 9 million as compared to Rs. 16 million in the corresponding period last year. Total Income mainly comprised of dividend income of Rs. 19 million and realized/unrealized losses on investments of Rs. 9.8 million. After deduction of expenses amounting to Rs. 0.47 million and element of loss and capital losses included in prices of units issued less those in units redeemed, the plan posted a net profit of Rs. 8.6 million.

#### ***Conservative Allocation Plan***

The net assets of the plan as at December 31, 2015 were unchanged at Rs. 237 million. The plan provided a return of 3.4% during the period compared to a benchmark return of 1.3%.

Conservative Allocation Plan posted a total income of Rs. 8 million as compared to Rs. 18 million in the corresponding period last year. Total Income mainly comprised of dividend income of Rs. 20 million and realized/unrealized losses on investments of Rs. 12 million. After deduction of expenses amounting to Rs. 0.49 million and element of loss and capital losses included in prices of units issued less those in units redeemed of Rs. 0.14 million, the plan posted a net profit of Rs. 7.8 million.

#### ***Meezan Capital Preservation Plan-I (MCPP-I)***

The net assets of the plan as at December 31, 2015 were Rs. 1,549 million as compared to Rs. 1,590 million at June 30, 2015. The plan provided return of 2.2% during the period compared to a benchmark return of -1%.

MCPP-I posted a total income of Rs. 36 million as compared to Rs. 65 million in the corresponding period last year. Total Income mainly comprised of dividend income of Rs. 61 million and realized/unrealized losses on investments of Rs. 29 million. After deduction of expenses amounting to Rs. 1.8 million and element of loss and capital losses included in prices of units issued less those in units redeemed of Rs. 1.3 million, the plan posted a net profit of Rs. 33 million.

#### ***Meezan Capital Preservation Plan-II (MCPP-II)***

The net assets of the plan as at December 31, 2015 were Rs. 3,087 million as compared to Rs. 3,082 million at June 30, 2015. The plan provided a return of 1.5% during the period compared to a benchmark return of 0.2%.



MCPPII posted a total income of Rs. 50 million. Total Income mainly comprised of dividend income of Rs. 86 million, unrealized gains of Rs. 9.8 million and realized losses on investments of Rs. 48 million. After deduction of expenses amounting to Rs. 3 million and element of loss and capital losses included in prices of units issued less those in units redeemed of Rs. 0.46 million, the plan posted a net profit of Rs. 46.6 million.

**Meezan Asset Allocation Plan-I (MAAP-I)**

This plan was launched in July 2015 and its net assets clocked in at Rs. 1,200 million at December 31, 2015. The plan provided a negative return of 0.9% during the period compared to a benchmark return of -1.2%.

MAAP-I posted a loss of Rs. 2.8 million during the period under review. The loss was mainly derived by unrealized loss on investments of Rs. 8.6 million due to stock market decline since the launch of this plan. After deduction of expenses amounting to Rs. 0.92 million and element of loss and capital losses included in prices of units issued less those in units redeemed of Rs. 7.8 million, the plan posted a net loss of Rs. 11.5 million.

**Meezan Asset Allocation Plan-II (MAAP-II)**

This plan was launched on November 24, 2015 and its net assets clocked in at Rs. 686 million at December 31, 2015. The plan provided a return of 0.7% during the period compared to a benchmark return of 0.1%.

MAAP-II posted a total income of Rs. 1.1 million during the period under review. The income was mainly derived by realized and unrealized gain on investments of Rs. 0.54 million and 0.52 million respectively. After deduction of expenses amounting to Rs. 0.06 million and addition of element of income and capital gains included in prices of units issued less those in units redeemed of Rs. 3.5 million, the plan posted a net profit of Rs. 4.6 million.

**Meezan Capital Preservation Fund-II (MCPF-II)**

The net assets of the Fund as at December 31, 2015 were Rs. 2,229 million as compared to Rs. 2,236 million at June 30, 2015. The fund provided a positive return of 1.6% during the period compared to a negative benchmark return of 0.5%.

MCPF-II posted a total income of Rs. 40.3 million as compared to Rs. 139 million in the same period last year. The income mainly comprised of dividend income of Rs. 79 million and realized losses on investments of Rs. 45 million. After deduction of expenses amounting to Rs. 3.7 million and element of loss and capital losses included in prices of units issued less those in units redeemed of Rs. 0.58 million, the fund posted a net profit of Rs. 36 million.

**Meezan Capital Preservation Fund-III (MCPF-III)**

The net assets of the Fund as at December 31, 2015 remained stable at Rs. 3,380 million. The fund provided a positive return of 1.2% during the quarter compared to a benchmark return of -1.4%.

MCPF-III posted a total income of Rs. 47 million as compared to Rs. 217 million in the same period last year. The income mainly comprised of dividend income of Rs. 122 million and realized losses on investments of Rs. 70 million. After deduction of expenses amounting to Rs. 4.7 million and element of loss and capital losses included in prices of units issued less those in units redeemed of Rs. 1 million, the fund posted a net profit of Rs. 41 million.

**Meezan Gold Fund (MGF)**

The fund was launched in August 2015 and its net assets clocked in at Rs. 119 million at December 31, 2015. During the period under review, MGF has provided a negative return of 5.2% as compared to a positive benchmark return of -0.4%.

MGF posted a total loss of Rs. 4.5 million during the period under review. The loss was mainly derived by unrealized loss on gold investment due to decline in international gold prices. After deduction of expenses amounting to Rs. 1.4 million and element of loss and capital losses included in prices of units issued less those in units redeemed of Rs. 0.7 million, the fund posted a net loss of Rs. 6.6 million.

#### **Meezan Tahaffuz Pension Fund (MTPF)**

MTPF comprises of three sub funds namely Equity sub fund, Debt sub fund and Money Market sub fund. Total net assets of the fund were Rs. 5,091 million at December 31, 2015 as compared to Rs. 4,449 million at June 30, 2015, depicting a growth of 14.4%.

For the period ended December 31, 2015, the equity sub-fund provided a positive return of 5.29%, while the debt and money market sub-funds provided annualized returns of 4.53% and 4.49% respectively. Performance review for each sub fund is given as under:

#### **Equity Sub Fund**

The net assets of this sub fund stood at Rs. 3,179 million at December 31, 2015 as compared to Rs. 2,740 million at June 30, 2015 showing a growth of 16% during the period. The net asset value per unit increased from Rs. 416.67 to Rs. 438.71 during the period. For the period under review, the equity sub fund earned a total income of Rs. 192 million as compared to total income of Rs. 257 million in corresponding period last year.

#### **Debt Sub Fund**

The net assets of this sub fund stood at Rs. 1,549 million at December 31, 2015 as compared to Rs. 1,399 million at June 30, 2015 showing a growth of 11% during the period. The net asset value increased from Rs. 195.69 to Rs. 200.16. For the period under review, the debt sub fund earned a total income of Rs. 50 million as compared to Rs. 41 million in corresponding period last year.

#### **Money Market Sub Fund**

The net assets of this sub fund stood at Rs. 363 million at December 30, 2015 as compared to Rs. 338 million at June 30, 2015 showing a growth of 7% during the period. The net asset value increased from Rs. 195.36 to Rs. 199.78. For the period under review, the debt sub fund earned a total income of Rs. 11.9 million as compared to Rs.12 million in corresponding period last year.

#### **Outlook**

After more than five years of subdued investment activity on industrial side, the cycle seems to be picking up with the initiation of large scale energy and infrastructure projects. With FDI up 2.2% YoY, going forward, Pakistan's macro-economic fundamentals are expected to continue improving on the back of development under the China Pakistan Economic Corridor (CPEC), better law and order situation, improved governance mainly due to the reforms implemented under the IMF program and oil price decline impacting the country's current account positively. The forex reserves are also stable while inflation is expected to stay low thereby allowing the SBP to maintain low interest rates in order to further stimulate economic activity.

With a strong corporate result season expected ahead, the market is expected to gain momentum once again post the regulatory concerns between the SECP and the brokers are sorted out and foreign selling dries out. The government is also expected to stay firm on its privatization initiatives which are also a requirement under the IMF program; these privatizations are also expected to bring in fresh investment in the stock market. Development under the China Pakistan Economic Corridor (CPEC) is expected to be a game changer for Pakistan's economy and hence, it will also be a major trigger going forward in improving investors' sentiments and driving the stock market to new peaks.

**Acknowledgement**

We take this opportunity to thank our valued investors for reposing their faith in Al 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: February 25, 2016**

**Mohammad Shoaib, CFA**  
Chief Executive Officer





**HALF YEARLY REPORT**  
DECEMBER 31, 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

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN ISLAMIC FUND**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Islamic Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 22, 2016





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

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## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Islamic Fund** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*


Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in this condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
<b>Assets</b>			
Balances with banks		1,251,635	1,436,341
Investments	5	26,710,763	26,982,856
Receivable on conversion of units		-	462,040
Receivable against investments (net)		122,000	268,775
Dividend receivable		50,858	67,461
Deposits, prepayments and other receivables		12,436	26,256
<b>Total assets</b>		<b>28,147,692</b>	<b>29,243,729</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		260,015	205,037
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		2,704	2,409
Payable to Meezan Bank Limited (MBL)		122	1,109
Payable to Securities and Exchange Commission of Pakistan (SECP)		13,246	21,037
Payable on redemption and conversion of units		52,236	1,400,139
Accrued expenses and other liabilities	9	209,938	211,281
<b>Total liabilities</b>		<b>538,261</b>	<b>1,841,012</b>
<b>Net assets</b>		<b>27,609,431</b>	<b>27,402,717</b>
Contingencies and commitments	7		
<b>Unitholders' funds (as per statement attached)</b>		<b>27,609,431</b>	<b>27,402,717</b>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>460,535,838</b>	<b>448,391,488</b>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<b>59.95</b>	<b>61.11</b>

The annexed notes 1 to 13 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
(Rupees in '000)					
<b>Income</b>					
Net realised loss on sale of investments		(6,316)	(73,403)	(101,000)	(64,481)
Dividend income		647,766	495,830	226,626	211,532
Profit on saving accounts with banks		35,035	51,657	17,931	24,017
Other income		-	18,500	-	9,102
		<b>676,485</b>	<b>492,584</b>	<b>143,557</b>	<b>180,170</b>
Unrealised gain on re-measurement of investments - 'at fair value through profit or loss' (net)	5.1.1 & 5.1.5	213,883	1,130,727	1,253,179	1,047,690
Impairment loss on 'available for sale' investments	5.2.1	(46,273)	(63,864)	(46,273)	(63,864)
		<b>167,610</b>	<b>1,066,863</b>	<b>1,206,906</b>	<b>983,826</b>
<b>Total income</b>		<b>844,095</b>	<b>1,559,447</b>	<b>1,350,463</b>	<b>1,163,996</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		278,857	186,061	136,419	99,465
Sindh Sales Tax and Federal Excise Duty on Management Fee	6.1 & 6.2	89,903	62,145	43,981	33,222
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		14,446	9,807	7,073	5,225
Sindh Sales Tax on Trustee Fee	6.3	2,023	-	990	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		13,246	8,838	6,480	4,725
Auditors' remuneration		382	362	166	191
Charity expense		10,617	9,167	6,748	5,425
Fees and subscription		255	20	192	10
Legal and professional charges		165	106	32	53
Brokerage		12,441	11,190	5,312	6,645
Bank and settlement charges		3,389	3,428	1,502	1,824
Provision for Workers' Welfare Fund (WWF)	9	-	26,979	-	21,610
Printing charges		1,407	51	1,357	1
Allocated Expenses	8	1,187	-	1,187	-
<b>Total expenses</b>		<b>428,318</b>	<b>318,154</b>	<b>211,439</b>	<b>178,396</b>
<b>Net income from operating activities</b>		<b>415,777</b>	<b>1,241,293</b>	<b>1,139,024</b>	<b>985,600</b>
Element of income and capital gains included in prices of units issued less those in units redeemed (net)		139,992	80,674	29,998	73,301
<b>Net income for the period before taxation</b>		<b>555,769</b>	<b>1,321,967</b>	<b>1,169,022</b>	<b>1,058,901</b>
<b>Taxation</b>	11	-	-	-	-
<b>Net income for the period after taxation</b>		<b>555,769</b>	<b>1,321,967</b>	<b>1,169,022</b>	<b>1,058,901</b>
<b>Other comprehensive income for the period</b>					
<b>Items that can be reclassified to income statement in subsequent periods</b>					
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale' (net)	5.2.2	(105,655)	544,848	275,790	372,015
<b>Total comprehensive income for the period</b>		<b>450,114</b>	<b>1,866,815</b>	<b>1,444,812</b>	<b>1,430,916</b>

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,	
		2015 (Rupees in '000)	2014
Undistributed income brought forward			
- Realised		<b>2,421,038</b>	89,236
- Unrealised		<b>2,863,676</b>	1,085,071
		<b>5,284,714</b>	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)		<b>(986,461)</b>	-
Net income for the period		<b>555,769</b>	1,321,967
Element of income and capital gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments (net)		<b>27,636</b>	34,979
Undistributed income carried forward		<b>4,881,658</b>	2,531,253
Undistributed income carried forward			
- Realised		<b>4,667,775</b>	1,400,526
- Unrealised	5.1.1 & 5.1.5	<b>213,883</b>	1,130,727
		<b>4,881,658</b>	2,531,253

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
Net assets at beginning of the period	<b>27,402,717</b>	16,621,765
Issue of 139,519,861 units (December 31, 2014: 149,746,982 units)	<b>8,570,887</b>	7,447,506
Issue of 14,887,823 units for re-investment of cash dividend (December 31, 2014: nil)	<b>877,042</b>	-
Redemption of 142,263,334 units (December 31, 2014: 97,251,359 units)	<b>(8,564,876)</b>	(4,694,378)
	<b>883,053</b>	2,753,128
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	<b>(139,992)</b>	(80,674)
Net realised loss on sale of investments	<b>(6,316)</b>	(73,403)
Unrealised appreciation in the value of investments (net)	<b>61,955</b>	1,611,711
Net other income for the period	<b>394,475</b>	328,507
Total comprehensive income for the period	<b>450,114</b>	1,866,815
Final distribution for the year ended June 30, 2015 - cash dividend: @ 4.40% i.e. Rs. 2.20 per unit (June 30, 2014: nil)	<b>(986,461)</b>	-
Net (loss) / income for the period less distribution	<b>(536,347)</b>	1,866,815
Net assets at end of the period	<b>27,609,431</b>	21,161,034
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the period	<b>61.11</b>	50.24
Net assets value per unit at end of the period	<b>59.95</b>	55.20

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31,	
	2015 (Rupees in '000)	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	555,769	1,321,967
<b>Adjustments for:</b>		
Unrealised gain on re-measurement of investments - 'at fair value through profit or loss' (net)	(213,883)	(1,130,727)
Impairment loss on 'available for sale' investments	46,273	63,864
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(139,992)	(80,674)
	248,167	174,430
<b>Decrease / (increase) in assets</b>		
Investments (net)	334,048	(2,899,741)
Receivable against investments (net)	146,775	(89,693)
Dividend receivable	16,603	(551)
Deposits, prepayments and other receivables	13,820	3,832
	511,246	(2,986,153)
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	54,978	52,486
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	295	438
Payable to Meezan Bank Limited (MBL)	(987)	(2,804)
Payable to Securities and Exchange Commission of Pakistan (SECP)	(7,791)	(2,725)
Payable against investments (net)	-	(178,972)
Accrued expenses and other liabilities	(1,343)	34,950
	45,152	(96,627)
<b>Net cash generated from / (used in) operating activities</b>	<b>804,565</b>	<b>(2,908,350)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	9,909,969	7,447,506
Dividend paid	(986,461)	-
Payment against redemption and conversion of units	(9,912,779)	(4,678,690)
<b>Net cash (used in) / generated from financing activities</b>	<b>(989,271)</b>	<b>2,768,816</b>
Net decrease in cash and cash equivalents during the period	(184,706)	(139,534)
Cash and cash equivalents at beginning of the period	1,436,341	1,698,950
<b>Cash and cash equivalents at end of the period</b>	<b>1,251,635</b>	<b>1,559,416</b>

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 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 Pakistan Stock Exchange (formerly 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 are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and 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, 2003, and the NBFC Regulations, 2008, and directives issued by SECP. In case where requirements differ, the provisions and directives issued under the Companies Ordinance, 1984, the NBFC Rules, 2003, and the NBFC Regulations, 2008, and directives issued by 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 annual financial statements of the Fund for the year ended June 30, 2015.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interest in Other Entities* and IFRS 13 *Fair Value Measurement* became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 *Fair Value Measurement* are disclosed in notes 4.1 and 12 to the condensed interim financial information.

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

#### 4.1 Change in accounting policy - fair value measurement

IFRS 13 *Fair Value Measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 *Financial Instruments: Disclosures*. As a result, the Fund has included additional disclosures in this regard in note 12 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
<b>5. INVESTMENTS</b>			
Investments - 'at fair value through profit or loss'	5.1	<b>22,966,113</b>	22,973,934
Investments - 'available for sale'	5.2	<b>3,744,650</b>	4,008,922
		<b>26,710,763</b>	26,982,856
<b>5.1 Investments - 'at fair value through profit or loss'</b>			
Held for trading	5.1.1	<b>22,707,398</b>	22,570,106
Fair value through profit or loss upon initial recognition	5.1.4	<b>258,715</b>	403,828
		<b>22,966,113</b>	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 period	Bonus / Rights issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain / (loss)	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)			
									%			
<b>Sector / Companies</b>												
<b>Automobile assembler</b>												
Honda Atlas Cars Pakistan Limited	3,270,000	50,000	-	198,700	3,121,300	683,595	745,803	62,208	2.70	0.03	2.19	
Indus Motor Company Limited	775,394	72,980	-	-	848,374	1,058,740	858,283	(200,457)	3.11	0.03	1.08	
Millat Tractors Limited	141,200	-	-	-	141,200	96,838	78,051	(18,787)	0.28	0.00	0.32	
Pakistan Suzuki Motor Company Limited	591,822	-	-	-	591,822	257,981	293,129	35,148	1.06	0.01	0.72	
									<b>7.15</b>	<b>0.07</b>	<b>4.31</b>	
<b>Automobile parts and accessories</b>												
Agriauto Industries Limited (note 5.1.2)	341,700	-	-	-	341,700	63,539	70,732	7,193	0.26	0.00	1.19	
Thal Limited (note 5.1.2)	196,707	280,600	-	-	477,307	128,780	120,916	(7,864)	0.44	0.00	0.59	
									<b>0.70</b>	<b>0.00</b>	<b>1.78</b>	
<b>Chemicals</b>												
ICI Pakistan Limited	855,200	6,400	-	50,000	811,600	348,494	392,831	44,337	1.42	0.01	0.88	
Ghani Gases Limited	-	750,000	-	-	750,000	21,148	19,830	(1,318)	0.07	0.00	1.01	
Sitara Chemicals Industries Limited	500	5,000	-	-	5,500	1,893	1,980	87	0.01	0.00	0.03	
									<b>1.50</b>	<b>0.01</b>	<b>1.92</b>	
<b>Cement</b>												
Attock Cement Pakistan Limited	884,237	-	-	25,000	859,237	163,771	144,137	(19,634)	0.52	0.01	0.75	
Cherat Cement Company Limited	4,289,612	1,686,500	-	-	5,976,112	528,671	538,926	10,255	1.95	0.02	3.38	
D.G.Khan Cement Company Limited	31,722	1,000,000	-	23,000	1,008,722	142,024	148,877	6,853	0.54	0.01	0.23	
Fauji Cement Company Limited	34,740,500	400,000	-	1,546,000	33,594,500	1,171,435	1,236,949	65,514	4.48	0.05	2.52	
Kohat Cement Company Limited	2,872,900	303,200	-	60,000	3,116,100	629,262	750,606	121,344	2.72	0.03	2.02	
Lucky Cement Limited	4,648,379	50,000	-	500,000	4,198,379	2,181,813	2,078,366	(103,447)	7.53	0.08	1.30	
Maple Leaf Cement Company Limited	8,440,000	50,000	-	4,725,000	3,765,000	295,302	280,794	(14,508)	1.02	0.01	0.71	
Pioneer Cement Limited	6,714,000	1,026,500	-	-	7,740,500	661,762	703,302	41,540	2.55	0.03	3.41	
									<b>21.31</b>	<b>0.24</b>	<b>14.32</b>	
<b>Paper and Board</b>												
Packages Limited	1,860,579	825,000	-	34,050	2,651,529	1,559,403	1,543,482	(15,921)	5.59	0.06	3.00	
<b>Technology and communication</b>												
Pakistan Telecommunication Company Limited "A"	15,314,037	-	-	12,000,000	3,314,037	67,938	54,648	(13,290)	0.20	0.00	0.09	
<b>Refinery</b>												
Attock Refinery Limited	-	420,400	-	400,000	20,400	4,319	4,322	3	0.02	0.00	0.02	
National Refinery Limited	2,905	-	-	-	2,905	674	648	(26)	0.00	0.00	0.00	
									<b>0.02</b>	<b>0.00</b>	<b>0.02</b>	
<b>Miscellaneous</b>												
Shifa International Hospitals Limited	384,300	195,500	-	-	579,800	160,409	177,999	17,590	0.64	0.01	1.15	
<b>Commercial Banks</b>												
Meezan Bank Limited (an associate of the Fund)	10,280,000	-	-	2,514,919	7,765,081	318,368	355,252	36,884	1.29	0.01	0.77	



Name of the investee company	As at July 01, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain / (loss)	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) -----			----- % -----		
<b>Oil and gas Marketing Companies</b>											
Attock Petroleum Limited	377,579	-	-	-	377,579	214,170	190,723	(23,447)	0.69	0.01	0.44
Hascol Petroleum Limited	1,751,640	23,900	305,108	470,000	1,610,648	154,024	232,336	78,312	0.84	0.01	1.33
Pakistan State Oil Company Limited	3,314,123	155,000	-	200,000	3,269,123	1,252,724	1,064,982	(187,742)	3.86	0.04	1.20
Shell Pakistan Limited	52,500	-	-	-	52,500	13,280	11,983	(1,297)	0.04	0.00	0.05
Sui Northern Gas Pipelines Limited	5,992,000	5,390,000	-	11,373,000	9,000	288	216	(72)	0.00	0.00	0.00
									<b>5.43</b>	<b>0.06</b>	<b>3.02</b>
<b>Oil and gas Exploration Companies</b>											
Pakistan Oilfields Limited	1,639,797	100,000	-	154,900	1,584,897	632,827	424,784	(208,043)	1.54	0.02	0.67
Pakistan Petroleum Limited	93,450	2,775,600	-	90,000	2,779,050	335,436	338,516	3,080	1.23	0.01	0.14
Mari Petroleum Company Limited	1,771,330	95,300	-	157,600	1,709,030	803,153	1,191,433	388,280	4.32	0.04	1.55
									<b>7.09</b>	<b>0.07</b>	<b>2.36</b>
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	478,250	303,100	-	-	781,350	515,089	496,157	(18,932)	1.80	0.02	0.80
Ferozsons Laboratories Limited	387,150	80,000	-	140,000	327,150	225,136	362,122	136,986	1.31	0.01	1.08
Glaxo Smithkline Pakistan Limited	3,520	-	-	-	3,520	688	774	86	0.00	0.00	0.00
Highnoon Laboratories Limited	-	162,200	-	-	162,200	53,598	93,654	40,056	0.34	0.00	0.80
The Searle Company Limited	1,252,800	482,800	433,080	236,000	1,932,680	535,585	764,819	229,234	2.77	0.03	1.88
									<b>6.22</b>	<b>0.06</b>	<b>4.56</b>
<b>Power Generation and Distribution</b>											
The Hub Power Company Limited	10,346,716	1,689,000	-	484,000	11,551,716	1,094,216	1,185,210	90,994	4.29	0.04	1.00
K - Electric Limited (note 5.1.2)	39,811,000	51,952,500	-	-	91,763,500	744,302	682,720	(61,582)	2.47	0.03	0.33
Kohinoor Energy Limited	1,189,500	-	-	-	1,189,500	60,070	51,149	(8,921)	0.19	0.00	0.70
Lalpur Power Limited	8,059,500	988,000	-	-	9,047,500	276,253	269,073	(7,180)	0.97	0.01	2.38
Pakgen Power Limited	1,475,000	439,000	-	200,000	1,714,000	51,236	50,443	(793)	0.18	0.00	0.46
									<b>8.10</b>	<b>0.08</b>	<b>4.87</b>
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	12,415,000	2,569,000	-	9,837,500	5,146,500	416,815	321,862	(94,953)	1.17	0.01	1.29
<b>Fertilizer</b>											
Dawood Hercules	-	2,596,800	-	-	2,596,800	309,942	309,383	(559)	1.12	0.01	0.54
Engro Corporation Limited (note 5.1.3)	8,463,100	386,700	-	1,861,200	6,988,600	2,080,498	1,952,545	(127,953)	7.07	0.07	1.33
Engro Fertilizer	7,778,000	2,487,000	-	6,435,500	3,829,500	345,537	322,176	(23,361)	1.17	0.01	0.29
Fatima Fertilizer Company Limited	5,574,000	3,350,000	-	1,050,000	7,874,000	332,549	352,204	19,655	1.28	0.01	0.37
Fauji Fertilizer Bin Qasim Limited	9,749	-	-	9,749	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	2,559	150,000	-	150,000	2,559	308	302	(6)	0.00	0.00	0.00
									<b>10.64</b>	<b>0.10</b>	<b>2.53</b>
<b>Engineering</b>											
Crescent Steel & Allied Products Limited	-	1,257,500	50,000	50,000	1,257,500	144,756	156,395	11,639	0.57	0.01	2.02
K.S.B. Pumps	45,400	39,500	-	-	84,900	15,093	21,689	6,596	0.08	0.00	0.64
									<b>0.65</b>	<b>0.01</b>	<b>2.66</b>
<b>Food and Personal Care Products</b>											
Al-Shaheer Corporation Limited	-	2,198,000	667,275	-	2,865,275	205,970	178,163	(27,807)	0.65	0.01	2.32
Engro Foods Limited	5,150,621	1,277,800	-	522,800	5,905,621	903,408	865,705	(37,703)	3.14	0.03	0.77
									<b>3.79</b>	<b>0.04</b>	<b>3.09</b>
<b>Textile Composite</b>											
Nishat Mills Limited	7,828,100	12,500	-	5,586,500	2,254,100	257,239	213,846	(43,393)	0.77	0.01	0.64
<b>Rights Shares</b>											
Shifa International Hospitals	-	-	46,188	-	46,188	-	2,171	2,171	0.01	0.00	0.09
<b>Total</b>						<b>22,520,349</b>	<b>22,707,398</b>	<b>187,049</b>			
<b>Total cost of investments</b>							<b>19,360,564</b>				

**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 279.39 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 Fair value through profit or loss upon initial recognition

	Note	(Unaudited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
Ordinary Shares	5.1.5	285,715	231,881
Preference Shares	5.1.6	-	171,947
		<u>258,715</u>	<u>403,828</u>

Name of the investee company	As at July 01, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain / (loss)	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)			(% )		
<b>Sector / Companies</b>											
<b>Commercial Banks</b>											
Meezan Bank Limited (an associate of the Fund)	5,650,206	-	-	-	5,650,206	231,659	258,497	26,838	0.94	0.97	0.56
<b>Paper and Board</b>											
Packages Limited	374	-	-	-	374	222	218	(4)	0.00	0.00	0.00
<b>Total</b>						<u>231,881</u>	<u>258,715</u>	<u>26,834</u>			
<b>Total cost of investments</b>							<u>57,329</u>				

#### 5.1.6 Preference Shares - Unlisted

Name of Security	Note	(Unaudited) December 31, 2015 Carrying Value (Rupees in '000)	(Audited) June 30, 2015
Mari Petroleum Company Limited - at cost	5.1.6.1	-	171,947

**5.1.6.1** In accordance with the notice of redemption of preference shares issued by Mari Petroleum Company Limited (MPCL) dated September 23, 2015, all preference shares were surrendered by the Fund to MPCL on September 30, 2015. These preference shares were redeemed on October 06, 2015 and the Fund received dividend for the period from June 19, 2015 to September 11, 2015, which were duly recognized as charity in the interim financial information.

## 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 period	Bonus / Rights issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Impairment	Market value as at December 31, 2015	Unrealised gain / (loss)	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) -----			----- (%) -----			
<b>Sector / Companies</b>												
<b>Automobile and parts</b>												
Indus Motor Company Limited	53,068	-	-	-	53,068	12,165	-	53,688	41,523	0.19	0.20	0.07
Pakistan Suzuki Motor Company Limited	24,105	-	-	-	24,105	1,759	-	11,939	10,180	0.04	0.04	0.03
										<b>0.23</b>	<b>0.24</b>	<b>0.10</b>
<b>Commercial Banks</b>												
Meezan Bank Limited (an associate of the Fund)	124,880	-	-	-	124,880	1,552	-	5,713	4,161	0.02	0.02	0.01
BankIslami Pakistan Limited	875	-	-	-	875	5	-	10	5	0.00	0.00	0.00
										<b>0.02</b>	<b>0.02</b>	<b>0.01</b>
<b>Chemicals</b>												
ICI Pakistan Limited	59,975	-	-	-	59,975	7,795	-	29,029	21,234	0.11	0.11	0.06
<b>Cement</b>												
D.G Khan Cement Company Limited	1,312,000	-	-	1,312,000	-	-	-	-	-	-	-	-
Lucky Cement Limited	179,000	-	-	-	179,000	68,002	-	88,612	20,610	0.32	0.33	0.06
										<b>0.32</b>	<b>0.33</b>	<b>0.06</b>
<b>Power Generation and Distribution</b>												
The Hub Power Company Limited	15,000,000	-	-	-	15,000,000	949,610	-	1,539,000	589,390	5.57	5.76	1.30
<b>Paper and Board</b>												
Packages Limited	2,200,000	-	-	-	2,200,000	1,047,948	-	1,280,642	232,694	4.64	4.79	2.49
<b>Food and Personal Care Products</b>												
Engro Foods Limited	3,600	-	-	-	3,600	377	-	528	151	0.00	0.00	0.00
<b>Oil and gas Marketing Companies</b>												
Pakistan State Oil Company Limited	1,914,500	-	-	-	1,914,500	519,035	-	623,687	104,652	2.26	2.33	0.70
<b>Oil and gas Exploration Companies</b>												
Pakistan Oilfields Limited	415,600	-	-	-	415,600	157,662	(46,273)	111,389	-	0.40	0.42	0.18
Pakistan Petroleum Limited	-	-	-	-	-	-	-	-	-	0.40	0.42	0.18
										<b>0.40</b>	<b>0.42</b>	<b>0.18</b>
<b>Refinery</b>												
National Refinery Limited	151	-	-	-	151	28	-	34	6	0.00	0.00	0.00
<b>Textile Composite</b>												
Nishat Mills Limited	30,000	-	-	26,000	4,000	469	-	379	(90)	0.00	0.00	0.00
<b>Total</b>						<u>2,766,407</u>	<u>(46,273)</u>	<u>3,744,650</u>	<u>1,024,516</u>			
<b>Total cost of investments</b>								<u>2,766,407</u>				

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

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Market value of investment	3,744,650	4,008,922
Less: Cost of investments	<u>2,766,407</u>	<u>2,878,751</u>
	<b>978,243</b>	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
	<b>(151,928)</b>	765,465
Impairment loss on listed equity securities classified as 'available for sale' - transferred to income statement	<u>46,273</u>	63,864
	<b>(105,655)</b>	<u>829,329</u>

**5.2.3** During the period an impairment loss amounting to Rs. 46.273 million was recognized on Pakistan Oil fields Limited.

## **6. SINDH SALES TAX AND FEDERAL EXCISE DUTY ON MANAGEMENT FEE / TRUSTEE FEE**

**6.1** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 14 percent (June 30, 2015: 15 percent) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011, effective from July 01, 2011.

**6.2** 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 Honourable High Court 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 June 13, 2013, aggregating to Rs. 148.76 million had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by Rs. 0.32 per unit.

**6.3** In the current period, a notification (SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund recognised sales tax on trustee fee at the rate of 14 percent in the current period.

## **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, The Searle Company Limited and Al Shaheer Corporation 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 December 31, 2015.

## **8. ALLOCATED EXPENSES**

In the current period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non - Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

## **9. WORKERS' WELFARE FUND (WWF)**

The status of Workers' Welfare Fund (WWF) is the same as disclosed in the annual financial statements for the year ended June 30, 2015. 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. 184.61 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.40 per unit (0.67 percent). The unrecorded accumulated balance of WWF provision from the date of its application till December 31, 2012, in case if required to be paid, shall be borne by the Management Company. The mutual funds have been excluded from levy of WWF vide Finance Act, 2015, hence, effective from July 1, 2015, no provision of WWF has been made in the Fund. The matter regarding previous years would either need to be clarified by Regulatory bodies or Courts.

## **10. 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 and 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, 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 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, 2003, NBFC Regulations, 2008 and the Trust Deed respectively.

Details of transactions with connected persons and balances with them for the period ended December 31, 2015 and as of that date along with comparatives are as follows:

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	45,727	46,538
Sindh Sales Tax and Federal Excise Duty on management fee payable	180,038	127,055
Sales load payable	7,117	10,763
Sindh Sales Tax and Federal Excise Duty on sales load payable	25,941	20,676
Certificate charges payable	5	5
Allocated expenses payable	1,187	-
Investment of 9,753,772 units (June 30, 2015: 12,251,197 units)	584,739	748,671
<b>Meezan Bank Limited</b>		
Bank balance	343,987	451,327
Sales load payable	-	1,109
Shariah advisor fee payable	122	-
Investment in 13,540,167 shares (June 30, 2015: 16,055,086 shares)	619,462	658,259
Investment of 15,675,049 units (June 30, 2015: 15,675,049 units)	939,719	957,902
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	2,371	2,409
Sindh Sales Tax on trustee fee payable	333	-
Deposit	100	100
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investment of 256,594 units (June 30, 2015: 120,915 units)	15,383	7,389
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Investment of 4,605,802 units (June 30, 2015: 3,987,725 units)	276,118	243,690
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Investment of 2,510,871 units (June 30, 2015: 3,075,363 units)	150,527	187,935
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Investment of 989,493 units (June 30, 2015: 1,465,973 units)	59,320	89,586
<b>Meezan Financial Planning Fund of Funds - MCPP - I</b>		
Investment of 10,653,656 units (June 30, 2015: 20,807,623 units)	638,687	1,271,554
<b>Meezan Financial Planning Fund of Funds - MCPP - II</b>		
Investment of 14,045,430 units (June 30, 2015: 25,627,412 units)	842,023	1,566,091
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Investment of 16,088,828 units (June 30, 2015: nil)	964,525	-
<b>Meezan Financial Planning Fund of Funds - MAAP - II</b>		
Investment of 3,336,113 units (June 30, 2015: nil)	200,000	-
<b>Meezan Capital Preservation Fund-III</b>		
Investment of 25,606,529 units (June 30, 2015: 42,727,003 units)	1,535,111	2,611,047
<b>Meezan Capital Preservation Fund-II</b>		
Investment in 15,987,784 units (June 30, 2015: 24,168,267 units)	958,468	1,476,923
<b>Directors and executives of the Management Company</b>		
Investment of 4,951,834 units (June 30, 2015: 4,815,135 units)	296,862	294,253

**Six months period ended  
December 31,**

	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	<b>278,857</b>	186,061
Sindh Sales Tax and Federal Excise Duty on management fee	<b>89,903</b>	62,145
Allocated expenses	<b>1,187</b>	-
Units issued: 900,768 units (December 31, 2014: 5,013,793 units)	<b>56,953</b>	239,860
Units redeemed: 3,398,193 units (December 31, 2014: nil)	<b>205,000</b>	-
Cash dividend paid (December 31, 2014: nil)	<b>26,953</b>	-
<b>Meezan Bank Limited</b>		
Profit on saving accounts	<b>940</b>	6,196
Units redeemed: nil (December 31, 2014: 5,800,000 units)	-	318,791
Shares purchased: nil (December 31, 2014: 4,068,000 shares)	-	193,755
Shares disposed off: 2,514,919 (December 31, 2014: nil)	<b>117,744</b>	-
Dividend income	<b>25,191</b>	18,092
Shariah advisor fee	<b>122</b>	-
Cash dividend paid (December 31, 2014: nil)	<b>34,485</b>	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee	<b>14,446</b>	9,807
Sindh Sales Tax on Trustee Fee	<b>2,023</b>	-
CDS charges	<b>483</b>	461
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Units issued: 136,075 units (December 31, 2014: nil)	<b>8,165</b>	-
Cash dividend paid (December 31, 2014: nil)	<b>266</b>	-
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Units issued: 916,649 units (December 31, 2014: 805,215 units)	<b>54,711</b>	44,811
Units redeemed: 298,572 units (December 31, 2014: 1,033,863 units)	<b>17,792</b>	53,466
Transaction Cost Received	-	112
Cash dividend paid (December 31, 2014: nil)	<b>8,773</b>	-
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Units Issued: 432,300 units (December 31, 2014: 1,105,933 units)	<b>25,652</b>	58,980
Units Redeemed: 996,792 units (December 31, 2014: 572,099 units)	<b>60,822</b>	29,863
Transaction Cost Received	-	148
Cash dividend paid (December 31, 2014: nil)	<b>6,766</b>	-
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Units Issued: 356,116 units (December 31, 2014: 991,629 units)	<b>21,361</b>	51,056
Units Redeemed: 832,596 units (December 31, 2014: 698,989 units)	<b>51,347</b>	36,618
Transaction cost received	-	128
Cash dividend paid (December 31, 2014: nil)	<b>3,225</b>	-
<b>Meezan Financial Planning Fund of Funds - MCPP - I</b>		
Units Issued: 1,743,568 units (December 31, 2014: 18,617,950 units)	<b>103,777</b>	979,046
Units Redeemed: 11,897,535 units (December 31, 2014: nil)	<b>701,652</b>	-
Transaction cost received	-	2,454
Cash dividend paid (December 31, 2014: nil)	<b>45,777</b>	-

	Six months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>Meezan Financial Planning Fund of Funds - MCPP - II</b>		
Units Issued: 8,168,676 units (December 31, 2014: nil)	492,380	-
Units Redeemed: 19,750,658 units (December 31, 2014: nil)	1,143,688	-
Transaction cost received	-	-
Cash dividend paid (December 31, 2014: nil)	56,380	-
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Units issued: 16,088,828 units (December 31, 2014: nil)	975,500	-
<b>Meezan Financial Planning Fund of Funds - MAAP - II</b>		
Units issued: 3,336,113 units (December 31, 2014: nil)	200,000	-
<b>Meezan Capital Preservation Fund-III</b>		
Units issued: 1,647,259 units (December 31, 2014: 11,023,825 units)	97,099	558,001
Units redeemed: 18,767,733 units (December 31, 2014: 14,650,007 units)	1,089,050	718,700
Transaction cost received	-	1,398
Cash dividend paid (December 31, 2014: nil)	93,999	-
<b>Meezan Capital Preservation Fund-II</b>		
Units issued: 6,415,262 units (December 31, 2014: 241,184,196 units)	390,170	1,224,731
Units redeemed: 14,595,745 units (December 31, 2014: 6,872,228 units)	859,825	345,480
Transaction cost received	-	3,072
Cash dividend paid (December 31, 2014: nil)	53,170	-
<b>Directors and executives of the Management Company</b>		
Units issued: 281,928 units (December 31, 2014: 1,230,135 units)	16,360	68,383
Units redeemed: 145,229 units (December 31, 2014: 98,563 units)	8,320	5,078
Cash dividend paid (December 31, 2014: nil)	10,593	-

## 11. 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 account. 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 period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unitholders.



## 12. FINANCIAL INSTRUMENTS

The additional disclosures due to the adoption of IFRS 13 *Fair value measurement* are as follows:

Note	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2015 ..... (Rupees in '000) .....									
<b>Financial assets - measured at fair value</b>									
Equity securities	26,710,763	-	-	-	26,710,763	26,710,763	-	-	26,710,763
<b>Financial assets - not measured at fair value</b>									
Cash and cash equivalents	12.1	-	1,251,635	-	1,251,635				
Trade and other receivables	12.1	185,254	-	-	185,254				
		<u>26,710,763</u>	<u>185,254</u>	<u>1,251,635</u>	<u>-</u>	<u>28,147,652</u>			
<b>Financial liabilities - not measured at fair value</b>									
Trade and other payables	12.1	-	-	132,548	132,548				

12.1 The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

## 13 DATE OF AUTHORISATION FOR ISSUE AND GENERAL

13.1 This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

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

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

**Chief Executive**

**Director**





**HALF YEARLY REPORT**  
DECEMBER 31, 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
Bank Islami 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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shahra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AL MEEZAN MUTUAL FUND**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Al Meezan Mutual Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 22, 2016





**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
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Karachi, 75530 Pakistan

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## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Al Meezan Mutual Fund** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in this condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
<b>Assets</b>			
Balances with banks		160,973	565,374
Investments	5	4,202,109	3,547,041
Receivable against investments (net)		-	30,896
Receivable on conversion of units		-	802,517
Dividend receivable		9,896	4,586
Deposits, prepayments and other receivables		6,676	6,439
<b>Total assets</b>		<b>4,379,654</b>	<b>4,956,853</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		39,150	30,084
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		522	381
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,994	3,114
Payable to Meezan Bank Limited (MBL)		22	86
Payable on redemption and conversion of units		3,289	841,987
Payable against investments (net)		28,186	-
Accrued expenses and other liabilities		41,854	51,540
Unclaimed dividend		4,765	22,750
<b>Total liabilities</b>		<b>119,782</b>	<b>949,942</b>
<b>Net assets</b>		<b>4,259,872</b>	<b>4,006,911</b>
<b>Contingencies and commitments</b>	7		
<b>Unitholders' fund (as per statement attached)</b>		<b>4,259,872</b>	<b>4,006,911</b>
(Number of units)			
<b>Number of units in issue</b>		<b>260,934,425</b>	<b>246,069,711</b>
(Rupees)			
<b>Net assets value per unit</b>		<b>16.33</b>	<b>16.28</b>

The annexed notes 1 to 13 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
(Rupees in '000)					
<b>Income</b>					
Net realised gain / (loss) on sale of investments		12,318	(20,526)	(3,078)	(28,552)
Dividend income		97,645	86,093	35,919	34,681
Profit on saving accounts with banks		4,783	4,043	2,185	1,427
Other income		16	1,550	1	451
		<b>114,762</b>	<b>71,160</b>	<b>35,027</b>	<b>8,007</b>
Unrealised (loss) / gain on re-measurement of investments 'at fair value through profit or loss' (net)	5.2.1	(12,379)	140,232	146,222	118,283
<b>Total income</b>		<b>102,383</b>	<b>211,392</b>	<b>181,249</b>	<b>126,290</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		41,639	31,186	21,048	16,155
Sindh Sales Tax and Federal Excise Duty on Management Fee	6.1 & 6.2	13,369	10,416	6,763	5,395
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		2,585	2,063	1,280	1,059
Sindh Sales Tax on trustee fee	6.3	384	-	182	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		1,994	1,481	996	767
Auditors' remuneration		454	428	251	217
Charity expense		1,328	1,543	788	925
Fees and subscription		104	76	63	38
Legal and professional charges		133	-	33	-
Brokerage		2,612	1,265	1,011	617
Bank and settlement charges		696	670	283	443
Allocated expenses	8	181	-	181	-
Provision for Workers' Welfare Fund (WWF)	9	-	3,313	-	2,044
<b>Total expenses</b>		<b>65,479</b>	<b>52,441</b>	<b>32,879</b>	<b>27,660</b>
<b>Net income from operating activities</b>		<b>36,904</b>	<b>158,951</b>	<b>148,370</b>	<b>98,630</b>
Element of income and capital gains included in prices of units issued less those in units redeemed (net)		2,570	3,375	1,158	1,523
<b>Net income for the period before taxation</b>		<b>39,474</b>	<b>162,326</b>	<b>149,528</b>	<b>100,153</b>
Taxation	11	-	-	-	-
<b>Net income for the period after taxation</b>		<b>39,474</b>	<b>162,326</b>	<b>149,528</b>	<b>100,153</b>
<b>Other comprehensive income for the period</b>					
<b>Items can be reclassified to income statement in subsequent periods</b>					
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale' (net)	5.1.2	(28,236)	163,059	30,424	126,209
<b>Total comprehensive income for the period</b>		<b>11,238</b>	<b>325,385</b>	<b>179,952</b>	<b>226,362</b>

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31,	
	2015	2014
	(Rupees in '000)	
Undistributed income brought forward		
- Realised	495,043	240,888
- Unrealised	395,282	198,627
	<b>890,325</b>	439,515
Net income for the period	<b>39,474</b>	162,326
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments (net)	(275)	3,269
Undistributed income carried forward	<b>929,524</b>	605,110
Undistributed income / accumulated (loss) carried forward		
- Realised	941,903	464,878
- Unrealised	(12,379)	140,232
	<b>929,524</b>	605,110

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	2014
	<b>(Rupees in '000)</b>	
Net assets at beginning of the period	<b>4,006,911</b>	2,847,050
Issue of 53,757,991 units (2014: 49,492,324 units)	<b>901,206</b>	714,845
Redemption of 38,893,277 units (2014: 39,431,885 units)	<b>(656,913)</b>	(568,359)
	<b>244,293</b>	146,486
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	<b>(2,570)</b>	(3,375)
Net realised gain / (loss) on sale of investments	<b>12,318</b>	(20,526)
Unrealised (diminution) / appreciation in the value of investments (net)	<b>(40,615)</b>	303,291
Other net income for the period	<b>39,535</b>	42,620
Total other comprehensive income for the period	<b>11,238</b>	325,385
Net assets at end of the period	<b>4,259,872</b>	3,315,546
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the period	<b>16.28</b>	13.90
Net assets value per unit at end of the period	<b>16.33</b>	15.43

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	39,474	162,326
<b>Adjustments for:</b>		
Unrealised loss / (gain) on re-measurement of investments 'at fair value through profit or loss' (net)	12,379	(140,232)
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(2,570)	(3,375)
	<u>49,283</u>	<u>18,719</u>
<b>(Increase) / decrease in assets</b>		
Investments (net)	(695,683)	(68,618)
Receivable against investments (net)	30,896	28,720
Dividend receivable	(5,310)	273
Deposits, prepayments and other receivables	(237)	573
	<u>(670,334)</u>	<u>(39,052)</u>
<b>Increase / (Decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	9,066	7,294
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	141	55
Payable to Meezan Bank Limited (MBL)	(64)	-
Payable to Securities and Exchange Commission of Pakistan (SECP)	(1,120)	(865)
Payable against investments (net)	28,186	-
Accrued expenses and other liabilities	(9,686)	3,750
	<u>26,523</u>	<u>10,234</u>
<b>Net cash (used in) operating activities</b>	<u>(594,528)</u>	<u>(10,099)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	1,703,723	714,845
Dividend paid	(17,985)	(59)
Payment against redemption and conversion of units	(1,495,611)	(592,523)
<b>Net cash generated from financing activities</b>	<u>190,127</u>	<u>122,263</u>
Net (decrease) / increase in cash and cash equivalents during the period	(404,401)	112,164
Cash and cash equivalents at beginning of the period	565,374	84,389
Cash and cash equivalents at end of the period	<u>160,973</u>	<u>196,553</u>

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 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. 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. At least seventy percent of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining net assets shall be invested in cash and near cash instruments. 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 Pakistan Stock Exchange (formerly 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 categorised as an Equity Scheme.

**1.4** The Management Company of the Fund has been given a quality rating of AM2+ and 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 are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and 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 2003 and the NBFC Regulations, 2008 and the 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 2003 and the NBFC Regulations, 2008, 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 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.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities and IFRS 13 Fair Value Measurement became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 Fair Value Measurement are disclosed in notes 4.1 and 12 to the interim financial information.

##### 4.1 Change in accounting policy - fair value measurement

IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Fund has included additional disclosures in this regard in note 12 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

#### 5. INVESTMENTS

	Note	(Unaudited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
Investments - 'available for sale'	5.1	1,029,403	1,070,842
Investments - 'at fair value through profit or loss'	5.2	3,172,706	2,476,199
		<u>4,202,109</u>	<u>3,547,041</u>

## 5.1 Investments - available for sale

Name of the investee company	As at July 01, 2015	Purchases during the period	Bonus shares	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain as at December 31, 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)	%			
<b>Sector / Companies</b>											
<b>Commercial Banks</b>											
Bank Islami Pakistan Limited	875	-	-	-	875	5	10	5	0.00	0.00	0.00
<b>Cement</b>											
Lucky Cement Company Limited	620,127	-	-	-	620,127	217,162	306,988	89,826	7.21	7.31	0.19
D.G. Khan Cement Company Limited	111,000	-	-	107,500	3,500	289	517	228	0.01	0.01	0.00
									<b>7.22</b>	<b>7.32</b>	<b>0.19</b>
<b>Power Generation and Distribution</b>											
The Hub Power Company Limited	2,580,500	-	-	-	2,580,500	157,902	264,759	106,857	6.22	6.30	0.22
<b>Oil and gas Exploration Companies</b>											
Pakistan Oilfields Limited	31,340	-	-	-	31,340	8,089	8,400	311	0.20	0.20	0.01
Pakistan Petroleum Limited	43,112	-	-	(43,112)	-	-	-	-	-	-	-
									<b>0.20</b>	<b>0.20</b>	<b>0.01</b>
<b>Oil and Gas Marketing Companies</b>											
Attock Petroleum Limited	240	-	-	-	240	83	121	38	0.00	0.00	0.00
Pakistan State Oil Company Limited	371,147	-	-	-	371,147	101,077	120,909	19,832	2.84	2.88	0.14
									<b>2.84</b>	<b>2.88</b>	<b>0.14</b>
<b>Automobile Assembler</b>											
Indus Motor Company Limited	16,200	-	-	-	16,200	3,961	16,389	12,428	0.38	0.39	0.02
<b>Automobile Parts and Accessories</b>											
Agriautos Industries Limited (note 5.1.1)	158,000	-	-	-	158,000	10,539	32,706	22,167	0.77	0.78	0.55
<b>Fertilizer</b>											
Fauji Fertilizer Company Limited	5,457	-	-	-	5,457	428	644	216	0.02	0.02	0.00
Fauji Fertilizer Bin Qasim Limited	1,685	-	-	1,685	-	-	-	-	-	-	-
									<b>0.02</b>	<b>0.02</b>	<b>0.00</b>
<b>Chemical</b>											
ICI Pakistan Limited	91,557	-	-	-	91,557	34,618	44,315	9,697	1.04	1.05	0.10
<b>Paper and Board</b>											
Packages Limited	401,378	-	-	-	401,378	206,029	233,645	27,616	5.48	5.56	0.45
<b>Total</b>						<b>740,182</b>	<b>1,029,403</b>	<b>289,221</b>			
<b>Total cost of investments - 'available for sale'</b>							<b>740,182</b>				

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

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

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Market value of investments	<b>1,029,403</b>	1,070,842
Less: Cost of investments	<b>740,182</b>	753,385
	<b>289,221</b>	317,457
Less: Net unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the period	<b>317,457</b>	182,296
	<b>(28,236)</b>	135,161

5.2 Investments - 'at fair value through profit or loss'	Note	(Unaudited)	(Audited)
		December 31, 2015	June 30, 2015
(Rupees in '000)			
Ordinary shares - held for trading	5.2.1	3,172,706	2,460,878
Preference shares - fair value through profit and loss upon initial recognition	5.2.2	-	15,321
		<u>3,172,706</u>	<u>2,476,199</u>

Name of the investee company	As at July 01, 2015	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain as at December 31, 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)	%			
<b>Sector / Companies</b>											
<b>Commercial Banks</b>											
Meezan Bank Limited (an associate of the Fund)	419	-	-	-	419	17	19	2	0.00	0.00	0.00
<b>Cement</b>											
Attock Cement Pakistan Limited	176,121	-	-	-	176,121	33,569	29,544	(4,025)	0.69	0.01	0.15
DG Khan Cement Company Limited	4,305	150,000	-	-	154,305	21,609	22,774	1,165	0.53	0.01	0.04
Fauji Cement Company Limited	5,983,000	260,000	-	-	6,243,000	218,325	229,867	11,542	5.40	0.05	0.47
Kohat Cement Company Limited	341,000	110,000	-	20,000	431,000	88,169	103,819	15,650	2.44	0.02	0.28
Cherat Cement Company Limited	661,440	428,500	-	-	1,089,940	96,179	98,291	2,112	2.31	0.02	0.62
Lucky Cement Company Limited	8,390	86,000	-	-	94,390	50,797	46,727	(4,070)	1.10	0.01	0.03
Maple Leaf Cement Limited	475,000	25,000	-	230,000	270,000	21,103	20,137	(966)	0.47	0.00	0.05
Pioneer Cement Limited	532,000	261,500	-	-	793,500	68,489	72,097	3,608	1.69	0.02	0.35
									<b>14.63</b>	<b>0.14</b>	<b>1.99</b>
<b>Oil and Gas Exploration Companies</b>											
Pakistan Oilfields Limited	164,151	100,000	-	-	264,151	99,317	70,798	(28,519)	1.66	0.02	0.11
Pakistan Petroleum Limited	377,121	582,300	-	377,188	582,233	68,779	70,922	2,143	1.66	0.02	0.03
Mari Petroleum Company Limited	149,700	35,500	-	25,000	160,200	79,474	111,682	32,208	2.62	0.03	0.15
									<b>5.94</b>	<b>0.07</b>	<b>0.29</b>
<b>Oil &amp; Gas Marketing Companies</b>											
Attock Petroleum Limited	61,500	-	-	-	61,500	34,884	31,065	(3,819)	0.73	0.01	0.07
Pakistan State Oil Company Limited	483,120	75,000	-	180,000	378,120	141,392	123,180	(18,212)	2.89	0.03	0.14
Sui Northern Gas Pipeline Limited	850,000	955,000	-	1,805,000	-	-	-	-	-	-	-
Hascol Petroleum Limited	227,550	216,000	88,710	50,000	482,260	46,714	69,566	22,852	1.63	0.02	0.40
									<b>5.25</b>	<b>0.06</b>	<b>0.61</b>
<b>Engineering</b>											
Crescent Steel & Allied Product	-	430,000	-	50,000	380,000	42,638	47,261	4,623	1.11	0.01	0.49
<b>Automobile Assembler</b>											
Indus Motor Company Limited	87,264	8,100	-	-	95,364	118,551	96,478	(22,073)	2.26	0.02	0.12
Honda Atlas Cars Pakistan Limited	267,500	25,000	-	-	292,500	64,116	69,890	5,774	1.64	0.02	0.20
Millat Tractors Limited	16,500	50,000	-	-	66,500	41,316	36,759	(4,557)	0.86	0.01	0.15
Pak Suzuki Motor Company Limited	83,689	-	-	-	83,689	36,481	41,451	4,970	0.97	0.01	0.10
									<b>5.73</b>	<b>0.06</b>	<b>0.57</b>
<b>Automobile Parts and Accessories</b>											
Agriautos Industries Limited (note 5.2.1.1)	6,460	-	-	-	6,460	1,201	1,337	136	0.03	0.00	0.02
Thal Limited (note 5.2.1.1)	55,613	62,000	-	-	117,613	31,746	29,795	(1,951)	0.70	0.01	0.15
									<b>0.73</b>	<b>0.01</b>	<b>0.17</b>
<b>Technology and Communication</b>											
Pakistan Telecommunication Company Limited "A"	1,581,670	431,000	-	200,000	1,812,670	37,671	29,891	(7,780)	0.70	0.01	0.05
<b>Chemicals</b>											
Sitara Chemical Industries Limited	500	91,000	-	-	91,500	32,588	32,940	352	0.77	0.01	0.43
ICI Pakistan Limited	50,022	-	-	-	50,022	21,453	24,212	2,759	0.57	0.01	0.05
Dynea Pakistan (note 5.2.1.1)	-	1,000	-	-	1,000	50	41	(9)	0.00	0.00	0.01
Ghani Gases Limited	-	100,000	-	-	100,000	2,643	2,644	1	0.06	0.00	0.13
									<b>1.40</b>	<b>0.02</b>	<b>0.62</b>
<b>Fertilizer</b>											
Fauji Fertilizer Company Limited	82,401	500,000	-	100,200	482,201	71,194	56,890	(14,304)	1.34	0.01	0.04
Engro Fertilizers Limited	805,000	224,000	-	825,000	204,000	18,309	17,163	(1,146)	0.40	0.00	0.02
Engro Corporation Limited (note 5.2.1.2)	1,219,500	144,800	-	25,000	1,339,300	400,740	374,187	(26,553)	8.78	0.09	0.26
Fatima Fertilizer Company Limited	686,000	600,000	-	150,000	1,136,000	48,587	50,813	2,226	1.19	0.01	0.05
Dawood Hercules Corporation	-	475,200	-	-	475,200	54,805	56,615	1,810	1.33	0.01	0.10
									<b>13.04</b>	<b>0.12</b>	<b>0.47</b>

Name of the investee company	As at July 01, 2015	Purchases during the period	Bonus / right shares	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain as at December 31, 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)			%			
<b>Paper and Board</b>												
Packages Limited	152,700	135,000	-	-	287,700	168,702	167,473	(1,229)	3.93	0.04	0.33	
<b>Food and personal care products</b>												
Engro Foods Limited	632,000	380,000	-	-	1,012,000	155,655	148,349	(7,306)	3.48	0.04	0.13	
Al-Shaheer Corporation Limited	-	462,000	144,200	50,000	556,200	40,393	34,585	(5,808)	0.81	0.01	0.45	
									4.29	0.05	0.58	
<b>Power Generation and Distribution</b>												
The Hub Power Company Limited	1,739,500	255,000	-	200,000	1,794,500	169,534	184,116	14,582	4.32	0.04	0.16	
Pakgen Power Limited	130,000	100,000	-	-	230,000	6,901	6,769	(132)	0.16	0.00	0.06	
Kohinoor Energy Limited	144,000	-	-	-	144,000	7,272	6,192	(1,080)	0.15	0.00	0.08	
Lalpir Power Limited	1,037,000	300,000	-	-	1,337,000	40,631	39,762	(869)	0.93	0.01	0.35	
K-Electric Limited (note 5.2.1.1)	3,995,000	9,725,000	-	-	13,720,000	110,027	102,077	(7,950)	2.40	0.02	0.05	
									7.96	0.07	0.69	
<b>Cable and Electrical Goods</b>												
Pak Elektron Limited	1,575,000	1,230,000	-	1,780,000	1,025,000	81,101	64,104	(16,997)	1.50	0.02	0.26	
<b>Pharmaceuticals</b>												
Abbot Laboratories Pakistan Limited	51,200	52,000	-	-	103,200	68,486	65,532	(2,954)	1.54	0.02	0.11	
The Searle Company Limited	163,800	104,880	32,760	65,000	236,440	72,315	93,566	21,251	2.20	0.02	0.23	
Ferozsons Laboratories Limited	25,150	17,000	-	-	42,150	31,775	46,656	14,881	1.10	0.01	0.14	
Highnoon (Lab)	-	79,400	-	12,000	67,400	23,275	38,917	15,642	0.91	0.01	0.33	
									5.75	0.06	0.81	
<b>Textile Composite</b>												
Nishat Mills Limited	876,800	-	-	248,500	628,300	71,771	59,607	(12,164)	1.40	0.01	0.18	
<b>Refinery</b>												
Attock Refinery Limited	40,000	395,900	-	410,000	25,900	5,495	5,488	(7)	0.13	0.00	0.03	
National Refinery Limited	1,800	25,000	-	-	26,800	6,392	5,980	(412)	0.14	0.00	0.03	
									0.27	0.00	0.06	
<b>Miscellaneous</b>												
Shifa International Hospitals	38,600	73,000	-	-	111,600	32,454	34,260	1,806	0.80	0.01	0.22	
<b>Right Shares</b>												
Shifa International Hospitals	-	-	22,500	-	22,500	-	418	418	0.01	0.00	0.04	
<b>Total</b>						<b>3,185,085</b>	<b>3,172,706</b>	<b>(12,379)</b>				
<b>Total cost of investments - 'held for trading'</b>							<b>2,681,169</b>					

5.2.1.1 All shares have a nominal value of Rs. 10 each except for the shares of Agriautos Industries Limited, Dynea Pakistan and Thal Limited which have a face value of Rs. 5 each and K-electric having nominal value of Rs. 3.5.

5.2.1.2 150,000 shares (June 2015: 150,000 shares) of Engro Corporation Limited, having market value of Rs 41.91 million (June 2015: Rs 44.52 million) as at December 31, 2015, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

## 5.2.2 Preference Shares - Unlisted

Name of Security	Note	(Unaudited)	(Audited)
		December 31, 2015	June 30, 2015
		(Rupees in '000)	
Mari Petroleum Company Limited - at cost	5.2.2.1	-	15,321



**5.2.1** In accordance with the notice of redemption of preference shares issued by Mari Petroleum Company Limited (MPCL) dated September 23, 2015, all preference shares were surrendered by the Fund to MPCL on September 30, 2015. These preference shares were redeemed on October 06, 2015 and the Fund received dividend for the period from June 19, 2015 to September 11, 2015, which were duly recognized as charity in the interim financial information.

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

## **6. SINDH SALES TAX AND FEDERAL EXCISE DUTY ON MANAGEMENT FEE / TRUSTEE FEE**

**6.1** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 14 percent (till June 30, 2015: 15 percent) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 01, 2011. During the period, Sindh Sales Tax at the rate of 14 percent (June 30, 2015: 15 percent) was charged on the remuneration of Management Company.

**6.2** 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 from 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 Honourable High Court 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 June 13, 2013, aggregating to Rs. 25.93 million (June 30 2015: 18.61 million). Had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by 0.10 per unit. (June 30, 2015: 0.08 per unit)

**6.3** In the current period, a notification (No. SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund has recognised sales tax on trustee fee at the rate of 14 percent in the current period.

## **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, The Searle Company Limited and Al Shaheer Corporation (Pvt) 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 December 31, 2015.

#### **8. ALLOCATED EXPENSES**

In the current period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non - Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

#### **9. WORKERS' WELFARE FUND (WWF)**

The status of Workers' Welfare Fund (WWF) is the same as disclosed in the annual financial statements for the year ended June 30, 2015. 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. 0.13 per unit (0.80 percent). The unrecorded accumulated balance of WWF provision from the date of its application till December 31, 2012, in case if required to be paid, shall be borne by the Management Company. The mutual funds have been excluded from levy of WWF vide Finance Act, 2015, hence, effective from July 1, 2015, no provision of WWF has been made in the Fund. The matter regarding previous years would either need to be clarified by Regulatory bodies or Courts.

#### **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 officers of the Management Company, Meezan Islamic 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 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.

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

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	7,078	5,981
Sindh Sales Tax and Federal Excise Duty on management fee payable	28,336	20,702
Sales load payable	655	1,213
Sindh Sales Tax and Federal Excise Duty on sales load payable	2,900	2,188
Allocated expenses payable	181	-
Investment of 29,089,209 units (June 30, 2015: 27,607,288 units)	475,027	449,447
<b>Meezan Bank Limited</b>		
Balances with bank	26,797	167,102
Sales load payable	-	86
Profit receivable on saving accounts	62	67
Shariah advisor fee payable	22	-
Investment in 419 shares (June 30, 2015: 419 shares)	19	17
Investment of 10,336,190 units (June 30, 2015: 10,336,190 units)	168,790	168,273
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	437	381
Sindh Sales Tax on trustee fee payable	85	-
Deposit	238	238
<b>Pakistan Kuwait Investment Company (Private) Limited</b>		
Investment of 16,895,690 units (June 30, 2015 : 16,895,690 units)	275,907	275,062
<b>MFPP - Meezan Capital Preservation Plan - I</b>		
Investment of 5,295,567 units (June 30, 2015: Nil)	86,477	-
<b>Directors and officers (executives) of the Management Company</b>		
Investment of 18,480,745 units (June 30, 2015 : 18,278,967 units)	301,791	297,582
<b>Unitholders holding 10% or more units of the Fund</b>		
	-	449,446

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	<u>41,639</u>	<u>31,186</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>13,369</u>	<u>10,416</u>
Allocated expenses	<u>181</u>	<u>-</u>
Units issued: 1,481,921 units (December 31, 2014: Nil)	<u>25,000</u>	<u>-</u>
<b>Meezan Bank Limited</b>		
Profit on saving accounts with banks	<u>242</u>	<u>1,112</u>
Dividend income	<u>1</u>	<u>3,180</u>
Shariah advisor fee	<u>22</u>	<u>-</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee	<u>2,585</u>	<u>2,063</u>
CDS charges	<u>78</u>	<u>116</u>
<b>Meezan Capital Preservation Fund - II</b>		
Units issued: Nil (December 31, 2014: 12,650,738 units)	<u>-</u>	<u>178,000</u>
Redemption / conversion of units: Nil (December 31, 2014: 4,535,147 units)	<u>-</u>	<u>60,000</u>
<b>Meezan Capital Preservation Fund - III</b>		
Units issued: Nil (December 31, 2014: 4,130,435 units)	<u>-</u>	<u>60,000</u>
<b>MFPF - Meezan Capital Preservation Plan - I</b>		
Units issued: 5,295,567 units (December 31, 2014: Nil)	<u>86,000</u>	<u>-</u>
<b>Directors and executives of the Management Company</b>		
Units issued: 325,146 units (December 31, 2014: 105,762 units)	<u>5,319</u>	<u>1,531</u>
Redemption/ conversion of units: 123,368 units (December 31, 2014: 23,092 units)	<u>2,009</u>	<u>349</u>

## 11. 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 account. 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 period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unit holders.

## 12. FINANCIAL INSTRUMENTS - FAIR VALUES

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows:

Note	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
<b>December 31, 2015</b>									
(Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
Equity securities	4,202,109	-	-	-	4,202,109	4,202,109	-	-	4,202,109
<b>Financial assets - not measured at fair value</b>									
Cash and cash equivalents	12.1	-	160,973	-	160,973				
Trade and other receivables	12.1	16,546	-	-	16,546				
		<u>4,202,109</u>	<u>16,546</u>	<u>160,973</u>	<u>-</u>				<u>4,379,628</u>
<b>Financial liabilities - not measured at fair value</b>									
Trade and other payables	12.1	-	-	50,059	50,059				

12.1 The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

## 13. DATE OF AUTHORISATION FOR ISSUE AND GENERAL

13.1 This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

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

## 13. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

**Chief Executive**

**Director**





**HALF YEARLY REPORT**  
DECEMBER 31, 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



**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**KSE MEEZAN INDEX FUND**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of KSE Meezan Index Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 22, 2016





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

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## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **KSE Meezan Index Fund** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*


Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in the condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
<b>Assets</b>			
Balances with banks		63,308	11,061
Investments	5	883,555	1,167,189
Receivable against investments (net)		-	63,294
Receivable on conversion of units		-	229,679
Dividend receivable		1,889	4,849
Deposits, prepayments and other receivables		2,669	2,626
Preliminary expenses and floatation costs		561	764
<b>Total assets</b>		<b>951,982</b>	<b>1,479,462</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan)			
- Management Company		5,941	5,413
Payable to Central Depository Company of Pakistan Limited (CDC)			
- Trustee		159	183
Payable to Securities and Exchange Commission of Pakistan (SECP)		448	1,192
Payable to Meezan Bank Limited (MBL)		22	23
Payable on redemption and conversion of units		1,051	295,827
Payable against investments (net)		47,786	-
Accrued expenses and other liabilities	9	16,155	17,501
<b>Total liabilities</b>		<b>71,562</b>	<b>320,139</b>
<b>Net assets</b>		<b>880,420</b>	<b>1,159,323</b>
<b>Contingencies and commitments</b>	7		
<b>Unitholders' fund (as per statement attached)</b>		<b>880,420</b>	<b>1,159,323</b>
(Number of units)			
<b>Number of units in issue</b>		<b>12,794,276</b>	<b>15,761,944</b>
(Rupees)			
<b>Net assets value per unit</b>		<b>68.81</b>	<b>73.55</b>

The annexed notes 1 to 13 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
<b>(Rupees in '000)</b>					
<b>Income</b>					
Net realised loss on sale of investments		(2,378)	(26,991)	(9,125)	(25,694)
Dividend income		29,279	43,138	9,395	21,192
Profit on saving accounts with banks		198	441	62	98
Other income		199	436	151	37
		<b>27,298</b>	<b>17,024</b>	<b>483</b>	<b>(4,367)</b>
Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss' (net)	5.1	(48,186)	52,910	21,124	61,382
<b>Total income</b>		<b>(20,888)</b>	<b>69,934</b>	<b>21,607</b>	<b>57,015</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		4,718	6,284	2,166	3,180
Sindh Sales Tax and Federal Excise Duty on management fee	6.1 & 6.2	1,521	2,098	699	1,061
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		925	1,133	434	571
Sindh Sales Tax on Trustee Fee	6.3	129	-	60	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		448	597	206	302
Auditors' remuneration		220	215	96	117
Charity expense		556	954	305	632
Fees and subscription		85	63	54	31
Legal and professional charges		133	-	33	-
Brokerage		716	818	380	581
Bank and settlement charges		343	353	143	189
Amortisation of preliminary expenses and floatation costs		203	203	102	102
Provision for Workers' Welfare Fund (WWF)	9	-	1,205	-	959
Printing charges		20	20	7	10
Allocated expenses	8	36	-	36	-
<b>Total expenses</b>		<b>10,053</b>	<b>13,943</b>	<b>4,721</b>	<b>7,735</b>
<b>Net (loss) / income from operating activities</b>		<b>(30,941)</b>	<b>55,991</b>	<b>16,886</b>	<b>49,280</b>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(6,021)	3,045	(490)	(2,289)
<b>Net (loss) / income for the period before taxation</b>		<b>(36,962)</b>	<b>59,036</b>	<b>16,396</b>	<b>46,991</b>
Taxation	11	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(36,962)</b>	<b>59,036</b>	<b>16,396</b>	<b>46,991</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(36,962)</b>	<b>59,036</b>	<b>16,396</b>	<b>46,991</b>

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,	
		2015 (Rupees in '000)	2014
Undistributed income brought forward			
- Realised		<b>257,863</b>	77,379
- Unrealised		<b>110,537</b>	122,114
		<b>368,400</b>	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)		<b>(29,160)</b>	-
Net (loss) / income for the period		<b>(36,962)</b>	59,036
Undistributed income carried forward		<b>302,278</b>	258,529
Undistributed income / accumulated (loss) carried forward			
- Realised		<b>350,464</b>	205,619
- Unrealised	5.1	<b>(48,186)</b>	52,910
		<b>302,278</b>	258,529

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	2014
	<b>(Rupees in '000)</b>	
Net assets at beginning of the period	<b>1,159,323</b>	1,176,027
Issue of 1,133,242 units (December 31, 2014: 2,728,713 units)	<b>83,653</b>	177,712
Issue of 330,912 units for re-investment of cash dividend (December 31, 2014: nil)	<b>23,726</b>	-
Redemption of 4,431,822 units (December 31, 2014: 2,380,804 units)	<b>(326,181)</b>	(152,808)
	<b>(218,802)</b>	24,904
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	<b>6,021</b>	(3,045)
Net realised loss on sale of investments	<b>(2,378)</b>	(26,991)
Unrealised (diminution) / appreciation in the value of investments (net)	<b>(48,186)</b>	52,910
Other net income for the period	<b>13,602</b>	33,117
Total comprehensive income for the period	<b>(36,962)</b>	59,036
Final distribution for the year ended June 30, 2015 - cash dividend: @ 3.70% i.e. Rs. 1.85 per unit (June 30, 2014: nil)	<b>(29,160)</b>	-
Net (loss) / income for the period less distribution	<b>(66,122)</b>	59,036
Net assets at end of the period	<b>880,420</b>	1,256,922
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the period	<b>73.55</b>	62.83
Net assets value per unit at end of the period	<b>68.81</b>	65.93

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period	(36,962)	59,036
<b>Adjustments for:</b>		
Unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss' (net)	48,186	(52,910)
Amortisation of preliminary expenses and floatation costs	203	203
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	6,021	(3,045)
	<u>17,448</u>	<u>3,284</u>
<b>Decrease / (increase) in assets</b>		
Investments (net)	235,448	(28,833)
Receivable against investments (net)	63,294	(945)
Dividend receivable	2,960	(369)
Deposits, prepayments and other receivables	(43)	(198)
	<u>301,659</u>	<u>(30,345)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	528	1,534
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	(24)	42
Payable to Meezan Bank Limited (MBL)	(1)	(14)
Payable to Securities and Exchange Commission of Pakistan (SECP)	(744)	(328)
Payable against investments (net)	47,786	(238,282)
Accrued expenses and other liabilities	(1,346)	2,520
	<u>46,199</u>	<u>(234,528)</u>
<b>Net cash generated from / (used in) operating activities</b>	<u>365,306</u>	<u>(261,589)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt against issuance of units	313,332	177,712
Receipts against dividend re-investment	23,726	-
Payment against redemption of units	(620,957)	(152,342)
Dividend paid	(29,160)	-
<b>Net cash (used in) / generated from financing activities</b>	<u>(313,059)</u>	<u>25,370</u>
Net increase / (decrease) in cash and cash equivalents during the period	52,247	(236,219)
Cash and cash equivalents at beginning of the period	11,061	248,684
Cash and cash equivalents at end of the period	<u>63,308</u>	<u>12,465</u>

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 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 Limited (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 Pakistan Stock Exchange (formerly 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 are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and 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, 2003 the NBFC Regulations, 2008 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, 2003, the NBFC Regulations, 2008 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 annual financial statements of the Fund for the year ended June 30, 2015.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities and IFRS 13 Fair Value Measurement became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 Fair Value Measurement are disclosed in notes 4.1 and 12 to the interim financial information.

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.

##### 4.1 Change in accounting policy - fair value measurement

IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Fund has included additional disclosures in this regard in note 12 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

	Note	(Unaudited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
<b>5. INVESTMENTS</b>			
<b>Investments at 'fair value through profit or loss'</b>			
Ordinary shares - Held for trading	5.1	883,555	1,163,796
Preference shares - Fair value through profit and loss upon initial recognition	5.2	-	3,393
		<u>883,555</u>	<u>1,167,189</u>

## 5.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain / (loss)	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)			%		
<b>Sectors/ Companies</b>											
<b>Automobile Assembler</b>											
Honda Atlas Cars (Pakistan) Limited	39,400	5,100	-	11,500	33,000	7,320	7,885	565	0.90	0.02	0.89
Millat Tractors Limited	-	20,400	-	-	20,400	11,421	11,277	(144)	1.28	0.05	1.28
Pak Suzuki Motor Company Limited	30,100	2,900	-	8,100	24,900	10,941	12,333	1,392	1.40	0.03	1.40
									<b>3.58</b>	<b>0.10</b>	<b>3.57</b>
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	248,000	26,500	-	68,000	206,500	16,763	12,915	(3,848)	1.47	0.05	1.46
<b>Cement</b>											
Cherat Cement Company Limited	159,527	18,800	-	46,500	131,827	11,506	11,888	382	1.35	0.07	1.35
D.G. Khan Cement Company Limited	-	276,700	-	-	276,700	40,184	40,838	654	4.64	0.06	4.62
Fauji Cement Company Limited	1,012,694	103,600	-	273,500	842,794	29,513	31,032	1,519	3.52	0.06	3.51
Kohat Cement Company Limited	64,240	2,200	-	66,440	-	-	-	-	0.00	0.00	0.00
Pakcem Limited (formerly Lafarge Pakistan Cement Limited)	502,194	21,500	-	523,694	-	-	-	-	0.00	0.00	0.00
Lucky Cement Limited	178,990	17,800	-	48,000	148,790	77,183	73,657	(3,526)	8.37	0.05	8.34
Maple Leaf Cement Factory Limited	329,200	35,700	-	92,000	272,900	21,205	20,353	(852)	2.31	0.05	2.30
Pioneer Cement Limited	173,500	18,100	-	48,000	143,600	12,308	13,047	739	1.48	0.06	1.48
									<b>21.67</b>	<b>0.35</b>	<b>21.60</b>
<b>Fertilizer</b>											
Dawood Hercules Corporation Limited	466,200	45,900	-	124,600	387,500	45,362	46,167	805	5.24	0.08	5.23
Engro Corporation Limited	362,400	35,000	-	96,400	301,000	89,086	84,096	(4,990)	9.55	0.06	9.52
Engro Fertilizers Limited	276,500	181,500	-	75,000	383,000	33,122	32,222	(900)	3.66	0.03	3.65
Fatima Fertilizer Company Limited	580,000	56,700	-	154,000	482,700	19,189	21,591	2,402	2.45	0.02	2.44
Fauji Fertilizer Bin Qasim Limited	452,920	47,600	-	125,000	375,520	20,832	19,782	(1,050)	2.25	0.04	2.24
Fauji Fertilizer Company Limited	899,501	145,200	-	240,000	804,701	115,688	94,939	(20,749)	10.78	0.06	10.75
									<b>33.93</b>	<b>0.29</b>	<b>33.83</b>
<b>Food &amp; Personal Care Products</b>											
Engro Foods Limited	159,100	15,700	-	42,600	132,200	20,011	19,379	(632)	2.20	0.02	2.19
Treet Corporation Limited	28,950	55,200	-	28,950	55,200	3,519	3,475	(44)	0.39	0.04	0.39
									<b>2.59</b>	<b>0.06</b>	<b>2.58</b>
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited	30,494	4,000	-	9,100	25,394	12,258	17,703	5,445	2.01	0.02	2.00
Pakistan Oilfields Limited	149,664	15,400	-	40,600	124,464	48,529	33,359	(15,170)	3.79	0.05	3.78
Pakistan Petroleum Limited (note 5.1.3)	665,778	66,700	-	179,300	553,178	88,415	67,383	(21,032)	7.65	0.03	7.63
									<b>13.45</b>	<b>0.10</b>	<b>13.41</b>
<b>Oil &amp; Gas Marketing Companies</b>											
Hascol Petroleum Limited	43,800	7,300	6,840	17,200	40,740	4,173	5,877	1,704	0.67	0.03	0.67
Pakistan State Oil Company Limited	175,088	6,000	-	181,088	-	-	-	-	0.00	0.00	0.00
Shell Pakistan Limited	29,722	4,400	-	9,400	24,722	6,151	5,643	(508)	0.64	0.02	0.64
									<b>1.31</b>	<b>0.05</b>	<b>1.31</b>
<b>Pharmaceuticals</b>											
GlaxoSmithKline Pakistan Limited	70,232	7,500	-	19,500	58,232	11,558	12,812	1,254	1.46	0.02	1.45
The Searle Company Limited	53,500	3,800	12,660	21,300	48,660	13,100	19,256	6,156	2.19	0.05	2.18
									<b>3.65</b>	<b>0.07</b>	<b>3.63</b>
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (note 5.1.2)	3,819,153	370,500	-	1,013,500	3,176,153	26,358	23,631	(2,727)	2.68	0.03	2.67
Kot Addu Power Company Limited	628,753	21,500	-	650,253	-	-	-	-	0.00	0.00	0.00
The Hub Power Company Limited	1,201,462	116,900	-	320,300	998,062	94,442	102,401	7,959	11.63	0.09	11.59
									<b>14.31</b>	<b>0.12</b>	<b>14.26</b>
<b>Refinery</b>											
Attock Refinery Limited	47,285	6,000	-	14,200	39,085	8,834	8,281	(553)	0.94	0.05	0.94
<b>Technology &amp; Communication</b>											
Pakistan Telecommunication Company Limited "A"	814,823	83,000	-	220,500	677,323	13,612	11,169	(2,443)	1.27	0.02	1.26
<b>Textile Composite</b>											
Nishat Mills Limited	-	202,000	-	-	202,000	19,158	19,164	6	2.18	0.06	2.17
<b>Total</b>						<b>931,741</b>	<b>883,555</b>	<b>(48,186)</b>			
<b>Total cost of investments - 'held for trading'</b>							<b>816,010</b>				

**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. 50.795 million as at December 31, 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)
		December 31, 2015	June 30, 2015
		Carrying value (Rupees in '000)	
Mari Petroleum Company Limited - at cost	5.2.1	-	3,393

**5.2.1** In accordance with the notice of redemption of preference shares issued by Mari Petroleum Company Limited (MPCL) dated September 23, 2015, all preference shares were surrendered by the Fund to MPCL on September 30, 2015. These preference shares were redeemed on October 06, 2015 and the Fund received dividend for the period from June 19, 2015 to September 11, 2015, which were duly recognized as charity in the interim financial information.

**6. SINDH SALES TAX AND FEDERAL EXCISE DUTY ON MANAGEMENT FEE / TRUSTEE FEE**

**6.1** The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011. During the period, Sindh Sales Tax at the rate of 14 percent (June 30, 2015: 15 percent) was charged on the remuneration of Management Company.

**6.2** 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. 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 June 13, 2013, aggregating to Rs. 4.047 million (June 30, 2015: Rs. 3.498 million). Had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by Rs. 0.32 per unit (June 30, 2015: Rs. 0.22 per unit).

**6.3** In the current period, a notification (SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund recognised sales tax on trustee fee at the rate of 14 percent in the current period.

**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 and The Searle Company 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 December 31, 2015.

#### **8. ALLOCATED EXPENSES**

In the current period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non - Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

#### **9. WORKERS' WELFARE FUND (WWF)**

The status of Workers' Welfare Fund (WWF) is the same as disclosed in the annual financial statements for the year ended June 30, 2015. 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. 1.01 per unit (1.46 percent). The unrecorded accumulated balance of WWF provision from the date of its application till December 31, 2012, in case if required to be paid, shall be borne by the Management Company. The mutual funds have been excluded from levy of WWF vide Finance Act, 2015, hence, effective from July 1, 2015, no provision of WWF has been made in the Fund. The matter regarding previous years would either need to be clarified by Regulatory bodies or Courts.

#### **10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, Al 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, 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 provision of NBFC Rules, 2003, NBFC Regulations, 2008 and the Trust Deed respectively.

Details of transactions with connected persons and balances with them for the period ended December 31, 2015 and as of that date along with comparatives are as follows:

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited (Al Meezan)</b>		
<b>- Management Company</b>		
Remuneration payable	696	1,012
Sindh Sales Tax and Federal Excise Duty on management fee payable	4,765	3,959
Sales load payable	75	109
Sindh Sales Tax and Federal Excise Duty on sales load payable	369	333
Allocated expenses payable	36	-
Investment as at December 31, 2015: 2,035,554 units (June 30, 2015: 1,989,357 units)	140,066	146,317
<b>Meezan Bank Limited</b>		
Sales load payable	-	23
Bank balance	2,834	3,170
Shariah advisor fee payable	22	-
Investment as at December 31, 2015: 2,113,224 units (June 30, 2015: 2,113,224 units)	145,411	155,428
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	139	183
Sindh Sales Tax on Trustee Fee payable	19	-
Deposit	103	103
<b>Meezan Capital Preservation Fund - III</b>		
Investment as at December 31, 2015: 2,313,444 units (June 30, 2015: 4,638,473 units)	159,188	341,160
<b>Meezan Capital Preservation Fund - II</b>		
Investment as at December 31, 2015: 613,123 units (June 30, 2015: 1,734,306 units)	42,189	127,558
<b>Directors and executives of the Management Company</b>		
Investment as at December 31, 2015: 421,355 units (June 30, 2015: 411,792 units)	28,993	30,287

	(Unaudited) Six months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	4,718	6,284
Sindh Sales Tax and Federal Excise Duty on management fee	1,521	2,098
Allocated expenses	36	-
Units issued: 46,197 units (December 31, 2014: nil)	3,312	-
Cash dividend paid (December 31, 2014: nil)	3,680	-
<b>Meezan Bank Limited</b>		
Profit on savings account	19	85
Shariah advisor fee	22	-
Cash dividend paid (December 31, 2014: nil)	3,909	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee	925	1,133
Sindh Sales Tax on Trustee Fee for the period	129	-
CDS charges	54	38
<b>Meezan Capital Preservation Fund - III</b>		
Units issued: 119,682 units (December 31, 2014: 1,532,729 units)	8,581	99,750
Transaction Cost received	-	250
Redemption: 2,444,711 units (December 31, 2014: nil)	178,900	-
Cash dividend paid (December 31, 2014: nil)	8,581	-
<b>Meezan Capital Preservation Fund - II</b>		
Units issued: 44,749 units (December 31, 2014: 215,039 units)	3,208	13,540
Transaction Cost received	-	34
Redemption: 1,165,932 units (December 31, 2014: nil)	85,100	-
Cash dividend paid (December 31, 2014: nil)	3,208	-
<b>Directors and Executives of the Management Company</b>		
Units issued: 9,563 units (December 31, 2014: 64 units)	686	4
Redemption: nil (December 31, 2014: 4,445 units)	-	293
Cash dividend paid (December 31, 2014: nil)	762	-

## 11. 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 account. 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 period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unitholders.

## 12. FINANCIAL INSTRUMENTS

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows:

Note	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
<b>December 31, 2015</b>									
(Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
Equity securities	883,555	-	-	-	883,555	883,555	-	-	883,555
<b>Financial assets - not measured at fair value</b>									
Cash and cash equivalents	12.1	-	-	63,308	-	63,308			
Trade and other receivables	12.1	-	4,995	-	-	4,995			
		<u>883,555</u>	<u>4,995</u>	<u>63,308</u>	<u>-</u>	<u>951,858</u>			
<b>Financial liabilities - not measured at fair value</b>									
Trade and other payables	12.1	-	-	-	53,009	53,009			

**12.1** The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

## 13. DATE OF AUTHORISATION FOR ISSUE AND GENERAL

**13.1** This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

**13.2** Figures have been rounded off to the nearest thousand rupees.

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

**Chief Executive**

**Director**







**HALF YEARLY REPORT**  
DECEMBER 31, 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 Islami 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	Sindh 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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



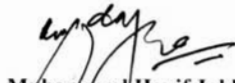
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN BALANCED FUND**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Balanced Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.



**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 22, 2016





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

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Balanced Fund** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

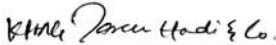
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in this condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
<b>Assets</b>			
Balances with banks		807,625	438,024
Investments	5	3,774,719	2,859,132
Receivables on conversion of units		-	198,040
Dividend receivable		5,105	3,614
Deposits, prepayments and other receivables		30,507	21,193
<b>Total assets</b>		<b>4,617,956</b>	<b>3,520,003</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		37,709	28,033
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		533	358
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,832	2,135
Payable to Meezan Bank Limited (MBL)		22	-
Payable on redemption and conversion of units		6,976	10,220
Accrued expenses and other liabilities	9	40,763	56,084
Unclaimed dividend		7,347	39,713
<b>Total liabilities</b>		<b>95,182</b>	<b>136,543</b>
<b>Net assets</b>		<b>4,522,774</b>	<b>3,383,460</b>
<b>Contingencies and commitments</b>	7		
<b>Unitholders' fund (as per statement attached)</b>		<b>4,522,774</b>	<b>3,383,460</b>
(Number of units)			
<b>Number of units in issue</b>		<b>303,527,709</b>	<b>230,697,369</b>
(Rupees)			
<b>Net assets value per unit</b>		<b>14.90</b>	<b>14.67</b>

The annexed notes 1 to 14 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
(Rupees in '000)					
<b>Income</b>					
Net realised (loss) / gain on sale of investments		(9,306)	31,698	(12,176)	25,100
Dividend income		61,265	32,490	21,489	11,446
Profit on saving accounts with banks		29,478	14,898	17,108	8,764
Profit on Term Deposit Receipts		5,742	-	2,938	-
Profit on sukuk certificates		29,545	28,054	13,503	15,490
Other income		-	(49)	-	-
		<b>116,724</b>	<b>107,091</b>	<b>42,862</b>	<b>60,800</b>
Unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss' (net)		(14,107)	70,217	105,621	65,003
Reversal of non-performing debt securities	5.1.2.6	-	85	-	-
		<b>(14,107)</b>	<b>70,302</b>	<b>105,621</b>	<b>65,003</b>
<b>Total income</b>		<b>102,617</b>	<b>177,393</b>	<b>148,483</b>	<b>125,803</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		43,033	20,795	22,963	11,007
Sindh Sales Tax and Federal Excise Duty on Management Fee	6.1 & 6.2	13,898	6,946	7,428	3,677
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		2,659	1,544	1,404	803
Sindh Sales Tax on Trustee Fee	6.3	372	-	196	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		1,832	884	979	468
Auditors' remuneration		320	288	148	152
Charity expense		728	520	344	240
Fees and subscription		98	110	60	2
Legal and professional charges		133	-	-	-
Brokerage		1,752	857	752	536
Bank and settlement charges		673	416	297	212
Allocated expenses	8	198	-	198	-
Provision for Workers' Welfare Fund (WWF)	9	-	3,207	-	2,464
<b>Total expenses</b>		<b>65,696</b>	<b>35,567</b>	<b>34,769</b>	<b>19,561</b>
<b>Net income from operating activities</b>		<b>36,921</b>	<b>141,826</b>	<b>113,714</b>	<b>106,242</b>
Element of income and capital gains included in prices of units issued less those in units redeemed (net)		24,250	15,312	572	14,423
<b>Net income for the period before taxation</b>		<b>61,171</b>	<b>157,138</b>	<b>114,286</b>	<b>120,665</b>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<b>61,171</b>	<b>157,138</b>	<b>114,286</b>	<b>120,665</b>
<b>Other comprehensive income for the period</b>					
Items that can be reclassified to income statements in subsequent periods					
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale' (net)	5.2.1	7,132	8,744	14,278	(2,082)
<b>Total comprehensive income for the period</b>		<b>68,303</b>	<b>165,882</b>	<b>128,564</b>	<b>118,583</b>

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31,	
	2015	2014
	(Rupees in '000)	
Undistributed income brought forward		
- Realised	<b>408,678</b>	209,274
- Unrealised	<b>189,493</b>	101,271
	<b>598,171</b>	310,545
Net income for the period	<b>61,171</b>	157,138
Element of income and capital gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments (net)	<b>2,588</b>	817
Undistributed income carried forward	<b>661,930</b>	468,500
Undistributed income / accumulated (loss) carried forward		
- Realised	<b>676,037</b>	398,283
- Unrealised	<b>(14,107)</b>	70,217
	<b>661,930</b>	468,500

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	2014
	<b>(Rupees in '000)</b>	
Net assets at beginning of the period	<b>3,383,460</b>	1,930,486
Issue of 116,304,112 units (2014: 41,594,737 units)	<b>1,744,974</b>	578,145
Redemption of 43,473,772 units (2014: 20,039,889 units)	<b>(649,713)</b>	(274,259)
	<b>1,095,261</b>	303,886
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	<b>(24,250)</b>	(15,312)
Net realised (loss) / gain on sale of investments	<b>(9,306)</b>	31,698
Unrealised (diminution) / appreciation in the value of investments (net)	<b>(6,975)</b>	79,046
Net other income for the period	<b>84,584</b>	55,138
Total other comprehensive income for the period	<b>68,303</b>	165,882
<b>Net assets at end of the period</b>	<b>4,522,774</b>	2,384,942
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the period	<b>14.67</b>	13.35
Net assets value per unit at end of the period	<b>14.90</b>	14.35

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	61,171	157,138
<b>Adjustments for:</b>		
Unrealised diminution / (appreciation) on re-measurement of investments - 'at fair value through profit or loss' (net)	14,107	(70,217)
Reversal of non-performing debt securities	-	(85)
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(24,250)	(15,312)
	<b>51,028</b>	<b>71,524</b>
<b>(Increase) / decrease in assets</b>		
Investments (net)	(922,562)	(404,631)
Dividend receivable	(1,491)	1,072
Deposits, prepayments and other receivables	(9,314)	(26,193)
	<b>(933,367)</b>	<b>(429,752)</b>
<b>(Decrease) / increase in liabilities</b>		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	9,676	6,454
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	175	43
Payable to Securities and Exchange Commission of Pakistan (SECP)	(303)	(581)
Payable to Meezan Bank Limited (MBL)	22	-
Accrued expenses and other liabilities	(15,321)	2,882
	<b>(5,751)</b>	<b>8,798</b>
<b>Net cash used in operating activities</b>	<b>(888,090)</b>	<b>(349,430)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	1,943,014	578,145
Payment against redemption and conversion of units	(652,957)	(275,131)
Dividend paid	(32,366)	(29)
<b>Net cash generated from financing activities</b>	<b>1,257,691</b>	<b>302,985</b>
Net increase / (decrease) in cash and cash equivalents during the period	369,601	(46,445)
Cash and cash equivalents at beginning of the period	438,024	470,857
Cash and cash equivalents at end of the period	<b>807,625</b>	<b>424,412</b>

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 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 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. July 1, 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 shariah compliant 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** The Fund is an open-end fund listed on Pakistan Stock Exchange (formerly Islamabad Stock Exchange). Units of the fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

**1.4** The Management Company has been given a 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 are in accordance with the process prescribed under the shariah guidelines issued by the shariah advisor and 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, 2003 and the NBFC Regulations, 2008 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, 2003 and the NBFC Regulations, 2008 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 annual financial statements of the Fund for the year ended June 30, 2015.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities and IFRS 13 Fair Value Measurement became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 Fair Value Measurement are disclosed in notes 4.1 and 13 to the interim financial information.

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

#### 4.1 Change in accounting policy - fair value measurement

IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Fund has included additional disclosures in this regard in note 13 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
<b>5. INVESTMENTS</b>			
(Rupees in '000)			
Investments - 'at fair value through profit or loss'	5.1	<b>3,343,433</b>	2,434,966
Investments - 'available for sale'	5.2	<b>257,286</b>	250,166
Investments - 'Loans and receivables'	5.3	<b>174,000</b>	174,000
		<b>3,774,719</b>	2,859,132

### 5.1 Investments - 'at fair value through profit or loss'

Held for trading	5.1.1	<b>2,713,973</b>	1,826,772
Investments at fair value through profit or loss upon initial recognition	5.1.2	<b>629,460</b>	608,194
		<b>3,343,433</b>	2,434,966

#### 5.1.1 Held for trading

Shares of listed companies	5.1.1.1	<b>2,334,735</b>	1,539,664
Sukuk certificates	5.1.1.5	<b>379,238</b>	287,108
		<b>2,713,973</b>	1,826,772

#### 5.1.1.1 Shares of listed companies

Name of the investee company	As at July 01, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain / (loss) as at December 31, 2015	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 5.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
						(Rupees in '000)			%		
<b>Sector / Companies</b>											
<b>Banks</b>											
Meezan Bank Limited (an associate company of the Fund)	1,073,500	-	-	475,000	598,500	24,538	27,381	2,843	0.61	0.06	0.73
<b>Automobile assemblers</b>											
Millat Tractors Company Limited	11,800	-	-	-	11,800	8,093	6,523	(1,570)	0.14	0.03	0.17
Indus Motors Company Limited	10,000	15,000	-	-	25,000	28,840	25,292	(3,548)	0.56	0.03	0.67
Pakistan Suzuki Motor Company Limited	22,800	-	-	-	22,800	9,939	11,293	1,354	0.25	0.03	0.30
Honda Atlas Cars (Pakistan) Limited	246,500	40,000	-	-	286,500	64,204	68,456	4,252	1.51	0.20	1.81
									<b>2.46</b>	<b>0.29</b>	<b>2.95</b>
<b>Automobile parts and accessories</b>											
Thal Limited (note 5.1.1.2)	41,000	85,000	-	-	126,000	33,463	31,920	(1,543)	0.71	0.16	0.85
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	800,000	877,000	-	1,078,000	599,000	47,913	37,461	(10,452)	0.83	0.08	0.99
<b>Chemicals</b>											
ICI Pakistan Limited	17,195	-	-	-	17,195	7,375	8,323	948	0.18	0.02	0.22
Sitara Chemical Industries Limited	-	2,100	-	-	2,100	777	756	(21)	0.02	0.01	0.02
									<b>0.20</b>	<b>0.03</b>	<b>0.24</b>
<b>Cement</b>											
Attock Cement Pakistan Limited	85,402	-	-	-	85,402	16,278	14,326	(1,952)	0.32	0.07	0.38
Cherat Cement Company Limited	124,000	575,000	-	-	699,000	63,006	63,036	30	1.39	0.40	1.67
DG Khan Cement Company Limited	70,760	70,000	-	60,000	80,760	11,392	11,919	527	0.26	0.02	0.32
Fauji Cement Company Limited	2,388,000	250,000	-	-	2,638,000	92,338	97,131	4,793	2.15	0.20	2.57
Kohat Cement Limited	225,200	141,000	-	20,000	346,200	71,756	83,393	11,637	1.84	0.22	2.21
Pakcem Limited (formerly Lafarge Pak Limited)	16,646	-	-	-	16,646	324	283	(41)	0.01	0.00	0.01
Lucky Cement Limited	334,000	10,000	-	-	344,000	178,646	170,294	(8,352)	3.77	0.11	4.51
Maple Leaf Cement Limited	350,000	-	-	120,000	230,000	18,069	17,153	(916)	0.38	0.04	0.45
Pioneer Cement Limited	216,000	350,000	-	-	566,000	50,808	51,427	619	1.14	0.25	1.36
									<b>11.26</b>	<b>1.31</b>	<b>13.48</b>

Name of the investee company	As at July 01, 2015	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain / (loss) as at December 31, 2015	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 5.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
									(Number of shares)	(Rupees in '000)	%
<b>Fertilizers</b>											
Dawood Hercules Corporation	-	338,000	-	-	338,000	38,491	40,269	1,778	0.89	0.07	1.07
Engro Fertilizers Limited	455,000	497,500	-	650,000	302,500	28,043	25,449	(2,594)	0.56	0.02	0.67
Engro Corporation Pakistan Limited (note 5.1.1.4)	575,000	445,500	-	-	1,020,500	312,836	285,118	(27,718)	6.30	0.19	7.55
Fatima Fertilizer Limited	734,000	-	-	50,000	684,000	26,724	30,595	3,871	0.68	0.03	0.81
Fauji Fertilizer Company Limited	119,700	-	-	-	119,700	17,885	14,122	(3,763)	0.31	0.01	0.37
									<b>8.74</b>	<b>0.32</b>	<b>10.47</b>
<b>Technology &amp; Communication</b>											
Pakistan Telecommunication Company Limited "A"	1,672,510	-	-	300,000	1,372,510	28,137	22,633	(5,504)	0.50	0.04	0.60
<b>Paper &amp; Board</b>											
Packages Limited	147,600	250,300	-	15,000	382,900	215,506	222,890	7,384	4.93	0.43	5.90
<b>Refinery</b>											
National Refinery Limited	2,500	-	-	-	2,500	580	558	(22)	0.01	0.00	0.01
<b>Oil &amp; Gas Exploration</b>											
Pakistan Oilfields Limited	186,725	114,000	-	-	300,725	113,538	80,600	(32,938)	1.78	0.13	2.14
Pakistan Petroleum Limited	4,396	170,000	-	-	174,396	20,463	21,243	780	0.47	0.01	0.56
Mari Petroleum Company Limited	8,000	70,000	-	-	78,000	40,026	54,377	14,351	1.20	0.07	1.44
									<b>3.45</b>	<b>0.21</b>	<b>4.14</b>
<b>Oil and Gas Marketing</b>											
Pakistan State Oil Company Limited	300,004	195,000	-	40,000	455,004	168,855	148,226	(20,629)	3.28	0.17	3.93
Attock Petroleum Limited	9,600	-	-	-	9,600	5,445	4,849	(596)	0.11	0.01	0.13
Hascol Petroleum Limited	55,500	50,000	21,100	-	126,600	12,604	18,262	5,658	0.40	0.10	0.48
Sui Northern Gas Pipeline Limited	475,000	880,000	-	1,349,500	5,500	172	132	(40)	0.00	0.00	0.00
									<b>3.79</b>	<b>0.28</b>	<b>4.54</b>
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	31,000	37,000	-	-	68,000	43,257	43,180	(77)	0.95	0.07	1.14
Ferozsons Laboratories (Limited)	-	31,900	-	5,000	26,900	22,373	29,776	7,403	0.66	0.09	0.79
The Searle Company	104,800	101,480	32,960	25,000	214,240	59,180	84,781	25,601	1.87	0.21	2.25
Highnoon (Lab)	-	31,000	-	-	31,000	10,594	17,900	7,306	0.40	0.15	0.47
									<b>3.88</b>	<b>0.52</b>	<b>4.65</b>
<b>Food &amp; Personal Care Products</b>											
Engro Foods Limited	600,000	-	-	-	600,000	90,864	87,954	(2,910)	1.94	0.08	2.33
Al-Shaheer Corporation	-	200,000	70,000	-	270,000	19,682	16,789	(2,893)	0.37	0.22	0.44
									<b>2.31</b>	<b>0.30</b>	<b>2.77</b>
<b>Textile (Composite)</b>											
Nishat Mills Limited	441,800	-	-	200,000	241,800	27,621	22,940	(4,681)	0.51	0.07	0.61
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	736,097	567,000	-	-	1,303,097	125,901	133,698	7,797	2.96	0.11	3.54
K-Electric Limited (note 5.1.1.2)	2,440,000	6,693,500	-	-	9,133,500	70,583	67,953	(2,630)	1.50	0.03	1.80
Kohinoor Energy Limited	65,000	-	-	-	65,000	3,282	2,795	(487)	0.06	0.04	0.07
Lalpir Power	677,000	400,000	-	-	1,077,000	32,250	32,030	(220)	0.71	0.28	0.85
Pakgen Power Limited	50,000	241,500	-	-	291,500	9,041	8,579	(462)	0.19	0.08	0.23
									<b>5.42</b>	<b>0.54</b>	<b>6.49</b>
<b>Real Estate Investment Trust</b>											
Dolmen City REIT	2,728,000	-	-	-	2,728,000	30,035	29,271	(764)	0.65	0.12	0.78
<b>Engineering</b>											
Crescent Steel & Allied products	-	381,250	-	-	381,250	37,432	47,416	9,984	1.05	0.49	1.26
<b>Miscellaneous</b>											
Shifa International Hospitals	-	45,000	-	-	45,000	14,805	13,815	(990)	0.31	0.09	0.37
<b>Right Shares</b>											
Shifa International Hospitals	-	3,585	-	-	3,585	-	168	168	0.00	0.01	0.00
<b>Total</b>						<b>2,353,964</b>	<b>2,334,735</b>	<b>(19,229)</b>			
<b>Total cost of investments</b>							<b>2,144,997</b>				

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 41.909 million as at December 31, 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 period	Sales / Matured during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain as at December 31, 2015	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the fund on the basis of market value (note 5.1.1.3)	Total market value of investments	
GoP Ijarah Sukuk Certificates - IX (Note 5.1.1.6)	November 21, 2015	Weighted Average 6 months T-Bills	1,700	-	1,700	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XII (Note 5.1.1.6)	November 21, 2015	Weighted Average 6 months T-Bills	1,150	-	1,150	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XVI (Note 5.1.1.6)	December 18, 2018	Weighted Average 6 months T-Bills	-	4,250	500	3,750	375,000	379,238	4,238	8.39	10.05
<b>Total</b>							<b>375,000</b>	<b>379,238</b>	<b>4,238</b>		
<b>Total cost of investments</b>							<b>375,000</b>				

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

5.1.2 Investments - 'at fair value through profit or loss upon initial recognition'	Note	(Unaudited)	(Audited)
		December 31, 2015	June 30, 2015
		(Rupees in '000)	
Shares of listed companies 'Ordinary shares'	5.1.2.1	64,779	75,369
Sukuk certificates	5.1.2.2	564,681	529,931
Preference shares	5.1.3	-	2,894
		<b>629,460</b>	<b>608,194</b>

### 5.1.2.1 Shares of listed companies 'Ordinary shares'

Name of the investee company	As at July 01, 2015	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain / (loss) as at December 31, 2015	Percentage in relation to					
									Net assets of the Fund on the basis of market value (note 5.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments			
						----- (Number of shares) -----			----- (Rupees in '000) -----			----- % -----		
<b>Sector / Companies</b>														
<b>Automobile assemblers</b>														
Indus Motor Company Limited	50,055	-	-	-	50,055	62,519	50,640	(11,879)	1.12	0.06	1.34			
<b>Banks</b>														
Meezan Bank Limited (an associate company of the Fund)	277,593	-	-	-	277,593	11,381	12,700	1,319	0.28	0.00	0.34			
<b>Paper and Board Packages Limited</b>														
Packages Limited	2,473	-	-	-	2,473	1,469	1,439	(30)	0.03	0.00	0.04			
<b>Total</b>						<b>75,369</b>	<b>64,779</b>	<b>(10,590)</b>						
<b>Total cost of investments</b>						<b>12,894</b>								

### 5.1.2.2 Sukuk certificates

Name of the investee company	Maturity	Profit rate	As at July 01, 2015	Purchases during the period	Redemptions / Matured during the period	As at December 31, 2015	Carrying value as at December 31, 2015*	Market value as at December 31, 2015*	Unrealised gain / (loss) as at December 31, 2015	Percentage in relation to		
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the fund on the basis of market value (note 5.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total market value of investments	
<b>Secured</b>												
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	66,419	(523)	1.47	0.00	1.76
K Electric Limited - (7 years) (note 5.1.2.3) (AA, JCR-VIS, non-traded)	June 17, 2022	6 months KIBOR plus base rate of 1%	87,253	-	-	87,253	436,265	448,262	11,997	9.91	0.01	11.88
Security Leasing * Corporation Limited II (note 5.1.2.3 & 5.1.2.5 & 5.1.2.6)	January 19, 2022	Nil	1,540	-	-	1,540	-	-	-	-	-	-
Eden Housing Limited * (note 5.1.2.3 & 5.1.2.5 & 5.1.2.6)	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 & 5.1.2.6)	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	-	1.11	0.00	1.32
<b>Total</b>							<b>553,207</b>	<b>564,681</b>	<b>11,474</b>			
<b>Total cost of investments</b>								<b>586,026</b>				

\* 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 Eden Housing Limited and Security Leasing Corporation sukus certificates have been classified as non-performing by MUFAP. Details are given in the annual financial statements for the year ended June 30, 2015.

5.1.2.6 The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. All Meezan Investment Management Limited (Management Company) classified Meezan Balanced Fund (the Fund) as 'Balanced Scheme' in accordance with the said circular. As at December 31, 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 December 31, 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	-	-	-
		<b>37,623</b>	<b>37,623</b>	<b>-</b>		

### 5.1.2.6 Provision on sukuk certificates

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Opening	37,623	37,708
Reversal for the period - net	-	(85)
Closing	<u>37,623</u>	<u>37,623</u>

### 5.1.3 Preference Shares - Unlisted

Name of Security	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
		(Rupees in '000)	
Mari Petroleum Company Limited- at cost	5.1.3.1	-	2,894

**5.1.3.1** In accordance with the notice of redemption of preference shares issued by Mari Petroleum Company Limited (MPCL) dated September 23, 2015, all preference shares were surrendered by the Fund to MPCL on September 30, 2015. These preference shares were redeemed on October 06, 2015 and the Fund received dividend for the period from June 19, 2015 to September 11, 2015, which were duly recognized as charity in the interim financial information.

## 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 period	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain / (loss) as at December 31, 2015	Percentage in relation to		
								Net assets of the Fund on the basis of market value (see note 5.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
				(Number of shares)	(Rupees in '000)			%		
<b>Sector / companies</b>										
<b>Automobile and parts</b>										
Indus Motor Company Limited	11,075	-	-	11,075	2,422	11,204	8,782	0.25	0.01	0.33
Pakistan Suzuki Motor Company Limited	11,260	-	-	11,260	833	5,577	4,744	0.12	0.01	0.15
								<b>0.37</b>		<b>0.45</b>
<b>Banks</b>										
Meezan Bank Limited (an associate of the Fund)	1,207	-	-	1,207	17	55	38	0.00	0.00	0.00
BankIslami Pakistan Limited	875	-	-	875	6	10	4	0.00	0.00	0.00
								<b>0.00</b>		<b>0.00</b>
<b>Fertilizers</b>										
Fauji Fertilizer Bin Qasim Limited	377	-	377	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	30,599	-	-	30,599	2,465	3,610	1,145	0.08	0.00	0.10
								<b>0.08</b>		<b>0.10</b>
<b>Chemicals</b>										
ICI Pakistan Limited	7,921	-	-	7,921	999	3,834	2,835	0.08	0.01	0.10
<b>Cement</b>										
Attock Cement Pakistan Limited	287	-	-	287	11	48	37	0.00	0.00	0.00
DG Khan Cement Company Limited	79,249	-	-	79,249	3,121	11,696	8,575	0.26	0.02	0.31
Lucky Cement Limited	7,451	-	-	7,451	887	3,689	2,802	0.08	0.00	0.10
								<b>0.34</b>		<b>0.41</b>
<b>Power Generation &amp; Distribution</b>										
The Hub Power Company Limited	1,264,050	-	-	1,264,050	46,726	129,692	82,966	2.87	0.11	3.44
<b>Paper and Board</b>										
Packages Limited	150,000	-	-	150,000	77,511	87,317	9,806	1.93	0.17	2.31
<b>Oil &amp; Gas</b>										
Pakistan Petroleum Limited	4,548	-	-	4,548	558	554	(4)	0.01	0.00	0.01
<b>Total</b>					<b>135,556</b>	<b>257,286</b>	<b>121,730</b>			
<b>Total cost of investments</b>						<b>135,556</b>				



### 5.2.1 Unrealised appreciation / (diminution) on re-measurement of investment classified as 'available for sale' (net)

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Market value of investments		257,286	250,166
Less: Cost of investments		135,556	135,568
		<u>121,730</u>	<u>114,598</u>
Less: Net unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the period		114,598	98,514
		<u>7,132</u>	<u>16,084</u>

### 5.3 Investment 'loans and receivables'

Term Deposit Receipts - having original maturity of more than 3 months	5.3.1	<u>174,000</u>	<u>174,000</u>
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Name of the bank	Maturity date	Profit rate	As at July 01, 2015	TDR placed during the period	Matured during the period	As at December 31, 2015	Percentage of total value of investments
Meezan Bank Limited (an associate of the Fund)	June 22, 2016	6.70	174,000	-	-	174,000	4.61
			<u>174,000</u>	<u>-</u>	<u>-</u>	<u>174,000</u>	

### 6. SINDH SALES TAX AND FEDERAL EXCISE DUTY ON MANAGEMENT FEE / TRUSTEE FEE

- 6.1** The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the management company and sales load through Sindh Sales Tax on services Act 2011 effective from July 1, 2011. During the period, Sindh Sales Tax at the rate of 14 percent (June 30, 2015: 15 percent) was charged on the remuneration of the Management Company.
- 6.2** 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 from June 13, 2013. The Management Company is of the view that since the remunera already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appears to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan and the Honourable Court 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 June 13, 2013, aggregating to Rs. 22.596 million (June 30, 2015: 14.123 million). Had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by 0.07 per unit (June 30, 2015: 0.06 per unit).
- 6.3** In the current period, a notification (SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund recognised sales tax on trustee fee at the rate of 14 percent in the current period.

### 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 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, The Searle Company Limited and Al-Shaheer Corporation 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 contingencies and commitments outstanding as at December 31, 2015.

## **8 ALLOCATED EXPENSES**

In the current period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non - Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1 per cent average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

## **9 WORKERS' WELFARE FUND (WWF)**

The status of Workers' Welfare Fund (WWF) is the same as disclosed in the annual financial statements for the year ended June 30, 2015. 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. 37.909 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.12 per unit (0.84 percent). The mutual funds have been excluded from levy of WWF vide Finance Act, 2015, hence, effective from July 1, 2015, no provision of WWF has been made in the Fund. The matter regarding previous years would either need to be clarified by Regulatory bodies or Courts.

## **10. SEGMENT REPORTING**

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

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

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

There were no changes in reportable segments during the period.

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

	For the six months period ended December 31, 2015			For the six months period ended December 31, 2014		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Profit on sukuk certificates	-	29,545	29,545	-	28,054	28,054
Dividend income	61,265	-	61,265	32,490	-	32,490
Net realised (loss) / gain on sale of investments	(8,063)	(1,243)	(9,306)	33,078	(1,380)	31,698
Unrealised (loss) / gain on re-measurement of investments - ' at fair value through profit or loss' (net)	(29,819)	15,712	(14,107)	73,322	(3,105)	70,217
Brokerage	(1,743)	(9)	(1,752)	(857)	-	(857)
<b>Total net segment income</b>	<b>21,640</b>	<b>44,005</b>	<b>65,645</b>	<b>138,033</b>	<b>23,569</b>	<b>161,602</b>
Unallocated expenses	-	-	(4,474)	-	-	(4,464)
<b>Total net income</b>			<b>61,171</b>			<b>157,138</b>

	As at December 31, 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) -----		
Financial assets at 'fair value through profit or loss'	2,399,514	1,117,919	3,517,433	1,615,033	993,933	2,608,966
Investments - 'available for sale'	257,286	-	257,286	250,166	-	250,166
Dividend receivable	5,105	-	5,105	3,614	-	3,614
Profit receivable on sukuk certificates	-	6,406	6,406	-	6,400	6,400
<b>Total segment assets</b>	<b>2,661,905</b>	<b>1,124,325</b>	<b>3,786,230</b>	<b>1,868,813</b>	<b>1,000,333</b>	<b>2,869,146</b>
Unallocated assets			831,726			650,857
<b>Total assets</b>			<b>4,617,956</b>			<b>3,520,003</b>
<b>Total segment liabilities</b>	<b>1,642</b>	-	<b>1,642</b>	2,041	-	2,041
Unallocated liabilities			93,540	-	-	134,502
<b>Total liabilities</b>	<b>1,642</b>	-	<b>95,182</b>	<b>2,041</b>	-	<b>136,543</b>

There were no transactions between reportable segments.

#### 11. 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, 2003, NBFC Regulations, 2008 and the Trust Deed respectively.

Details of transactions with connected persons and balances with them for the period ended December 31, 2015 and as of that date along with the comparative are as follows:

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited (Al Meezan)</b>		
<b>- Management Company</b>		
Remuneration payable	7,656	5,515
Sindh Sales Tax and Federal Excise Duty payable on Management Fee	23,551	15,433
Sales load payable	1,183	3,418
Sindh Sales Tax and Federal Excise Duty payable on sales load	5,121	3,667
Allocated expenses payable	198	-
Investment as at December 31, 2015: 830,090 units (June 30, 2015: 830,090 units)	12,369	12,177
<b>Central Depository Company of Pakistan Limited (CDC)</b>		
<b>- Trustee</b>		
Remuneration payable	533	358
Deposit	300	300
<b>Meezan Bank Limited (MBL)</b>		
Bank balance	76,433	84,014
Term Deposit Receipts	174,000	174,000
Investment as at December 31, 2015: 877,300 shares (June 30, 2015: 1,352,300 shares)	40,136	55,443
Investment as at December 31, 2015: 18,886,746 units \\\n(June 30, 2015: 18,886,746 units)	281,424	277,069
Shariah advisory fee payable	22	-
<b>Pakistan Kuwait Investment Company (Private) Limited</b>		
Investment as at December 31, 2015: 11,057,791 units (June 30, 2015: 11,057,791 units)	164,768	162,218
<b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investment as at December 31, 2015: 400,115 units (June 30, 2015: 400,115 units)	5,962	5,870
<b>Directors and Executives of the Management Company</b>		
Investment as at December 31, 2015: 2,383,666 units (June 30, 2015: 2,322,530 units)	35,518	34,072

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited (Al Meezan ) - Management Company</b>		
Remuneration for the period	<u>43,033</u>	<u>20,795</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>13,898</u>	<u>6,946</u>
Allocated expenses	<u>198</u>	<u>-</u>
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Remuneration for the period	<u>2,659</u>	<u>1,544</u>
Sindh Sales Tax on trustee fee	<u>372</u>	<u>-</u>
CDS Charges	<u>77</u>	<u>52</u>
<b>Meezan Bank Limited</b>		
Profit on saving account	<u>636</u>	<u>2,446</u>
Profit on Term Deposit Receipts	<u>5,742</u>	<u>-</u>
Shares sold: 475,000 shares (December 31, 2014: Nil)	<u>23,394</u>	<u>-</u>
Shares purchased: Nil (December 31, 2014: 400,000 shares)	<u>-</u>	<u>19,000</u>
Shariah advisor fee	<u>22</u>	<u>-</u>
<b>Directors and Executives of the Management Company</b>		
Units issued: 241,811 units (December 31, 2014: 105,443 units)	<u>3,585</u>	<u>1,450</u>
Units redeemed: 180,675 units (December 31, 2014: Nil)	<u>2,692</u>	<u>-</u>

## 12. 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 account. 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 period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unitholders.

### 13. FINANCIAL INSTRUMENTS - FAIR VALUES

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows:

Note	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2015 (Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
	2,656,800	-	-	-	2,656,800	2,656,800	-	-	2,656,800
Equity securities									
GoP Ijarah sukuk certificates	379,238	-	-	-	379,238	379,238			379,238
Corporate sukuk certificates	564,681	-	-	-	564,681	564,681			564,681
<b>Financial assets - not measured at fair value</b>									
Cash and cash equivalents	13.1	-	-	807,625	-	807,625			
Trade and other receivables	13.1	-	209,600	-	-	209,600			
		<u>3,600,719</u>	<u>209,600</u>	<u>807,625</u>	<u>-</u>	<u>4,617,944</u>			
<b>Financial liabilities - not measured at fair value</b>									
Trade and other payables	13.1	-	-	-	26,100	26,100			

13.1 The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

### 14. DATE OF AUTHORISATION FOR ISSUE AND GENERAL

14.1 This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

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

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

**Chief Executive**

**Director**



**HALF YEARLY REPORT**  
DECEMBER 31, 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

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



**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN ISLAMIC INCOME FUND**

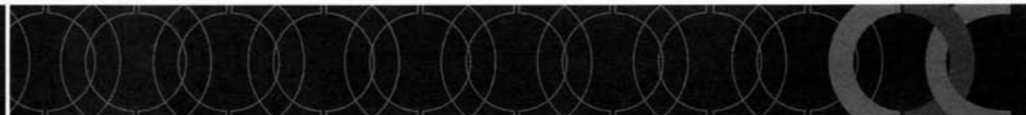
**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Islamic Income Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 22, 2016





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

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## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Islamic Income Fund** ("the Fund") as at 31 December 2015, and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*


Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in the condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
<b>Assets</b>			
Balances with banks	5	4,221,868	2,559,304
Investments	6	6,119,465	3,209,537
Deposits, prepayments and other receivables		77,785	96,081
<b>Total assets</b>		<b>10,419,118</b>	<b>5,864,922</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		53,731	35,897
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		831	472
Payable to Securities and Exchange Commission of Pakistan (SECP)		2,861	4,761
Payable to Meezan Bank Limited (MBL)		22	350
Payable on redemption and conversion of units		378,834	1,509,505
Accrued expenses and other liabilities	10	46,870	50,937
<b>Total liabilities</b>		<b>483,149</b>	<b>1,601,922</b>
<b>Net assets</b>		<b>9,935,969</b>	<b>4,263,000</b>
<b>Contingencies and commitments</b>	8		
<b>Unitholders' fund (as per statement attached)</b>		<b>9,935,969</b>	<b>4,263,000</b>
(Number of units)			
<b>Number of units in issue</b>		<b>188,757,689</b>	<b>78,577,810</b>
(Rupees)			
<b>Net asset value per unit</b>		<b>52.64</b>	<b>54.25</b>

The annexed notes 1 to 14 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
(Rupees in '000)					
<b>Income</b>					
Profit on saving accounts with banks		128,201	187,849	86,605	94,177
Profit on term deposit receipts		51,366	-	28,066	-
Profit on sukuk certificates		87,648	123,501	45,774	64,261
Realised gain / (loss) on sale of sukuk certificates (net)		20,296	3,056	19,125	(3,107)
Other income		1,877	206	129	132
		<b>289,388</b>	314,612	<b>179,699</b>	155,463
Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	6.1.1 & 6.1.3	62,038	8,972	53,367	3,354
Reversal against sukuk certificates (net)		-	169	-	-
		<b>62,038</b>	9,141	<b>53,367</b>	3,354
<b>Total income</b>		<b>351,426</b>	323,753	<b>233,066</b>	158,817
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited - Management Company		57,210	48,345	35,133	24,513
Sindh Sales Tax and Federal Excise Duty on Management Fee	7.1 & 7.2	18,445	16,147	11,327	8,187
Remuneration to Central Depository Company of Pakistan Limited - Trustee		3,470	3,063	2,042	1,548
Sindh Sales Tax on Trustee Fee	7.3	486	-	286	-
Annual fee to Securities and Exchange Commission of Pakistan		2,861	2,417	1,757	1,225
Auditors' remuneration		355	347	154	192
Fees and subscription		180	151	104	73
Legal and professional charges		165	-	32	-
Brokerage		274	239	244	149
Bank and settlement charges		84	43	59	20
Provision for Workers' Welfare Fund	10	-	4,876	-	2,311
Printing expense		106	-	106	-
Allocated expenses	9	436	-	436	-
<b>Total expenses</b>		<b>84,072</b>	75,628	<b>51,680</b>	38,218
<b>Net income from operating activities</b>		<b>267,354</b>	248,125	<b>181,386</b>	120,599
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed (net)		70,133	(9,195)	31,824	(7,353)
<b>Net income for the period before taxation</b>		<b>337,487</b>	238,930	<b>213,210</b>	113,246
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<b>337,487</b>	238,930	<b>213,210</b>	113,246
<b>Other comprehensive income for the period</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>337,487</b>	238,930	<b>213,210</b>	113,246

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31,	
	2015 (Rupees in '000)	2014
Undistributed income / accumulated (loss) brought forward		
- Realised	<b>308,543</b>	88,966
- Unrealised	<b>22,460</b>	(79,179)
	<b>331,003</b>	9,787
Final distribution for the year ended June 30, 2015		
- cash dividend at the rate of 6.80% i.e. Rs. 3.40 per unit (June 30, 2014: nil)	<b>(267,165)</b>	-
Net income for the period	<b>337,487</b>	238,930
Undistributed income carried forward	<b>401,325</b>	248,717
Undistributed income carried forward		
- Realised	<b>339,287</b>	239,576
- Unrealised	<b>62,038</b>	9,141
	<b>401,325</b>	248,717

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
Net assets at beginning of the period	<b>4,263,000</b>	4,918,355
Issue of 207,526,296 units (December 31, 2014: 96,669,695 units)	<b>10,751,983</b>	4,913,886
Issue of 4,720,443 units for re-investment of cash dividend (December 31, 2014: nil)	<b>240,035</b>	-
Redemption of 102,066,860 units (December 31, 2014: 75,627,397 units)	<b>(5,319,238)</b>	(3,867,389)
	<b>5,672,780</b>	1,046,497
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed (net)	<b>(70,133)</b>	9,195
Realised gain on sale of sukuk certificates	<b>20,296</b>	3,056
Unrealised appreciation in the value of investments (net)	<b>62,038</b>	9,141
Other net income for the period	<b>255,153</b>	226,733
Total comprehensive income for the period	<b>337,487</b>	238,930
Final distribution for the year ended June 30, 2015 - cash dividend at the rate of 6.80% i.e. Rs. 3.40 per unit (June 30, 2014: nil)	<b>(267,165)</b>	-
Net income for the period less distribution	<b>70,322</b>	238,930
Net assets at end of the period	<b>9,935,969</b>	6,212,977
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the period	<b>54.25</b>	50.17
Net assets value per unit at end of the period	<b>52.64</b>	52.17

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,	
		2015 (Rupees in '000)	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period		337,487	238,930
<b>Adjustments for</b>			
Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' (net)		(62,038)	(8,972)
Reversal 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)		(70,133)	9,195
		<b>205,316</b>	<b>238,984</b>
<b>(Increase) / decrease in assets</b>			
Investments (net)		(2,847,890)	(1,012,958)
Deposits, prepayments and other receivables		18,296	(55,942)
		<b>(2,829,594)</b>	<b>(1,068,900)</b>
<b>Increase / (decrease) in liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company		17,834	12,520
Payable to Central Depository Company of Pakistan Limited - Trustee		359	137
Payable to Securities and Exchange Commission of Pakistan		(1,900)	(284)
Payable to Meezan Bank Limited		(328)	(112)
Accrued expenses and other liabilities		(4,067)	4,485
		<b>11,898</b>	<b>16,746</b>
<b>Net cash used in operating activities</b>		<b>(2,612,380)</b>	<b>(813,170)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance of units		10,751,983	4,913,886
Receipts against dividend re-investment		240,035	-
Payments against redemption and conversion of units		(6,449,909)	(3,870,783)
Dividend paid		(267,165)	(983)
<b>Net cash generated from financing activities</b>		<b>4,274,944</b>	<b>1,042,120</b>
Net increase in cash and cash equivalents during the period		<b>1,662,564</b>	<b>228,950</b>
Cash and cash equivalents at the beginning of the period		<b>2,559,304</b>	<b>3,298,683</b>
Cash and cash equivalents at the end of the period	5	<b>4,221,868</b>	<b>3,527,633</b>

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 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 Pakistan Stock Exchange (formerly 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 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 and are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the approved accounting standards as applicable in Pakistan.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 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 2003, the NBFC Regulations 2008 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.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities and IFRS 13 Fair Value Measurement became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 Fair Value Measurement are disclosed in notes 4.1 and 13 to the interim financial information.

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.

##### 4.1 Change in accounting policy - fair value measurement

IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Fund has included additional disclosures in this regard in note 13 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

	Note	(Unaudited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
<b>5. BALANCES WITH BANKS</b>			
On saving accounts	5.1	<b>4,213,524</b>	2,554,137
On current accounts		<b>8,344</b>	5,167
		<b>4,221,868</b>	2,559,304

5.1 The balance in saving accounts bears expected profit which ranges from 2.72% to 6.65% per annum (June 30, 2015: 3.79% to 7.00% per annum).

## 6. INVESTMENTS

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
Investments - 'at fair value through profit or loss'	6.1	4,208,465	2,030,537
Investments - 'loans and receivables'	6.2	1,911,000	1,179,000
		<u>6,119,465</u>	<u>3,209,537</u>
<b>6.1 Investments at 'fair value through profit or loss'</b>			
- Held for trading	6.1.1	2,123,730	420,186
- Investments at 'fair value through profit or loss upon initial recognition'	6.1.3	2,084,735	1,610,351
		<u>4,208,465</u>	<u>2,030,537</u>

### 6.1.1 Held for trading - 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 December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised 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 6.1.2)	November 21, 2015	Weighted Average 6 months T-Bills	3,170	-	3,170	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XII (note 6.1.2)	November 21, 2015	Weighted Average 6 months T-Bills	1,000	-	1,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XVI (note 6.1.2)	December 18, 2018	Weighted Average 6 months T-Bills	-	36,000	15,000	21,000	2,100,000	2,123,730	23,730	21.37	34.70
<b>Total</b>							<u>2,100,000</u>	<u>2,123,730</u>	<u>23,730</u>		
<b>Total cost of investments</b>							<u>2,100,000</u>				

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

### 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 period	Redemptions / Matured during the period	As at December 31, 2015	*Carrying value as at December 31, 2015	*Market value as at December 31, 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	-	6,000	21,464	85,745	106,803	21,058	1.07	4.00	1.75

Name of the security	Maturity date	Profit rate	As at July 01, 2015	Purchases during the period	Redemptions /Matured during the period	As at December 31, 2015	*Carrying value as at December 31, 2015	*Market value as at December 31, 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
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) (AA-, PACRA, traded)	July 9, 2019	6 months KIBOR plus base rate of 1.75%	82,875	-	2,125	80,750	418,386	415,115	(3,271)	4.18	13.28	6.78
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	181,192	(1,429)	1.82	4.75	2.96
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	70,000	-	230,000	1,159,675	1,181,625	21,950	11.89	5.23	19.31
Lalpir Power Limited CP Sukuk (note 6.1.4 & 6.1.4.1)	February 4, 2016	6 months KIBOR plus base rate of 0.25%	-	40,000	-	40,000	200,000	200,000	-	2.01	10.00	3.27
<b>Total</b>							<b>2,046,427</b>	<b>2,084,735</b>	<b>38,308</b>			
<b>Total cost of investments</b>							<b>2,172,872</b>					

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

**6.1.4** The nominal value of the sukuk certificates is Rs 5,000 each.

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

**6.1.5** The nominal value of the sukuk certificates of Eden Housing Limited is Rs 984.375 each.

**6.1.6** Arzoo Textile Mills Limited, Eden Housing Limited and Security Leasing Corporation Sukuk Certificates have been classified as non-performing by MUFAP.

**6.1.7** The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (Management Company) classified Meezan Islamic Income Fund (the Fund) as 'Income Scheme' in accordance with the said circular. As at December 31, 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 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	Percentage of net assets	Percentage of total assets
		(Rupees in '000)			%	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	70,000	70,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	58,472	58,472	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	15,403	15,403	-	-	-
		<b>143,875</b>	<b>143,875</b>	-	-	-

**(Unaudited)**                      **(Audited)**  
**Note**                      **December 31,**                      **June 30,**  
**2015**                      **2015**  
**(Rupees in '000)**

**6.2 Investments - loans and receivables**

Term deposit receipts			
- having original maturity of more than 3 months	6.2.1	<b>1,911,000</b>	1,179,000

6.2.1	Name of the bank	Maturity date	Profit rate	As at July 01, 2015	TDR placed during the period	Matured during the period	As at December 31, 2015	Percentage of total market value of investments
	BankIslami Pakistan Limited	June 29, 2016	7.00	579,000	970,000	579,000	970,000	15.85
	Albaraka Bank (Pakistan) Limited	June 22, 2016*	6.85	600,000	-	600,000	-	0.00
	Dubai Islamic Bank Pakistan Limited	September 4, 2016	6.65	-	506,000	-	506,000	8.27
	Dubai Islamic Bank Pakistan Limited	November 21, 2016	6.25 to 6.50	-	435,000	-	435,000	7.11
				<b>1,179,000</b>	<b>1,911,000</b>	<b>1,179,000</b>	<b>1,911,000</b>	

\*The Fund prematured this Term Deposit Receipt on November 11, 2015.

**7. SINDH SALES TAX AND FEDERAL EXCISE DUTY ON MANAGEMENT FEE / TRUSTEE FEE**

**7.1** The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011. During the period SST at the rate of 14 percent (June 30, 2015: 15 percent) was charged on the remuneration of Management Company.

**7.2** 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. 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 June 13, 2013, aggregating to Rs. 31.91 million (June 30, 2015: Rs. 23.50 million). Had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by Rs. 0.17 per unit (June 30, 2015: Rs. 0.30 per unit).

**7.3** In the current period, a notification (SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund recognised sales tax on trustee fee at the rate of 14 percent in the current period.

**8. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2015.

## 9. ALLOCATED EXPENSES

In the current period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non - Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

## 10. WORKERS' WELFARE FUND

The status of Workers' Welfare Fund (WWF) is the same as disclosed in the annual financial statements for the year ended June 30, 2015. The Management Company, as a matter of abundant caution, has recognised WWF amounting to Rs. 45.46 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.24 per unit (0.46 percent). The mutual funds have been excluded from levy of WWF vide Finance Act, 2015, hence, effective from July 1, 2015, no provision of WWF has been made in the Fund. The matter regarding previous years would either need to be clarified by Regulatory bodies or Courts.

## 11. 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, 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, Al 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 provision of NBFC Rules 2003, NBFC Regulations, 2008 and the Trust Deed respectively.

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

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	12,726	7,314
Sales load payable	761	408
Allocated expenses payable	436	-
Certificate charges payable	1	1
Sindh Sales Tax and Federal Excise Duty on management fee	38,459	27,339
Sindh Sales Tax and Federal Excise Duty on sales load	1,348	835
Investment as at December 31, 2015: 13,632,817 units (June 30, 2015: 9,721,722 units)	717,631	527,403
<b>Meezan Bank Limited</b>		
Sales load payable	-	350
Shariah advisor fee payable	22	-
Balances with bank	118,604	41,621
Profit receivable on saving account	61	118
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	729	472
Sindh Sales Tax on Trustee Fee	102	-
Deposit	100	100
<b>Meezan Capital Preservation Fund - III</b>		
Investments as at December 31, 2015: 32,429,769 units (June 30, 2015: 1,991 units)	1,707,103	108
<b>Meezan Capital Preservation Fund - II</b>		
Investments as at December 31, 2015: 23,517,078 units (June 30, 2015: 1,053,621 units)	1,237,939	57,159
<b>MFPF - Meezan Asset Allocation Plan - I</b>		
Investments as at December 31, 2015: 3,510,739 units (June 30, 2015: nil)	184,805	-
<b>MFPF - Meezan Asset Allocation Plan - II</b>		
Investments as at December 31, 2015: 3,895,493 units (June 30, 2015: nil)	205,059	-
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investments as at December 31, 2015: 173,997 units (June 30, 2015: 38,330 units)	9,159	2,079
<b>Directors and Executives of the Management Company</b>		
Investments as at December 31, 2015: 1,364,600 units (June 30, 2015: 1,236,744 units)	71,833	67,093
<b>Unitholders' holding 10% or more of the Fund</b>		
Investments as at December 31, 2015: nil (June 30, 2015: 13,709,348 units)	-	743,732

	(Unaudited) Six months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	57,210	48,345
Sindh Sales Tax and Federal Excise Duty on management fee	18,445	16,147
Units issued: 4,102,117 units (December 31, 2014: 1,945,694 units)	213,140	100,000
Units redeemed: 191,022 units (December 31, 2014: 7,159,794 units)	10,000	366,104
Allocated expenses	436	-
Cash dividend paid (December 31, 2014: nil)	33,054	-
<b>Meezan Bank Limited</b>		
Profit on saving account	679	2,429
Shariah advisor fee	22	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	3,470	3,063
Sindh Sales Tax on trustee fee	486	-
CDS Charges	32	13
<b>Meezan Capital Preservation Fund - III</b>		
Units issued: 32,595,458 units (December 31, 2014: 14,121,392 units)	1,683,328	718,000
Units redeemed: 167,680 units (December 31, 2014: 14,681,069 units)	8,750	744,900
Cash dividend paid (December 31, 2014: nil)	7	-
<b>Meezan Capital Preservation Fund - II</b>		
Units issued: 25,433,557 units (December 31, 2014: 40,355,018 units)	1,311,992	2,033,035
Units redeemed: 2,970,100 units (December 31, 2014: 25,330,980 units)	155,500	1,283,979
Cash dividend paid (December 31, 2014: nil)	3,582	-
<b>MFPF - Meezan Asset Allocation Plan - I</b>		
Units issued: 11,376,888 units (December 31, 2014: nil)	591,257	-
Units redeemed: 7,866,149 units (December 31, 2014: nil)	410,350	-
<b>MFPF - Meezan Asset Allocation Plan - II</b>		
Units issued: 7,694,885 units (December 31, 2014: nil)	404,024	-
Units redeemed: 3,799,392 units (December 31, 2014: nil)	200,000	-
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Units issued: 135,667 units (December 31, 2014: nil)	7,043	-
Cash dividend paid (December 31, 2014: nil)	130	-
<b>Directors and Executives of the Management Company</b>		
Units issued: 247,115 units (December 31, 2014: 149,442 units)	12,736	7,641
Units redeemed: 119,259 units (December 31, 2014: 1,212,977 units)	6,142	62,679
Cash dividend paid (December 31, 2014: nil)	4,205	-

## 12. 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 account. 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 period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unitholders.

### 13. FINANCIAL INSTRUMENTS

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows:

Note	Carrying amount				Fair value				
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
<b>December 31, 2015</b> ..... (Rupees in '000) .....									
<b>Financial assets - measured at fair value</b>									
	GoP Ijarah sukuk certificates	2,123,730	-	-	-	2,123,730	-	-	2,123,730
	Corporate sukuk certificates	2,084,735	-	-	-	2,084,735	-	-	2,084,735
<b>Financial assets - not measured at fair value</b>									
	Cash and cash equivalents	13.1	-	-	4,221,868	-	-	-	4,221,868
	Trade and other receivables	13.1	-	1,988,785	-	-	-	-	1,988,785
			<u>4,208,465</u>	<u>1,988,785</u>	<u>4,221,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,419,118</u>
<b>Financial liabilities - not measured at fair value</b>									
	Trade and other payables	13.1	-	-	-	394,210	-	-	394,210

**13.1** The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

### 14. DATE OF AUTHORISATION FOR ISSUE AND GENERAL

**14.1** This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

**14.2** Figures have been rounded off to the nearest thousand rupees.

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

**Chief Executive**

**Director**





**HALF YEARLY REPORT**  
DECEMBER 31, 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

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	Dubai Islamic Bank Pakistan Limited
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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN SOVEREIGN FUND**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance  
Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Sovereign Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited  
Karachi, February 22, 2016





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

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Sovereign Fund** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

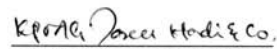
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in this condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
<b>Assets</b>			
Balances with banks	5	1,748,728	3,234,525
Investments	6	8,926,432	8,275,796
Receivable on conversion of units		-	79,483
Deposits, prepayments and other receivables		99,104	192,846
<b>Total assets</b>		<b>10,774,264</b>	<b>11,782,650</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		75,547	71,521
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		661	807
Payable to Meezan Bank Limited (MBL)		33	499
Payable to Securities and Exchange Commission of Pakistan (SECP)		3,152	10,213
Payable on redemption and conversion of units		41,116	2,901,599
Accrued expenses and other liabilities	10	136,720	141,310
<b>Total liabilities</b>		<b>257,229</b>	<b>3,125,949</b>
<b>Net assets</b>		<b>10,517,035</b>	<b>8,656,701</b>
<b>Contingencies and commitments</b>	8		
<b>Unitholders' fund (as per statement attached)</b>		<b>10,517,035</b>	<b>8,656,701</b>
(Number of units)			
<b>Number of units in issue</b>		<b>202,324,315</b>	<b>160,548,092</b>
(Rupees)			
<b>Net assets value per unit</b>		<b>51.98</b>	<b>53.92</b>

The annexed notes 1 to 14 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
<b>(Rupees in '000)</b>					
<b>Income</b>					
Profit on saving accounts with banks		87,174	177,848	51,247	69,771
Profit on sukuk certificates		201,845	544,156	59,331	239,487
Net realised loss on sale of sukuk certificates		(41,216)	(66,362)	(24,803)	(48,528)
		<u>247,803</u>	<u>655,642</u>	<u>85,775</u>	<u>260,730</u>
Unrealised gain / (loss) on re-measurement of investments 'at fair value through profit or loss' (net)	6.1	84,147	(109,318)	97,760	(17,503)
<b>Total income</b>		<u>331,950</u>	<u>546,324</u>	<u>183,535</u>	<u>243,227</u>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		42,033	77,610	17,832	32,579
Sindh Sales Tax and Federal Excise Duty on Management Fee	7.1 & 7.2	13,551	25,922	5,749	10,882
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		3,531	5,791	1,525	2,522
Sindh Sales Tax on Trustee Fee	7.3	501	-	220	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		3,152	5,821	1,337	2,444
Auditors' remuneration		265	320	112	174
Fees and subscription		167	128	100	64
Legal and professional charges		133	-	-	-
Amortisation of preliminary expenses and floatation costs		-	257	-	128
Brokerage		226	717	27	317
Bank and settlement charges		160	100	90	64
Allocated expenses	9	427	-	427	-
Provision for Workers' Welfare Fund (WWF)	10	-	5,939	-	1,958
Printing expenses		72	378	-	189
<b>Total expenses</b>		<u>64,218</u>	<u>122,983</u>	<u>27,419</u>	<u>51,321</u>
<b>Net income from operating activities</b>		<u>267,732</u>	<u>423,341</u>	<u>156,116</u>	<u>191,906</u>
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed (net)		46,050	(132,347)	73,959	(95,974)
<b>Net income for the period before taxation</b>		<u>313,782</u>	<u>290,994</u>	<u>230,075</u>	<u>95,932</u>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<u>313,782</u>	<u>290,994</u>	<u>230,075</u>	<u>95,932</u>
<b>Other comprehensive income for the period</b>					
<b>Items that can be reclassified to income statement in subsequent periods</b>					
Realised / unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale' (net)	6.2.2	(6,979)	(30,049)	12,080	(10,990)
<b>Total comprehensive income for the period</b>		<u>306,803</u>	<u>260,945</u>	<u>242,155</u>	<u>84,942</u>

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,	
		2015 (Rupees in '000)	2014
Undistributed income / accumulated (loss) brought forward			
- Realised		<b>783,971</b>	15,835
- Unrealised		<b>(47,805)</b>	147,842
		<b>736,166</b>	163,677
Net income for the period		<b>313,782</b>	290,994
Less: Final distribution for the year ended June 30, 2015			
- cash dividend at the rate of 6.90% i.e. Rs. 3.45 per unit (June 30, 2014: nil)		<b>(553,891)</b>	-
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed pertaining to 'available for sale' investments (net)		<b>(1,026)</b>	9,004
Undistributed income carried forward		<b>495,031</b>	463,675
Undistributed income / accumulated (loss) carried forward			
- Realised		<b>410,884</b>	572,993
- Unrealised	6.1	<b>84,147</b>	(109,318)
		<b>495,031</b>	463,675

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
Net assets at beginning of the period	<b>8,656,701</b>	20,280,685
Issue of 241,761,459 units (December 31, 2014: 174,594,878 units)	<b>12,380,130</b>	8,921,070
Issue of 6,576,704 units for re-investment of cash dividend (December 31, 2014: nil)	<b>352,756</b>	-
Redemption of 206,561,940 units (December 31, 2014: 370,249,293 units)	<b>(10,579,414)</b>	(18,921,047)
	<b>2,153,472</b>	(9,999,977)
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed (net) for the period	<b>(46,050)</b>	132,347
Net realised loss on sale of sukuk certificates	<b>(41,216)</b>	(66,362)
Unrealised appreciation / (diminution) in the value of investments (net)	<b>77,168</b>	(139,367)
Net other income for the period	<b>270,851</b>	466,674
Total comprehensive income for the period	<b>306,803</b>	260,945
Less: Final distribution for the year ended June 30, 2015 - Cash dividend at the rate of 6.80% i.e. Rs. 3.45 per unit (June 30, 2014: nil)	<b>(553,891)</b>	-
Net income for the period less distribution	<b>(247,088)</b>	260,945
Net assets at the end of the period	<b>10,517,035</b>	10,674,000
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the period	<b>53.92</b>	50.48
Net assets value per unit at end of the period	<b>51.98</b>	51.79

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,	
		2015	2014
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period		313,782	290,994
<b>Adjustments for :</b>			
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss (net)		(84,147)	109,318
Amortisation of preliminary expenses and floatation costs		-	257
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		(46,050)	132,347
		<b>183,585</b>	<b>532,916</b>
<b>(Increase) / decrease in assets</b>			
Investments (net)		(573,468)	5,629,548
Deposits, prepayments and other receivables		93,742	55,875
		<b>(479,726)</b>	<b>5,685,423</b>
<b>(Decrease) / increase in liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		4,026	5,789
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		(146)	381
Payable to Securities and Exchange Commission of Pakistan (SECP)		(7,061)	(9,466)
Payable to Meezan Bank Limited (MBL)		(466)	(270)
Accrued expenses and other liabilities		(5,837)	9,169
		<b>(9,484)</b>	<b>5,603</b>
<b>Net cash (used in) / generated from operating activities</b>		<b>(305,625)</b>	<b>6,223,942</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		12,459,613	8,921,070
Receipts against dividend re-investment		352,756	-
Payments against redemption and conversion of units		(13,438,650)	(19,101,548)
Dividend paid		(553,891)	-
<b>Net cash used in from financing activities</b>		<b>(1,180,172)</b>	<b>(10,180,478)</b>
Net decrease in cash and cash equivalents during the period		<b>(1,485,797)</b>	<b>(3,956,536)</b>
Cash and cash equivalents at beginning of the period		<b>3,234,525</b>	<b>6,690,140</b>
Cash and cash equivalents at end of the period	5	<b>1,748,728</b>	<b>2,733,604</b>

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 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 Pakistan Stock Exchange (formerly 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 and 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, 2003, and the NBFC Regulations, 2008, and directives issued by SECP. In case where requirements differ, the provisions and directives issued under the Companies Ordinance, 1984, the NBFC Rules, 2003, and the NBFC Regulations, 2008, and directives issued by 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 annual financial

statements of the Fund for the year ended June 30, 2015.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities and IFRS 13 Fair Value Measurement became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 Fair Value Measurement are disclosed in notes 4.1 and 13 to the interim financial information.

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

#### 4.1 Change in accounting policy - fair value measurement

IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Fund has included additional disclosures in this regard in note 13 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

5. BALANCES WITH BANKS	Note	(Unaudited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
On saving accounts	5.1	1,725,311	3,218,428
On current accounts		<u>23,417</u>	<u>16,097</u>
		<u><u>1,748,728</u></u>	<u><u>3,234,525</u></u>

5.1 The balance in saving accounts have an expected profit which ranges from 2.72% to 6.65% per annum (June 30, 2015: 4.00% to 9.27% per annum).

6. INVESTMENTS	Note	(Unaudited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
Investments - 'at fair value through profit or loss'	6.1	8,926,432	6,891,142
Investments - 'available for sale'	6.2	<u>-</u>	<u>1,384,654</u>
		<u><u>8,926,432</u></u>	<u><u>8,275,796</u></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 period	Sales / Matured during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised (loss) / gain as at December 31, 2015	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)	November 21, 2015	Weighted average 6 months T-Bills	29,770	-	29,770	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - X (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	18,030	-	18,030	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XII (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	19,669	-	19,669	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XIII (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	750	-	750	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XIV (note 6.2.1)	March 28, 2016	Weighted average 6 months T-Bills	167	13,700	-	13,867	1,392,285	1,392,247	(38)	13.24	15.60
GoP Ijarah Sukuk Certificates - XVI (note 6.2.1)	December 18, 2018	Weighted average 6 months T-Bills	-	74,500	-	74,500	7,450,000	7,534,185	84,185	71.64	84.40
<b>Total</b>							<b>8,842,285</b>	<b>8,926,432</b>	<b>84,147</b>		
<b>Total cost of investments</b>								<b>8,842,297</b>			

## 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 / Matured during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 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)	November 21, 2015	Weighted average 6 months T-Bills	13,500	-	13,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XI (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	230	-	230	-	-	-	-	-	-
<b>Total</b>											
<b>Total cost of investments</b>											

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

6.2.2 Realised / unrealised diminution on re-measurement of investment classified as 'available for sale' (net).

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Market value of investments	-	1,384,654
Less: Cost of investments	-	(1,377,675)
	-	6,979
Less: Net realised / unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the period	<b>6,979</b>	27,840
	<b>(6,979)</b>	(20,861)

## **7. SINDH SALES TAX AND FEDERAL EXCISE DUTY ON MANAGEMENT FEE / TRUSTEE FEE**

- 7.1** The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the management company and sales load through Sindh Sales Tax on services Act 2011 effective from July 1, 2011. During the period, Sindh Sales Tax at the rate of 14 percent (June 30, 2015: 15 percent) was charged on the remuneration of the Management Company.
- 7.2** 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 Honourable High Court 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 June 13, 2013, aggregating to Rs. 55.814 million (June 30, 2015: Rs. 49.09 million) had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by Rs. 0.27 per unit (June 30, 2015: 0.31 per unit).
- 7.3** In the current period, a notification (SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund recognised sales tax on trustee fee at the rate of 14 percent in the current period.

## **8. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2015 and June 30, 2015.

## **9. ALLOCATED EXPENSES**

In the current period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non - Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

## **10. WORKERS' WELFARE FUND**

The status of Workers' Welfare Fund (WWF) is the same as disclosed in the annual financial statements for the year ended June 30, 2015. The Management Company, as a matter of abundant caution, has recognised WWF amounting to Rs. 133.886 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.66 per unit (1.27 percent). The mutual funds have been excluded from levy of WWF vide Finance Act, 2015, hence, effective from July 1, 2015, no provision of WWF has been made in the Fund. The matter regarding previous years would either need to be clarified by Regulatory bodies or Courts.

## 11. 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, Meezan Gold Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islamic 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 Al Meezan Investment Management Limited - Employees Gratuity Fund and Unitholders holding 10 percent or more of the funds' 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, 2003, NBFC Regulations, 2008, and the Trust Deed respectively.

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

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited (Al Meezan)</b>		
<b>- Management Company</b>		
Remuneration payable	6,795	10,333
Sindh Sales Tax and Federal Excise Duty payable on Management Fee	65,345	58,277
Sales load payable	849	904
Sindh Sales Tax and Federal Excise Duty payable on sales load	2,131	2,007
Allocated expenses payable	427	-
Investment as at December 31, 2015: 5,476,883 units (June 30, 2015: nil)	284,688	-
<b>Meezan Bank Limited (MBL)</b>		
Balances with bank	105,532	101,475
Profit receivable on saving accounts	126	332
Shariah advisor fee payable	33	-
Sales load payable	-	499
Investment as at December 31, 2015: 21,593,102 units (30 June, 2015: 56,706,764 units)	1,122,409	3,057,628
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Trustee fee payable	574	807
Sales Tax payable on trustee fee	87	-
Deposit	100	100
<b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investment as at December 31, 2015: 47,890 units (June 30, 2015: 44,826 units)	2,489	2,417

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
<b>Meezan Financial Planning Fund of Funds</b>		
<b>MFPF - Aggressive Allocation Plan</b>		
Investment as at December 31, 2015: 2,276,572 units (June 30, 2015: 1,936,916 units)	<u>118,336</u>	<u>104,439</u>
<b>MFPF - Conservative Allocation Plan</b>		
Investment as at December 31, 2015: 3,423,627 units (June 30, 2015: 4,984,360 units)	<u>177,960</u>	<u>268,757</u>
<b>MFPF - Moderate Allocation Plan</b>		
Investment as at December 31, 2015: 2,895,858 units (June 30, 2015: 3,485,449 units)	<u>150,527</u>	<u>187,935</u>
<b>MFPF - Meezan Capital Preservation Plan I</b>		
Investment as at December 31, 2015: 15,816,269 units (June 30, 2015: 4,529,964 units)	<u>822,130</u>	<u>244,256</u>
<b>MFPF - Meezan Capital Preservation Plan II</b>		
Investment as at December 31, 2015: 43,385,464 units (June 30, 2015: 8,689,559 units)	<u>2,255,176</u>	<u>468,541</u>
<b>Meezan Capital Preservation Funds III</b>		
Investments as at December 31, 2015: nil (June 30, 2015: 5,533,153 units)	<u>-</u>	<u>298,348</u>
<b>Meezan Capital Preservation Funds II</b>		
Investments as at December 31, 2015: nil (June 30, 2015: 5,647,987 units)	<u>-</u>	<u>304,540</u>
<b>Directors and Executives of the Management Company</b>		
Investments as at December 31, 2015: 99,848 units (June 30, 2015: 177,443 units)	<u>5,190</u>	<u>9,568</u>
	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited (Al Meezan) - Management Company</b>		
Remuneration for the period	<u>42,033</u>	<u>77,610</u>
Sindh Sales Tax and Federal Excise Duty on Management Fee	<u>13,551</u>	<u>25,922</u>
Allocated expenses	<u>427</u>	<u>-</u>
Units issued: 7,649,936 units (December 31, 2014: nil)	<u>393,000</u>	<u>-</u>
Units redeemed: 2,173,053 units (December 31, 2014: 619,702 units)	<u>111,850</u>	<u>31,481</u>

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
<b>Meezan Bank Limited (MBL)</b>		
Profit on saving accounts	<u>659</u>	<u>2,511</u>
Shariah advisor fee	<u>33</u>	<u>-</u>
Units redeemed: 35,113,662 units (December 31, 2014: 68,869,628 units)	<u>1,792,417</u>	<u>3,516,189</u>
Cash dividend paid (December 31, 2014: nil)	<u>195,638</u>	<u>-</u>
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Remuneration for the period	<u>3,531</u>	<u>5,791</u>
Sindh Sales Tax on trustee	<u>501</u>	<u>-</u>
CDS Charges	<u>3</u>	<u>-</u>
<b>AI Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Units issued: 3,064 units (December 31, 2014: nil)	<u>155</u>	<u>-</u>
Cash dividend paid (December 31, 2014: nil)	<u>155</u>	<u>-</u>
<b>Meezan Financial Planning Fund of Funds</b>		
<b>MFPF - Aggressive Allocation Plan</b>		
Units issued: 537,879 units (December 31, 2014: 464,521 units)	<u>27,454</u>	<u>23,824</u>
Units redeemed: 198,223 units (December 31, 2014: 410,628 units)	<u>10,118</u>	<u>20,955</u>
Cash dividend paid (December 31, 2014: nil)	<u>6,682</u>	<u>-</u>
<b>MFPF - Conservative Allocation Plan</b>		
Units issued: 1,390,396 units (December 31, 2014: 3,116,571 units)	<u>70,718</u>	<u>159,170</u>
Units redeemed: 2,951,129 units (December 31, 2014: 1,822,852 units)	<u>149,610</u>	<u>93,000</u>
Cash dividend paid (December 31, 2014: nil)	<u>17,196</u>	<u>-</u>
<b>MFPF - Moderate Allocation Plan</b>		
Units issued: 606,641 units (December 31, 2014: 1,241,898 units)	<u>30,922</u>	<u>63,641</u>
Units redeemed: 1,196,232 units (December 31, 2014: 496,309 units)	<u>60,811</u>	<u>25,350</u>
Cash dividend paid (December 31, 2014: nil)	<u>12,025</u>	<u>-</u>
<b>MFPF - Meezan Capital Preservation Plan I</b>		
Units issued: 35,315,784 units (December 31, 2014: nil)	<u>1,817,209</u>	<u>-</u>
Units redeemed: 24,029,479 units (December 31, 2014: nil)	<u>1,234,887</u>	<u>-</u>
Cash dividend paid (December 31, 2014: nil)	<u>15,628</u>	<u>-</u>
<b>MFPF - Meezan Capital Preservation Plan II</b>		
Units issued: 67,918,454 units (December 31, 2014: nil)	<u>3,489,240</u>	<u>-</u>
Units redeemed: 33,222,549 units (December 31, 2014: nil)	<u>1,703,186</u>	<u>-</u>
Cash dividend paid (December 31, 2014: nil)	<u>29,979</u>	<u>-</u>
<b>MFPF - Meezan Asset Allocation Plan</b>		
Units issued: 15,329,129 units (December 31, 2014: nil)	<u>780,000</u>	<u>-</u>
Units redeemed: 15,329,129 units (December 31, 2014: nil)	<u>781,014</u>	<u>-</u>



	Six Months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>MFPF - Meezan Asset Allocation Plan II</b>		
Units issued: 38,933 units (December 31, 2014: nil)	<u>2,000</u>	-
Units redeemed: 38,933 units (December 31, 2014: nil)	<u>2,024</u>	-
<b>Meezan Capital Preservation Fund III</b>		
Units issued: 3,836,414 units (December 31, 2014: nil)	<u>194,889</u>	-
Units redeemed: 9,369,567 units (December 31, 2014: nil)	<u>477,647</u>	-
Cash dividend paid (December 31, 2014: nil)	<u>19,089</u>	-
<b>Meezan Capital Preservation Fund II</b>		
Units issued: 2,151,429 units (December 31, 2014: nil)	<u>109,186</u>	-
Units redeemed: 7,799,416 units (December 31, 2014: nil)	<u>397,624</u>	-
Cash dividend paid (December 31, 2014: nil)	<u>19,486</u>	-
<b>Directors and Executives of the Management Company</b>		
Units issued: 109,773 units (December 31, 2014: 78,763 units)	<u>5,684</u>	3,420
Units redeemed: 187,368 units (December 31, 2014: 1,150,924 units)	<u>9,548</u>	58,763
Cash dividend paid (December 31, 2014: nil)	<u>612</u>	-

## 12. 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 per cent of accounting income, the income distributed through bonus units shall not be taken into account. 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 period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unitholders.

### 13. FINANCIAL INSTRUMENTS - FAIR VALUES

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows:

Note	Carrying amount				Total	Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables		Level 1	Level 2	Level 3	Total
December 31, 2015									
(Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
	GoP Ijarah sukuk certificates	8,926,432	-	-	-	8,926,432	-	-	8,926,432
<b>Financial assets - not measured at fair value</b>									
	Cash and cash equivalents	-	-	1,748,728	-	-	-	-	1,748,728
	Trade and other receivables	-	98,829	-	-	-	-	-	98,829
		<u>8,926,432</u>	<u>98,829</u>	<u>1,748,728</u>	<u>-</u>				<u>10,773,989</u>
<b>Financial liabilities - not measured at fair value</b>									
	Trade and other payables	-	-	-	52,082	-	-	-	52,082

13.1 The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

### 14. DATE OF AUTHORISATION FOR ISSUE AND GENERAL

14.1 This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

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

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

**Chief Executive**

**Director**



**HALF YEARLY REPORT**  
DECEMBER 31, 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

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN CASH FUND**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance  
Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Cash Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 22, 2016



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

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Internet www.kpmg.com.pk

## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Cash Fund** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

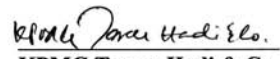
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in this condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
<b>Assets</b>			
Balances with banks	5	2,582,242	3,177,258
Investments	6	705,020	1,291,766
Receivable on conversion of units		-	3,505,115
Profit receivable		106,423	59,920
Deposits and prepayments		411	521
<b>Total assets</b>		<b>3,394,096</b>	<b>8,034,580</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		26,722	19,805
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		463	338
Payable to Securities and Exchange Commission of Pakistan (SECP)		2,381	2,975
Payable to Meezan Bank Limited (MBL)		33	-
Payable on redemption and conversion of units		11,711	314,563
Brokerage payable		-	25
Dividend payable		-	3,820
Accrued expenses and other liabilities	10	61,047	75,315
<b>Total liabilities</b>		<b>102,357</b>	<b>416,841</b>
<b>Net assets</b>		<b>3,291,739</b>	<b>7,617,739</b>
<b>Contingencies and commitments</b>	8		
<b>Unitholders' fund (as per statement attached)</b>		<b>3,291,739</b>	<b>7,617,739</b>
(Number of units)			
<b>Number of units in issue</b>		<b>64,215,228</b>	<b>152,058,910</b>
(Rupees)			
<b>Net assets value per unit</b>		<b>51.26</b>	<b>50.10</b>

The annexed notes 1 to 14 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
<b>(Rupees in '000)</b>					
<b>Income</b>					
Profit on saving accounts with banks		161,247	107,929	88,681	65,299
Profit on Term Deposit Receipts		15,958	25,213	7,618	9,316
Profit on sukuk certificates		17,349	43,460	4,604	28,665
Net realised loss on sale of sukuk certificates		(3,580)	-	(8)	-
Other income		5	-	5	-
		<b>190,979</b>	176,602	<b>100,900</b>	103,280
Unrealised gain / (loss) on re-measurement of investments 'at fair value through profit or loss' (net)	6.3	18	(4,133)	22	(618)
<b>Total income</b>		<b>190,997</b>	172,469	<b>100,922</b>	102,662
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		31,733	19,322	17,479	11,071
Sindh Sales Tax and Federal Excise Duty on Management Fee	7.1 & 7.2	10,233	6,453	5,637	3,697
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		2,758	1,827	1,500	1,019
Sindh Sales Tax on trustee fee	7.3	386	-	210	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		2,381	1,449	1,312	830
Auditors' remuneration		271	249	128	112
Fees and subscription		169	134	101	68
Legal and professional charges		65	-	32	-
Brokerage		74	-	1	-
Bank and settlement charges		102	92	23	29
Allocated expenses	9	168	-	201	-
Provision for Workers' Welfare Fund (WWF)	10	-	3,142	-	1,686
<b>Total expenses</b>		<b>48,340</b>	32,668	<b>26,624</b>	18,512
<b>Net income from operating activities</b>		<b>142,657</b>	139,801	<b>74,298</b>	84,150
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(67,688)	14,152	(95,737)	(1,546)
<b>Net income / (loss) for the period before taxation</b>		<b>74,969</b>	153,953	<b>(21,439)</b>	82,604
Taxation	12	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>74,969</b>	153,953	<b>(21,439)</b>	82,604
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>74,969</b>	153,953	<b>(21,439)</b>	82,604

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,	
		2015 (Rupees in '000)	2014
Undistributed income brought forward			
- Realised		<b>11,339</b>	8,803
- Unrealised		<b>1,796</b>	-
		<b>13,135</b>	8,803
Net income for the period		<b>74,969</b>	153,953
Undistributed income carried forward		<b>88,104</b>	162,756
Undistributed income / accumulated (loss) carried forward			
- Realised		<b>88,086</b>	166,889
- Unrealised	6.3	<b>18</b>	(4,133)
		<b>88,104</b>	162,756

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	2014
	<b>(Rupees in '000)</b>	
Net assets at beginning of the period	<b>7,617,739</b>	3,049,366
Issue of 157,208,536 units (2014: 109,464,356 units)	<b>7,980,324</b>	5,582,948
Redemption of 245,052,218 units (2014: 86,612,286 units)	<b>(12,448,981)</b>	(4,424,593)
	<b>(4,468,657)</b>	1,158,355
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed (net)	<b>67,688</b>	(14,152)
Net realised loss on sale of sukuk certificates	<b>(3,580)</b>	-
Unrealised appreciation / (diminution) in the value of investments (net)	<b>18</b>	(4,133)
Net other income for the period	<b>78,531</b>	158,086
Total comprehensive income for the period	<b>74,969</b>	153,953
Net assets at end of the period	<b>3,291,739</b>	4,347,522
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the period	<b>50.10</b>	50.07
Net assets value per unit at end of the period	<b>51.26</b>	51.91

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,	
		2015	2014
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period		74,969	153,953
<b>Adjustments for :</b>			
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss (net)		(18)	4,133
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)		67,688	(14,152)
		<b>142,639</b>	143,934
<b>Decrease / (Increase) in assets</b>			
Investments (net)		586,764	(1,249,353)
Receivable against Bai Muajjal		-	530,078
Profit receivable		(46,503)	(1,569)
Deposits and prepayments		110	(91)
		<b>540,371</b>	(720,935)
<b>Increase / (Decrease) in liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		6,917	4,394
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		125	58
Payable to Securities and Exchange Commission of Pakistan (SECP)		(594)	(2,750)
Payable to Meezan Bank Limited (MBL)		33	-
Brokerage payable		(25)	-
Accrued expenses and other liabilities		(14,268)	3,619
		<b>(7,812)</b>	5,321
<b>Net cash generated from / (used in) operating activities</b>		<b>675,198</b>	(571,680)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance of units		11,485,439	5,582,948
Payments against redemption of units		(12,751,833)	(4,436,131)
Dividend paid		(3,820)	-
<b>Net cash (used in) / generated from financing activities</b>		<b>(1,270,214)</b>	1,146,817
Net (decrease) / increase in cash and cash equivalents during the period		<b>(595,016)</b>	575,137
Cash and cash equivalents at beginning of the period		<b>3,177,258</b>	2,544,117
Cash and cash equivalents at end of the period	5	<b>2,582,242</b>	3,119,254

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 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 Shariah 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 Pakistan Stock Exchange (formerly 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 are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the 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 annual financial statements of the Fund for the year ended June 30, 2015.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities and IFRS 13 Fair Value Measurement became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 Fair Value Measurement are disclosed in notes 4.1 and 13 to the interim financial information.

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.

##### 4.1 Change in accounting policy - fair value measurement

IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Fund has included additional disclosures in this regard in note 13 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

5. BALANCES WITH BANKS	Note	(Unaudited) December 31, 2015 (Rupees in '000)	(Audited) June 30, 2015
On saving accounts	5.1	2,568,930	3,167,390
On current accounts		13,312	9,868
		<u>2,582,242</u>	<u>3,177,258</u>

5.1 The balances in saving accounts have an expected profit ranging from 2.72% to 5.75% per annum (June 30, 2015 : 4.00% to 9.27% per annum).

#### 6. INVESTMENTS

Investments - 'loans and receivables'	6.1	450,000	559,000
Investments - 'fair value through profit or loss'	6.2	255,020	732,766
		<u>705,020</u>	<u>1,291,766</u>

## 6.1 Investments - Loans and receivables - Term Deposit Receipts

Name of the bank	Maturity date	Profit rate	As at July 01, 2015	Placements made during the period	Matured during the period	As at December 31, 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)	-	-	-
Habib Metropolitan Bank Limited	March 29, 2016	6.25%	-	450,000	-	450,000	13.67	63.83
<b>Total</b>						<b>450,000</b>		

**Note**  
(Unaudited) December 31, 2015  
(Audited) June 30, 2015

## 6.2 Investments - 'fair value through profit or loss

(Rupees in '000)

- Held for trading	<b>5,020</b>	732,766
- fair value through profit or loss upon initial recognition	<b>250,000</b>	-
<b>6.3</b>	<b>255,020</b>	<b>732,766</b>

## 6.3 Fair Value through profit or loss

Name of the Issuer / Security	Maturity date	Profit rate	As at July 01, 2015	Purchases during the period	Sales / maturity during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain	Percentage in relation to	
										----- (Number of certificates) -----	----- (Rupees in '000) -----

### Held for trading

GoP Ijarah Sukuk - IX (note 6.3.1)	November 21, 2015	Weighted average 6 months T-Bills	7,270	-	7,270	-	-	-	-	-	-
GoP Ijarah Sukuk - X (note 6.3.1)	November 21, 2015	Weighted average 6 months T-Bills	-	5,780	5,780	-	-	-	-	-	-
GoP Ijarah Sukuk - XIV (note 6.3.1)	March 28, 2016	Weighted average 6 months T-Bills	-	50	-	50	5,002	5,020	18	0.15	0.71

### Fair value through profit or loss upon initial recognition

Lalpir Power Limited - Sukuk (note 6.3.2 & 6.3.3)	February 04, 2016	6 months KIBOR plus base rate of 0.25%	-	50,000	-	50,000	250,000	250,000	-	7.59	35.46
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### Total

**255,002    255,020    18**

### Total cost of investment

**255,002**

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

**6.3.2** The nominal value of the sukuk certificate is Rs 5,000 each.

**6.3.3** 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. SINDH SALES TAX AND FEDERAL EXCISE DUTY ON MANAGEMENT FEE / TRUSTEE FEE

**7.1** The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011. During the period, Sindh Sales Tax at the rate of 14 percent (till 30 June 2015: 15 percent) was charged on the remuneration of Management Company and sales load.

- 7.2** 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 from 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 where various options are being considered. In 2014, the Honourable High Court 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 June 13, 2013, aggregating to Rs. 18.53 million (June 30, 2015: Rs. 13.44 million). Had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by Rs. 0.29 per unit (June 30, 2015 : 0.09 per unit).
- 7.3** In the current period, a notification (No. SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund has recognised sales tax on trustee fee at the rate of 14 percent in the current period.

## **8. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2015 and June 30, 2015.

## **9. ALLOCATED EXPENSES**

In the current period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non - Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

## **10. WORKERS' WELFARE FUND (WWF)**

The status of Workers' Welfare Fund (WWF) is the same as disclosed in the annual financial statements for the year ended June 30, 2015. The Management Company, as a matter of abundant caution, has recognised WWF amounting to Rs. 58.59 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.91 per unit (1.78 percent). The mutual funds have been excluded from levy of WWF vide Finance Act, 2015, hence, effective from July 1, 2015, no provision of WWF has been made in the Fund. The matter regarding previous years would either need to be clarified by Regulatory bodies or Courts.

## **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 Executives of the Management Company, Meezan Islamic Fund, AI 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, 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 Regulations, 2008 and the Trust Deed respectively.

Details of transactions with connected persons and balances with them for the period ended December 31, 2015 and as of that date along with comparatives are as follows:

	<b>(Unaudited) December 31, 2015</b>	<b>(Audited) June 30, 2015</b>
	<b>(Rupees in '000)</b>	
<b>AI Meezan Investment Management Limited</b>		
<b>- Management Company</b>		
Remuneration payable	4,561	3,690
Sindh Sales Tax and Federal Excise Duty payable on management fee	21,993	16,115
Allocated expenses payable	168	-
Investment as at December 31, 2015: 20,641 units (June 30, 2015: 8,185,592 units)	1,058	410,098
<b>Meezan Bank Limited</b>		
Balances with bank	33,855	574,501
Investment - Term Deposit Receipt	-	559,000
Profit receivable on saving accounts	307	236
Shariah advisor fee payable	33	-
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Trustee fee payable	406	338
Sindh Sales Tax on trustee fee payable	57	-
Deposit	100	100
<b>AI Meezan Investment Management Limited</b>		
<b>- Employees' Gratuity Fund</b>		
Investment as at December 31, 2015: Nil (June 30, 2015: 47,160 units)	-	2,363
<b>Meezan Financial Planning Fund of Funds - Meezan Capital Preservation Plan-I</b>		
Investment as at December 31, 2015: Nil (June 30, 2015: 1,591,429 units)	-	79,731
<b>Meezan Financial Planning Fund of Funds - Meezan Capital Preservation Plan-II</b>		
Investment as at December 31, 2015: Nil (June 30, 2015: 21,072,974 units)	-	1,055,756
<b>Meezan Capital Preservation Fund - II</b>		
Investment as at December 31, 2015: Nil (June 30, 2015: 5,570,285 units)	-	279,071
<b>Meezan Capital Preservation Fund - III</b>		
Investment as at December 31, 2015: Nil (June 30, 2015: 3,016,655 units)	-	151,134
<b>Directors and Executives of the Management Company</b>		
Investment as at December 31, 2015: 97,006 units (June 30, 2015: 76,676 units)	4,973	3,841



	Six Months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited</b>		
<b>- Management Company</b>		
Remuneration for the period	31,733	19,322
Sindh Sales Tax and Federal Excise Duty on management fee	10,233	6,453
Allocated expenses	168	-
Units issued: 4,935,429 units (2014: 1,577,909 units)	250,000	80,000
Units redeemed: 13,100,380 units (2014: 1,577,909 units)	667,912	80,679
<b>Meezan Bank Limited</b>		
Profit on saving accounts	10,396	3,140
Shariah advisor fee	33	-
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Trustee fee for the period	2,758	1,827
Sindh Sales Tax on trustee fee for the period	386	-
CDS Charges	2	3
<b>Al Meezan Investment Management Limited</b>		
<b>- Employees' Gratuity Fund</b>		
Units redeemed: 47,160 units (2014: Nil)	2,412	-
<b>Meezan Capital Preservation Fund - II</b>		
Units issued: 2,809,690 units (2014: Nil)	141,500	-
Units redeemed: 8,379,975 units (2014: Nil)	423,411	-
<b>Meezan Capital Preservation Fund - III</b>		
Units redeemed: 3,016,655 units (2014: Nil)	153,314	-
<b>Meezan Financial Planning Fund of Funds</b>		
<b>- Meezan Capital Preservation Plan-I</b>		
Units issued: 28,347,642 units (2014: 29,294,459 units)	1,442,729	1,492,000
Units redeemed: 29,939,071 units (2014: 19,154,317 units)	1,531,991	981,500
<b>Meezan Financial Planning Fund of Funds</b>		
<b>- Meezan Capital Preservation Plan-II</b>		
Units issued: 47,481,251 units (2014: Nil)	2,409,495	-
Units redeemed: 68,554,225 units (2014: Nil)	3,499,341	-
<b>Meezan Financial Planning Fund of Funds</b>		
<b>- Meezan Asset Allocation Plan - I</b>		
Units issued: 17,878,903 units (2014: Nil)	906,714	-
Units redeemed: 17,878,903 units (2014: Nil)	909,257	-
<b>Directors and Executives of the Management Company</b>		
Units issued: 157,724 units (2014: 55,160 units)	7,983	2,830
Units redeemed: 137,394 units (2014: 58,515 units)	6,948	3,009

## 12. 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 account. 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.

## 13. FINANCIAL INSTRUMENTS

The additional disclosures due to the adoption of *IFRS 13 Fair value measurement* are as follows:

Note	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
<b>December 31, 2015</b> (Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
	5,020	-	-	-	5,020	-	5,020	-	5,020
GoP Ijarah sukuk certificates									
Corporate sukuk certificates	250,000	-	-	-	250,000	-	250,000	-	250,000
<b>Financial assets - not measured at fair value</b>									
Cash and cash equivalents	13.1	-	-	2,582,242	-	2,582,242			
Trade and other receivables	13.1	-	556,723	-	-	556,723			
	<u>255,020</u>	<u>556,723</u>	<u>2,582,242</u>	<u>-</u>	<u>3,393,985</u>				

Note	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
<b>December 31, 2015</b> (Rupees in '000)									
<b>Financial liabilities - not measured at fair value</b>									
Trade and other payables	13.1	-	-	-	17,170	17,170			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,170</u>	<u>17,170</u>				

**13.1** The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

**14. DATE OF AUTHORISATION FOR ISSUE AND GENERAL**

**14.1** This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

**14.2** Figures have been rounded off to the nearest thousand rupees.

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

**Chief Executive**

**Director**





**HALF YEARLY REPORT**  
DECEMBER 31, 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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



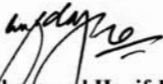
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN FINANCIAL PLANNING FUND OF FUNDS**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Financial Planning Fund of Funds (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 22, 2016





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

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet [www.kpmg.com.pk](http://www.kpmg.com.pk)

## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Financial Planning Fund of Funds** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Emphasis of Matter*

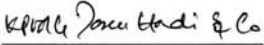
Without qualifying our opinion, we draw attention to Note 1.8 to the condensed interim financial information, which describes that the going concern basis for preparing the interim financial information of Meezan Capital Preservation Plan I (MCPPI) has not been used, because it has an initial maturity on 26 October 2016.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in this condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2015

As at December 31, 2015 (Unaudited)								
	Aggressive	Moderate	Conservative	M CPP-I	M CPP-II	MAAP-I	MAAP-II	Total
Note ..... (Rupees in '000).....								
<b>Assets</b>								
Balances with banks	1,472	12,379	1,772	9,079	1,420	4,124	292,349	322,595
Investments	5 394,454	301,054	237,280	1,547,293	3,097,200	1,200,299	405,059	7,182,639
Receivable on conversion of units	-	-	-	-	-	-	-	-
Preliminary expenses and floatation cost	-	-	456	-	-	-	-	456
Profit receivable on saving accounts with banks	14	9	8	20	3	16	71	141
<b>Total assets</b>	<b>395,940</b>	<b>313,442</b>	<b>239,516</b>	<b>1,556,392</b>	<b>3,098,623</b>	<b>1,204,439</b>	<b>697,479</b>	<b>7,505,831</b>
<b>Liabilities</b>								
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	450	418	473	4,505	9,522	3,340	11,168	29,876
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	57	45	46	235	461	180	11	1,035
Payable to Meezan Bank Limited (MBL)	1	-	-	2	5	2	-	10
Payable to Securities and Exchange Commission of Pakistan (SECP)	176	149	117	762	1,481	373	13	3,071
Payable on redemption and conversion of units	413	1,106	24	-	186	-	-	1,729
Accrued expenses and other liabilities	9 2,784	1,787	1,501	2,337	421	35	10	8,875
<b>Total liabilities</b>	<b>3,881</b>	<b>3,505</b>	<b>2,161</b>	<b>7,841</b>	<b>12,076</b>	<b>3,930</b>	<b>11,202</b>	<b>44,596</b>
<b>Net assets</b>	<b>392,059</b>	<b>309,937</b>	<b>237,355</b>	<b>1,548,551</b>	<b>3,086,547</b>	<b>1,200,509</b>	<b>686,277</b>	<b>7,461,235</b>
<b>Contingencies and Commitments</b>								
<b>Unitholders' fund (as per statement attached)</b>	<b>392,059</b>	<b>309,937</b>	<b>237,355</b>	<b>1,548,551</b>	<b>3,086,547</b>	<b>1,200,509</b>	<b>686,277</b>	<b>7,461,235</b>
..... (Number of units) .....								
<b>Number of units in issue</b>	<b>5,495,409</b>	<b>4,686,589</b>	<b>3,747,015</b>	<b>28,124,126</b>	<b>60,589,849</b>	<b>24,239,843</b>	<b>13,632,957</b>	
..... (Rupees) .....								
<b>Net assets value per unit</b>	<b>71.34</b>	<b>66.13</b>	<b>63.35</b>	<b>55.06</b>	<b>50.94</b>	<b>49.53</b>	<b>50.34</b>	

The annexed notes 1 to 14 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 DECEMBER 31, 2015

	As at June 30, 2015 (Audited)					Total
	Aggressive	Moderate	Conservative	MCPPI-I	MCPPI-II	
Note	(Rupees in '000)					
<b>Assets</b>						
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
<b>Total assets</b>	<b>365,017</b>	<b>443,537</b>	<b>396,199</b>	<b>1,598,403</b>	<b>3,093,003</b>	<b>5,896,159</b>
<b>Liabilities</b>						
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
<b>Total liabilities</b>	<b>8,602</b>	<b>123,491</b>	<b>158,778</b>	<b>8,165</b>	<b>11,204</b>	<b>310,240</b>
<b>Net assets</b>	<b>356,415</b>	<b>320,046</b>	<b>237,421</b>	<b>1,590,238</b>	<b>3,081,799</b>	<b>5,585,919</b>
<b>Contingencies and Commitments</b>						
<b>Unitholders' fund (as per statement attached)</b>	<b>356,415</b>	<b>320,046</b>	<b>237,421</b>	<b>1,590,238</b>	<b>3,081,799</b>	<b>5,585,919</b>
	(Number of units)					
<b>Number of units in issue</b>	<b>5,087,294</b>	<b>4,977,786</b>	<b>3,874,698</b>	<b>29,498,825</b>	<b>61,362,673</b>	
	(Rupees)					
<b>Net assets value per unit</b>	<b>70.06</b>	<b>64.29</b>	<b>61.27</b>	<b>53.91</b>	<b>50.22</b>	

The annexed notes 1 to 14 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six months period ended December 31, 2015						For the period from July 10, 2015 to December 31, 2015	For the period from November 24, 2015 to December 31, 2015	Total
	Aggressive	Moderate	Conservative	MCPPI-I	MCPPI-II	MAAP-I	MAAP-II		
	(Rupees in '000)								
<b>Income</b>									
Net realised (loss) / gain on sale of investments	(896)	(3,331)	(7,899)	(22,828)	(47,894)	5,103	535	(77,210)	
Dividend income	15,455	18,791	20,421	61,405	86,359	-	-	202,431	
Profit on saving accounts with banks	76	81	158	94	129	618	77	1,233	
Other income	-	-	-	4,035	1,995	110	-	6,140	
	14,635	15,541	12,680	42,706	40,589	5,831	612	132,594	
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss (net)	5.1 (7,033)	(6,427)	(4,284)	(6,604)	9,807	(8,653)	524	(22,670)	
<b>Total income</b>	<b>7,602</b>	<b>9,114</b>	<b>8,396</b>	<b>36,102</b>	<b>50,396</b>	<b>(2,822)</b>	<b>1,136</b>	<b>109,924</b>	
<b>Expenses</b>									
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company	22	98	91	25	11	75	17	339	
Sindh Sales Tax and Federal Excise Duty on Management Fee	6.1 & 6.2 7	31	30	8	4	24	6	110	
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	146	124	97	633	1,231	310	11	2,552	
Sindh Sales Tax on Trustee Fee	6.3 20	17	14	89	172	43	2	357	
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	176	149	117	762	1,481	373	13	3,071	
Auditors' remuneration	14	13	10	101	118	26	1	283	
Fees and subscription	8	7	10	4	4	4	-	37	
Amortisation of preliminary expenses and floatation cost	-	-	101	-	-	-	-	101	
Legal and professional charges	10	8	6	40	78	2	-	144	
Bank and settlement charges	2	3	1	-	-	3	1	10	
Printing charges	12	11	7	56	114	5	-	205	
Allocated expenses	8 17	13	11	68	135	53	9	306	
Provision for Workers' Welfare Fund (WWF)	9 -	-	-	-	-	-	-	-	
<b>Total expenses</b>	<b>434</b>	<b>474</b>	<b>495</b>	<b>1,786</b>	<b>3,348</b>	<b>918</b>	<b>60</b>	<b>7,515</b>	
<b>Net income / (loss) from operating activities</b>	<b>7,168</b>	<b>8,640</b>	<b>7,901</b>	<b>34,316</b>	<b>47,048</b>	<b>(3,740)</b>	<b>1,076</b>	<b>102,409</b>	
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)	(116)	(26)	(143)	(1,331)	(460)	(7,795)	3,553	(6,318)	
<b>Net income / (loss) for the period before taxation</b>	<b>7,052</b>	<b>8,614</b>	<b>7,758</b>	<b>32,985</b>	<b>46,588</b>	<b>(11,535)</b>	<b>4,629</b>	<b>96,091</b>	
Taxation	11 -	-	-	-	-	-	-	-	
<b>Net income / (loss) for the period after taxation</b>	<b>7,052</b>	<b>8,614</b>	<b>7,758</b>	<b>32,985</b>	<b>46,588</b>	<b>(11,535)</b>	<b>4,629</b>	<b>96,091</b>	
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total comprehensive income / (loss) for the period</b>	<b>7,052</b>	<b>8,614</b>	<b>7,758</b>	<b>32,985</b>	<b>46,588</b>	<b>(11,535)</b>	<b>4,629</b>	<b>96,091</b>	

The annexed notes 1 to 14 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

		Six Months period ended December 31, 2014					
		Aggressive	Moderate	Conservative	MCPPI	MCPPI-II	Total
	Note	(Rupees in '000)					
<b>Income</b>							
Net realised (loss) / gain on sale of investments		1,672	1,172	2,241	6,064	-	11,149
Dividend income		-	-	-	-	-	-
Profit on saving accounts with banks		133	108	179	738	47	1,205
Other income		-	-	-	19	-	19
		1,805	1,280	2,420	6,821	47	12,373
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss' (net)	5.1	21,899	15,171	15,297	58,475	-	110,842
<b>Total income</b>		<b>23,704</b>	<b>16,451</b>	<b>17,717</b>	<b>65,296</b>	<b>47</b>	<b>123,215</b>
<b>Expenses</b>							
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		27	21	24	79	8	159
Sindh Sales Tax and Federal Excise Duty on Management Fee	6.1 & 6.2	9	7	8	28	3	55
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		151	130	181	331	1	794
Sindh Sales Tax on Trustee Fee	6.3	-	-	-	-	-	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		157	136	189	368	1	851
Auditors' remuneration		45	38	53	64	-	200
Fees and subscription		4	3	5	-	-	12
Amortisation of preliminary expenses and floatation cost		-	-	101	-	-	101
Legal and professional charges		-	-	-	-	-	-
Bank and settlement charges		115	150	130	2,454	-	2,849
Printing charges		11	11	11	4	-	37
Allocated expenses	8	-	-	-	-	-	-
Provision for Workers' Welfare Fund (WWF)	9	477	373	343	1,370	2	2,565
<b>Total expenses</b>		<b>996</b>	<b>869</b>	<b>1,045</b>	<b>4,698</b>	<b>15</b>	<b>7,623</b>
Net income / (loss) from operating activities		22,708	15,582	16,672	60,598	32	115,592
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		659	2,693	158	6,543	65	10,118
Net income / (loss) for the period before taxation		23,367	18,275	16,830	67,141	97	125,710
Taxation	11	-	-	-	-	-	-
Net income / (loss) for the period after taxation		23,367	18,275	16,830	67,141	97	125,710
Other comprehensive income for the period		-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>		<b>23,367</b>	<b>18,275</b>	<b>16,830</b>	<b>67,141</b>	<b>97</b>	<b>125,710</b>

The annexed notes 1 to 14 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 DECEMBER 31, 2015 (UNAUDITED)

	Quarter ended December 31, 2015					For the period from July 10, 2015 to December 31, 2015	For the period from November 24, 2015 to December 31, 2015	Total
	Aggressive	Moderate	Conservative	MCPPI	MCPPI-II	MAAP-I	MAAP-II	
	(Rupees in '000)							
<b>Income</b>								
Net realised (loss) / gain on sale of investments	(297)	(1,146)	(947)	7,206	24,062	4,089	535	33,502
Dividend income	-	-	-	-	-	-	-	-
Profit on saving accounts with banks	21	24	17	43	9	234	77	425
Other income	-	-	-	2,560	1,070	110	-	3,740
	(276)	(1,122)	(930)	9,809	25,141	4,433	612	37,667
Unrealised appreciation on re-measurement of investments at fair value through profit or loss' (net)	15,072	12,431	7,733	44,009	51,660	18,023	524	149,452
<b>Total income</b>	<b>14,796</b>	<b>11,309</b>	<b>6,803</b>	<b>53,818</b>	<b>76,801</b>	<b>22,456</b>	<b>1,136</b>	<b>187,119</b>
<b>Expenses</b>								
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company	13	51	43	16	8	40	17	188
Sindh Sales Tax and Federal Excise Duty on Management Fee	4	16	14	5	3	13	6	61
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	71	64	51	314	619	171	11	1,301
Sindh Sales Tax on Trustee Fee	10	9	7	44	87	24	2	183
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	88	75	59	381	741	207	13	1,564
Auditors' remuneration	7	7	5	51	59	14	1	144
Fees and subscription	4	4	5	2	2	2	-	19
Amortisation of preliminary expenses and floatation cost	-	-	51	-	-	-	-	51
Legal and professional charges	5	4	3	20	39	1	-	72
Bank and settlement charges	1	2	1	-	-	2	1	7
Printing charges	6	6	4	28	57	3	-	104
Allocated expenses	17	13	11	68	135	53	9	306
Provision for Workers' Welfare Fund (WWF)	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>226</b>	<b>251</b>	<b>254</b>	<b>929</b>	<b>1,750</b>	<b>530</b>	<b>60</b>	<b>4,000</b>
<b>Net income from operating activities</b>	<b>14,570</b>	<b>11,058</b>	<b>6,549</b>	<b>52,889</b>	<b>75,051</b>	<b>21,926</b>	<b>1,076</b>	<b>183,119</b>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)	(58)	(13)	(72)	(666)	(230)	(4,331)	3,553	(1,817)
<b>Net income for the quarter before taxation</b>	<b>14,512</b>	<b>11,045</b>	<b>6,477</b>	<b>52,223</b>	<b>74,821</b>	<b>17,595</b>	<b>4,629</b>	<b>181,302</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net income for the quarter after taxation</b>	<b>14,512</b>	<b>11,045</b>	<b>6,477</b>	<b>52,223</b>	<b>74,821</b>	<b>17,595</b>	<b>4,629</b>	<b>181,302</b>
<b>Other comprehensive income for the quarter</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the quarter</b>	<b>14,512</b>	<b>11,045</b>	<b>6,477</b>	<b>52,223</b>	<b>74,821</b>	<b>17,595</b>	<b>4,629</b>	<b>181,302</b>

The annexed notes 1 to 14 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 DECEMBER 31, 2015 (UNAUDITED)

		Quarter ended December 31, 2014					
		Aggressive	Moderate	Conservative	MCPPI	MCPPII	Total
	Note	(Rupees in '000)					
<b>Income</b>							
Net realised (loss) / gain on sale of investments		1,603	983	1,334	6,064	-	9,984
Dividend income		-	-	-	-	-	-
Profit on saving accounts with banks		64	63	65	504	47	743
Other income		-	-	-	19	-	19
		1,667	1,046	1,399	6,587	47	10,746
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss' (net)		15,296	10,696	10,096	57,134	-	93,222
<b>Total income</b>		16,963	11,742	11,495	63,721	47	103,968
<b>Expenses</b>							
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		13	12	11	62	8	106
Sindh Sales Tax and Federal Excise Duty on Management Fee	6.1 & 6.2	5	4	4	22	3	38
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		70	64	89	311	1	535
Sindh Sales Tax on Trustee Fee	6.3	-	-	-	-	-	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		78	73	100	347	1	599
Auditors' remuneration		13	12	17	58	-	100
Fees and subscription		2	1	3	-	-	6
Amortisation of preliminary expenses and floatation cost		-	-	51	-	-	51
Legal and professional charges		-	-	-	-	-	-
Bank and settlement charges		59	100	54	2,454	-	2,667
Printing charges		9	9	9	4	-	31
Allocated expenses	8	-	-	-	-	-	-
Provision for Workers' Welfare Fund (WWF)	9	347	281	236	1,290	2	2,156
<b>Total expenses</b>		596	556	574	4,548	15	6,289
<b>Net income from operating activities</b>		16,367	11,186	10,921	59,173	32	97,679
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		612	2,562	689	4,049	65	7,977
<b>Net income for the quarter before taxation</b>		16,979	13,748	11,610	63,222	97	105,656
Taxation	11	-	-	-	-	-	-
<b>Net income for the quarter after taxation</b>		16,979	13,748	11,610	63,222	97	105,656
<b>Other comprehensive income for the quarter</b>		-	-	-	-	-	-
<b>Total comprehensive income for the quarter</b>		16,979	13,748	11,610	63,222	97	105,656

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six months period ended December 31, 2015					For the period from July 10, 2015 to December 31, 2015	For the period from November 24, 2015 to December 31, 2015	Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	
	(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
	<u>103,854</u>	<u>65,594</u>	<u>55,691</u>	<u>115,297</u>	<u>13,666</u>	-	-	<u>354,102</u>
Final distribution for the year ended June 30, 2015								
- cash dividend:								
MCPP-I at the rate of 0.04% i.e. Rs. 0.02 per unit (June 30, 2014: nil)	-	-	-	(590)	-	-	-	(590)
MCPP-II at the rate of 0.10% i.e. Rs. 0.05 per unit (June 30, 2014: nil)	-	-	-	-	(3,068)	-	-	(3,068)
Net income / (loss) for the period	7,052	8,614	7,758	32,985	46,588	(11,535)	4,629	96,091
Undistributed income / (accumulated loss) carried forward	<u>110,906</u>	<u>74,208</u>	<u>63,449</u>	<u>147,692</u>	<u>57,186</u>	<u>(11,535)</u>	<u>4,629</u>	<u>446,535</u>
Undistributed income / (accumulated loss) carried forward								
- Realised	117,939	80,635	67,733	154,296	47,379	(2,882)	4,105	469,205
- Unrealised	(7,033)	(6,427)	(4,284)	(6,604)	9,807	(8,653)	524	(22,670)
	<u>110,906</u>	<u>74,208</u>	<u>63,449</u>	<u>147,692</u>	<u>57,186</u>	<u>(11,535)</u>	<u>4,629</u>	<u>446,535</u>

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31, 2014					Total
	Aggressive	Moderate	Conservative	MCPPI	MCPPII	
(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
	53,472	27,368	33,988	-	-	114,828
Final distribution for the year ended June 30, 2015						
- cash dividend:						
MCPPI at the rate of 0.04% i.e. Rs. 0.02 per unit (June 30, 2014: nil)	-	-	-	-	-	-
MCPPII at the rate of 0.10% i.e. Rs. 0.05 per unit (June 30, 2014: nil)	-	-	-	-	-	-
Net income / (loss) for the period	23,367	18,275	16,830	67,141	97	125,710
Undistributed income / (accumulated loss) carried forward	76,839	45,643	50,818	67,141	97	240,538
Undistributed income / (accumulated loss) carried forward						
- Realised	54,940	30,472	35,521	8,666	97	129,696
- Unrealised	21,899	15,171	15,297	58,475	-	110,842
	76,839	45,643	50,818	67,141	97	240,538

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six months period ended December 31, 2015					For the period from July 10, 2015 to December 31, 2015	For the period from November 24, 2015 to December 31, 2015	Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	
	(Rupees in '000)							
Net assets at beginning of the period	356,415	320,046	237,421	1,590,238	3,081,799	-	-	5,585,919
Issue of units: Aggressive: 938,273 units, Moderate: 922,745 units, Conservative: 1,280,897 units, MCPP I: Nil, MCPP II: Nil, MAAP I: 26,579,804 units, MAAP II: 13,632,957 units	66,582	60,928	80,215	-	-	1,332,984	685,201	2,225,910
Issue of units for re-investment of cash dividend: Aggressive: Nil, Conservative: Nil, Moderate: Nil, MCPP I: 9,364 units, MCPP II: 48,728 units, MAAP I: Nil, MAAP II: Nil	-	-	-	581	2,737	-	-	3,318
Redemption of units: Aggressive: 530,158 units, Moderate: 1,213,942 units, Conservative: 1,408,580 units, MCPP I: 1,384,063 units, MCPP II: 821,552 units, MAAP I: 2,339,961 units, MAAP II: Nil	(38,106)	(79,677)	(88,182)	(75,994)	(41,969)	(128,735)	-	(452,663)
	28,476	(18,749)	(7,967)	(75,413)	(39,232)	1,204,249	685,201	1,776,565
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	116	26	143	1,331	460	7,795	(3,553)	6,318
Net realised (loss) / gain on sale of investments Unrealised (diminution) / appreciation on re-measurement of investments' at fair value through profit or loss' (net)	(896)	(3,331)	(7,899)	(22,828)	(47,894)	5,103	535	(77,210)
Net other income for the period	14,981	18,372	19,941	62,417	84,675	(7,985)	3,570	195,971
Total comprehensive income / (loss) for the period	7,052	8,614	7,758	32,985	46,588	(11,535)	4,629	96,091
Final distribution for the year ended June 30, 2015 - cash dividend: MCPP-I at the rate of 0.04% i.e. Rs. 0.02 per unit (June 30, 2014: nil)	-	-	-	(590)	-	-	-	(590)
MCPP-II at the rate of 0.10% i.e. Rs. 0.05 per unit (June 30, 2014: nil)	-	-	-	-	(3,068)	-	-	(3,068)
Net Income for the period less distribution	7,052	8,614	7,758	33,575	49,656	(11,535)	4,629	99,749
Net assets at end of the period	392,059	309,937	237,355	1,548,551	3,086,547	1,200,509	686,277	7,461,235
	(Rupees in '000)							
Net assets value per unit at beginning of the period	70.06	64.29	61.27	53.91	50.22	-	-	
Net assets value per unit at end of the period	71.34	66.13	63.35	55.06	50.94	49.53	50.34	

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31, 2014					Total
	Aggressive	Moderate	Conservative	MCPPI	MCPPII	
	(Rupees in '000)					
Net assets at beginning of the period	330,020	255,369	341,276	-	-	926,665
Issue of units: Aggressive: 1,550,806 units, Moderate: 2,496,520 units, Conservative: 4,483,492 units, MCPPI-I: 29,882,561 units, MCPPI-II: 1,322,004 units	96,663	145,829	252,861	1,500,693	66,165	2,062,211
Issue of units for re-investment of cash dividend: Aggressive: Nil, Conservative: Nil, Moderate: Nil, MCPPI I: Nil, MCPPI II: Nil, MAAP I: Nil, MAAP II: Nil	-	-	-	-	-	-
Redemption of units: Aggressive: 1,701,985 units, Moderate: 1,428,392 units, Conservative: 3,189,580 units, MCPPI-I: 7,322 units, MCPPI-II: Nil	(105,098)	(82,658)	(180,657)	(387)	-	(368,800)
	(8,435)	63,171	72,204	1,500,306	66,165	1,693,411
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	(659)	(2,693)	(158)	(6,543)	(65)	(10,118)
Net realised (loss) / gain on sale of investments	1,672	1,172	2,241	6,064	-	11,149
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	21,899	15,171	15,297	58,475	-	110,842
Net other income for the period	(204)	1,932	(708)	2,602	97	3,719
Total comprehensive income / (loss) for the period	23,367	18,275	16,830	67,141	97	125,710
Final distribution for the year ended June 30, 2015 - cash dividend: MCPPI-I at the rate of 0.04% i.e. Rs. 0.02 per unit (June 30, 2014: nil)	-	-	-	-	-	-
MCPPI-II at the rate of 0.10% i.e. Rs. 0.05 per unit (June 30, 2014: nil)	-	-	-	-	-	-
Net Income for the period less distribution	23,367	18,275	16,830	67,141	97	125,710
Net assets at end of the period	344,293	334,122	430,152	1,560,904	66,197	2,735,668
Net assets value per unit at beginning of the period	(Rupees)					
	60.16	56.62	55.68			
Net assets value per unit at end of the period	64.54	59.89	57.94	52.25	50.07	

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six months period ended December 31, 2015					For the period from July 10, 2015 to December 31, 2015	For the period from November 24, 2015 to December 31, 2015	Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	
(Rupees in '000)								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income / (loss) for the period	7,052	8,614	7,758	32,985	46,588	(11,535)	4,629	96,091
<b>Adjustments for</b>								
Unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss' (net) Loss on	7,033	6,427	4,284	6,604	(9,807)	8,653	(524)	22,670
Amortisation of preliminary expenses and floatation costs	-	-	101	-	-	-	-	101
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	116	26	143	1,331	460	7,795	(3,553)	6,318
	14,201	15,067	12,286	40,920	37,241	4,913	552	125,180
<b>(Increase) / decrease in assets</b>								
Investments	(53,359)	68,390	116,778	41,643	2,995	(1,208,952)	(404,535)	(1,437,040)
Profit receivable on saving accounts with banks	8	57	34	16	7	(16)	(71)	35
	(53,351)	68,447	116,812	41,659	3,002	(1,208,968)	(404,606)	(1,437,005)
<b>Increase / (decrease) in liabilities</b>								
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company	27	3	50	(32)	(8)	3,340	11,168	14,548
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	30	20	11	131	267	180	11	650
Payable to Meezan Bank Limited (MBL)	-	(2)	-	2	5	2	-	7
Payable to Securities and Exchange Commission of Pakistan (SECP)	(151)	(158)	(269)	(352)	357	373	13	(187)
Accrued expenses and other liabilities	(10)	(399)	(115)	(73)	66	35	10	(486)
	(104)	(536)	(323)	(324)	687	3,930	11,202	14,532
<b>Net cash (used in) / generated from operating activities</b>	<b>(39,254)</b>	<b>82,978</b>	<b>128,775</b>	<b>82,255</b>	<b>40,930</b>	<b>(1,200,125)</b>	<b>(392,852)</b>	<b>(1,297,293)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts against issuance and conversion of units	78,936	84,512	80,236	-	-	1,332,984	685,201	2,261,869
Payments against redemption and conversion of units	(42,723)	(199,127)	(244,476)	(75,994)	(41,784)	(128,735)	-	(732,839)
Receipts against reinvestment of cash dividend	-	-	-	581	2,737	-	-	3,318
Dividend paid	-	-	-	(590)	(3,068)	-	-	(3,658)
<b>Net cash generated / (used in) from financing activities</b>	<b>36,213</b>	<b>(114,615)</b>	<b>(164,240)</b>	<b>(76,003)</b>	<b>(42,115)</b>	<b>1,204,249</b>	<b>685,201</b>	<b>1,528,690</b>
Net (decrease) / increase in cash and cash equivalents during the period	(3,041)	(31,637)	(35,465)	6,252	(1,185)	4,124	292,349	231,397
Cash and cash equivalents at beginning of the period	4,513	44,016	37,237	2,827	2,605	-	-	91,198
Cash and cash equivalents at end of the period	1,472	12,379	1,772	9,079	1,420	4,124	292,349	322,595

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31, 2014					Total
	Aggressive	Moderate	Conservative	MCPPI	MCPPII	
(Rupees in '000)						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income / (loss) for the period	23,367	18,275	16,830	67,141	97	125,710
<b>Adjustments for</b>						
Unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss' (net)	(21,899)	(15,171)	(15,297)	(58,475)	-	(110,842)
Amortisation of preliminary expenses and floatation cost	-	-	101	-	-	101
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	(659)	(2,693)	(158)	(6,543)	(65)	(10,118)
	809	411	1,476	2,123	32	4,851
<b>(Increase) / decrease in assets</b>						
Investments	4,114	(68,580)	(82,849)	(1,495,611)	-	(1,642,926)
Profit receivable on saving accounts with banks	(2)	(7)	(12)	(79)	(47)	(147)
	4,112	(68,587)	(82,861)	(1,495,690)	(47)	(1,643,073)
<b>Increase / (decrease) in liabilities</b>						
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	(77)	36	194	4,538	1,414	6,105
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	(3)	4	4	112	1	118
Payable to Meezan Bank Limited (MBL)	-	(2)	-	-	-	(2)
Payable to Securities and Exchange Commission of Pakistan (SECP)	(118)	(37)	(124)	368	1	90
Accrued expenses and other liabilities	460	371	332	1,436	2	2,601
	262	372	406	6,454	1,418	8,912
<b>Net cash (used in) / generated from operating activities</b>	5,183	(67,804)	(80,979)	(1,487,113)	1,403	(1,629,310)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts against issuance and conversion of units	96,663	145,829	252,861	1,500,693	66,165	2,062,211
Payments against redemption and conversion of units	(105,098)	(80,554)	(171,546)	(387)	-	(357,585)
Receipts against reinvestment of cash dividend	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
<b>Net cash generated / (used in) from financing activities</b>	(8,435)	65,275	81,315	1,500,306	66,165	1,704,626
Net (decrease) / increase in cash and cash equivalents during the period	(3,252)	(2,529)	336	13,193	67,568	75,316
Cash and cash equivalents at beginning of the period	5,970	6,652	3,855	-	-	16,477
Cash and cash equivalents at end of the period	2,718	4,123	4,191	13,193	67,568	91,793

The annexed notes 1 to 14 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 SIX MONTHS ENDED DECEMBER 31, 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 funds scheme listed on Pakistan Stock Exchange (formerly Islamabad Stock Exchange). Units are offered for public subscription on a continuous basis except for four plans Meezan Capital Preservation Plan-I (MCPPI), Meezan Capital Preservation Plan-II (MCPPII), Meezan Asset Allocation Plan I (MAAP-I) and Meezan Asset Allocation Plan II (MAAP-II) in which the offer of units is discontinued after the end of the subscription period, however, the subscription in 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 interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** 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.
- 1.5** The Management Company of the Fund has been given quality rating of AM2+ by JCR-VIS Credit Rating Company Limited.
- 1.6** 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), Meezan Capital Preservation Plan-II (MCPPII), Meezan Asset Allocation Plan I (MAAP-I) and Meezan Asset Allocation Plan II (MAAP-II) 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.
- 1.7** In the current period, two new plans (i.e. Meezan Asset Allocation Plan - I and Meezan Asset Allocation Plan - II) were introduced. The brief description of the plans is as follows:

Aggressive Allocation Plan (Aggressive)	<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 (Moderate)	<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 (Conservative)	<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 (MCPPI-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. Other details of the plan are included in notes 1.3 and 1.8 to the interim financial information.
Meezan Capital Preservation Plan II (MCPPI-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 from the close of the subscription period (i.e. March 26, 2015). Units shall be subject to front 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 Asset Allocation Plan I (MAAP-I)	<i>Low risk - High return through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes/ Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. October 20, 2015). Units shall be subject to front 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 Asset Allocation Plan II (MAAP-II)	<i>Low risk - High return through asset allocation</i> The allocation plan can invest its portfolio between the Equity asset classes/ Schemes and Fixed Income or Money Market asset classes / Schemes based on the macroeconomic view and outlook of such asset classes up to 100 percent. The initial maturity of this plan is two years from the close of the subscription period (i.e. January 11, 2016). Units shall be subject to front 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 Net Asset Value (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.

- 1.8** According to the offering document of Meezan Capital Preservation Plan I (MCPPI-I), the initial maturity of the plan is October 26, 2016. Resultantly, the interim financial information have not been prepared on a going concern basis.

After the initial maturity on October 26, 2016, the Management Company may announce a subsequent maturity, to commence from the day following the close of a subsequent initial period. As discussed in detail in note 1.3 to the interim financial information, the new subscription may be opened in this plan by the Management Company. During the new subscription period, the existing unitholders shall have an option to either remain invested in the allocation plan or exit the allocation plan through redemption of units, without any applicable back end load / contingent load.

## **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 and 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, 2003, and the NBFC Regulations, 2008, and directives issued by SECP. In case where requirements differ, the provisions and directives issued under the Companies Ordinance, 1984, the NBFC Rules, 2003, and the NBFC Regulations, 2008, and directives issued by 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 Fund's financial and unitholder's fund risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2015.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities and IFRS 13 Fair Value Measurement became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 Fair Value Measurement are disclosed in notes 4.1 and 12 to the interim financial information.

#### **4.1 Change in accounting policy - fair value measurement**

IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Fund has included additional disclosures in this regard in note 12 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

## 5. INVESTMENTS

	As at December 31, 2015 (Unaudited)								(Audited)	
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	Total	June 30, 2015	
Note	(Rupees in '000)									
Investments - at fair value through profit or loss - held for trading	5.1	394,454	301,054	237,280	1,547,293	3,097,200	1,200,299	405,059	7,182,639	5,768,269

### 5.1 Held for Trading - Units of mutual funds

Name of Investee Funds	As at July 01, 2015	Purchases during the period	Bonus	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain / (loss) as at December 31, 2015	Percentage of Market value to total investments
	(Number of units)				(Rupees in '000)			(Percentage)	
<b>Aggressive Allocation Plan</b>									
Meezan Islamic Fund	3,987,725	916,650	-	298,572	4,605,803	280,203	276,118	(4,085)	70.00
Meezan Sovereign Fund	1,936,916	537,879	-	198,223	2,276,572	121,284	118,336	(2,948)	30.00
<b>Total cost of investments</b>						<b>401,487</b>	<b>394,454</b>	<b>(7,033)</b>	
<b>Moderate Allocation Plan</b>									
Meezan Islamic Fund	3,075,363	432,300	-	996,792	2,510,871	152,793	150,527	(2,266)	50.00
Meezan Sovereign Fund	3,485,449	606,642	-	1,196,232	2,895,859	154,688	150,527	(4,161)	50.00
<b>Total cost of investments</b>						<b>307,481</b>	<b>301,054</b>	<b>(6,427)</b>	
<b>Conservative Allocation Plan</b>									
Meezan Islamic Fund	1,465,973	356,116	-	832,597	989,492	60,163	59,320	(843)	25.00
Meezan Sovereign Fund	4,984,360	1,390,396	-	2,951,129	3,423,627	181,401	177,960	(3,441)	75.00
<b>Total cost of investments</b>						<b>241,564</b>	<b>237,280</b>	<b>(4,284)</b>	
<b>Meezan Capital Preservation Plan I</b>									
Al Meezan Mutual Fund	-	5,295,567	-	-	5,295,567	86,000	86,477	477	5.59
Meezan Islamic Fund	20,807,623	1,743,568	-	11,897,535	10,653,656	649,247	638,687	(10,560)	41.28
Meezan Cash Fund	1,591,429	28,347,641	-	29,939,070	-	-	-	-	-
Meezan Sovereign Fund	4,529,964	35,315,784	-	24,029,479	15,816,269	818,650	822,129	3,479	53.13
<b>Total cost of investments</b>						<b>1,553,897</b>	<b>1,547,293</b>	<b>(6,604)</b>	
<b>Meezan Capital Preservation Plan II</b>									
Meezan Islamic Fund	25,627,412	8,168,676	-	19,750,658	14,045,430	851,279	842,023	(9,256)	27.19
Meezan Cash Fund	21,072,974	47,481,251	-	68,554,225	-	-	-	-	-
Meezan Sovereign Fund	8,689,559	67,918,455	-	33,222,549	43,385,465	2,236,114	2,255,177	19,063	72.81
<b>Total cost of investments</b>						<b>3,087,393</b>	<b>3,097,200</b>	<b>9,807</b>	
<b>Meezan Asset Allocation Plan I</b>									
Al Meezan Mutual Fund	-	3,121,175	-	-	3,121,175	51,000	50,969	(31)	4.25
Meezan Islamic Fund	-	16,088,828	-	-	16,088,828	975,500	964,525	(10,975)	80.35
Meezan Cash Fund	-	17,878,903	-	17,878,903	-	-	-	-	-
Meezan Sovereign Fund	-	15,328,112	-	15,328,112	-	-	-	-	-
Meezan Islamic Income Fund	-	11,376,889	-	7,866,149	3,510,740	182,452	184,805	2,353	15.40
<b>Total cost of investments</b>						<b>1,208,952</b>	<b>1,200,299</b>	<b>(8,653)</b>	
<b>Meezan Asset Allocation Plan II</b>									
Meezan Islamic Fund	-	3,336,113	-	-	3,336,113	200,000	200,000	-	49.38
Meezan Sovereign Fund	-	38,933	-	38,933	-	-	-	-	-
Meezan Islamic Income Fund	-	7,694,885	-	3,799,392	3,895,493	204,535	205,059	524	50.62
<b>Total cost of investments</b>						<b>404,535</b>	<b>405,059</b>	<b>524</b>	
<b>Total investments in units of mutual funds</b>									
Al Meezan Mutual Fund	-	8,416,742	-	-	8,416,742	137,000	137,446	446	1.91
Meezan Islamic Fund	54,964,096	31,042,251	-	33,776,154	52,230,193	3,169,185	3,131,200	(37,985)	43.60
Meezan Cash Fund	22,664,403	93,707,795	-	116,372,198	-	-	-	-	-
Meezan Sovereign Fund	23,626,248	121,136,201	-	76,964,657	67,797,792	3,512,137	3,524,129	11,992	49.06
Meezan Islamic Income Fund	-	19,071,774	-	11,665,541	7,406,233	386,987	389,864	2,877	5.43
<b>Total cost of investments</b>						<b>7,205,309</b>	<b>7,182,639</b>	<b>(22,670)</b>	



## 6. SINDH SALES TAX AND FEDERAL EXCISE DUTY ON MANAGEMENT FEE / TRUSTEE FEE

- 6.1** The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the management company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011. During the period, Sindh Sales Tax at the rate of 14 percent (June 30, 2015: 15 percent) was charged on the remuneration of the Management Company.
- 6.2** 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 June 13, 2013, aggregating to Rs. 0.016 million (June 30, 2015: Rs. 0.012 million), Rs. 0.032 million (June 30, 2015: Rs. 0.016 million), Rs. 0.029 million (June 30, 2015: Rs. 0.014 million), Rs. 0.024 million (June 30, 2015: Rs. 0.02 million) and Rs. 0.045 million (June 30, 2015: Rs. 0.043 million), Rs. 0.011 million and Rs. 0.003 million in Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, Meezan Capital Preservation Plan I, Meezan Capital Preservation Plan II, Meezan Asset Allocation Plan I and Meezan Asset Allocation Plan II respectively. Had the provision not being made, the impact on Net Assets Value per unit as at June 30, 2015 would not have been significant.
- 6.3** In the current period, a notification (No. SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund has recognised sales tax on trustee fee at the rate of 14 percent in the current period.

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2015 and June 30, 2015.

## 8. ALLOCATED EXPENSES

In the current period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non - Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

## 9. WORKERS' WELFARE FUND

The status of Workers' Welfare Fund (WWF) is the same as disclosed in the annual financial statements for the year ended June 30, 2015. 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. 2.7 million in Aggressive Allocation Plan, Rs. 1.5 million in Conservative Allocation Plan, Rs. 1.7 million in Moderate Allocation Plan, Rs. 2.3 million in Meezan Capital Preservation Plan I and Rs. 0.3 million in Meezan Capital Preservation Plan II. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.49 per unit (0.69%) in Aggressive Allocation Plan, Rs. 0.39 per unit (0.61%) in Conservative Allocation Plan, Rs. 0.37 per unit (0.56%) in Moderate Allocation Plan, Rs. 0.08 per unit (0.15%) in Meezan Capital Preservation Plan I and Rs. 0.004 per unit (0.009%) in Meezan Capital Preservation Plan II. The mutual funds have been excluded

from levy of WWF vide Finance Act, 2015, hence, effective from July 1, 2015, no provision of WWF has been made in the Fund. The matter regarding previous years would either need to be clarified by Regulatory bodies or Courts.

## 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, Al 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, Al Meezan Investment Management Limited - Employees' Gratuity Fund and unitholders 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 period end are as follows:

	December 31, 2015 (Unaudited)							Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	
(Rupees in '000)								
<b>Al Meezan Investment Management Limited</b>								
<b>- Management Company</b>								
Remuneration Payable	2	3	3	6	1	4	17	36
Sindh Sales Tax and Federal Excise Duty on Management fee Payable	16	32	29	25	45	13	6	166
Sales load payable	77	27	17	-	-	4	8,413	8,538
Sindh Sales Tax and Federal Excise Duty on Sales load payable	338	343	414	4,406	9,341	3,266	2,722	20,830
Allocated Expenses payable	17	13	10	68	135	53	10	306
Investment as at December 31, 2015: 98,437 units								
- Conservative Allocation Plan	-	-	6,236	-	-	-	-	6,236
Investment as at December 31, 2015: 2,651,947 units								
- Meezan Capital Preservation Plan-I	-	-	-	146,016	-	-	-	146,016
<b>Meezan Bank Limited</b>								
Bank balance	1,381	11,370	1,661	9,079	1,420	4,124	292,349	321,384
Profit Receivable	13	9	7	20	3	16	71	139
Shariah Advisor Fee payable	1	-	-	2	5	2	-	10
Investment as at December 31, 2015: 3,964,321 units								
- Meezan Capital Preservation Plan-II	-	-	-	-	201,943	-	-	201,943
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee Fee payable	50	40	40	206	404	158	10	908
Sindh Sales Tax on trustee fee payable	7	5	6	29	57	22	1	127
<b>Directors and Executives of the Management Company</b>								
Investment as at December 31, 2015: 24,246 units								
- Aggressive Allocation Plan	1,730	-	-	-	-	-	-	1,730
Investment as at December 31, 2015: 11,038 units								
- Moderate Allocation Plan	-	730	-	-	-	-	-	730
Investment as at December 31, 2015: 10,492 units								
- Conservative Allocation Plan	-	-	665	-	-	-	-	665

December 31, 2015 (Unaudited)								
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	Total
(Rupees in '000)								
Investment as at December 31, 2015: 21,322 units - Meezan Capital Preservation Plan-I	-	-	-	1,174	-	-	-	1,174
Investment as at December 31, 2015: 297,591 units - Meezan Capital Preservation Plan-II	-	-	-	-	15,159	-	-	15,159
Investment as at December 31, 2015: 3,913 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	194	-	194
<b>Meezan Islamic Fund</b>								
Investment as at December 31, 2015: 4,605,803 units - Aggressive Allocation Plan	276,118	-	-	-	-	-	-	276,118
Investment as at December 31, 2015: 2,510,871 units - Moderate Allocation Plan	-	150,527	-	-	-	-	-	150,527
Investment as at December 31, 2015: 989,492 units - Conservative Allocation Plan	-	-	59,320	-	-	-	-	59,320
Investment as at December 31, 2015: 10,653,656 units - Meezan Capital Preservation Plan-I	-	-	-	638,687	-	-	-	638,687
Investment as at December 31, 2015: 14,045,430 units - Meezan Capital Preservation Plan-II	-	-	-	-	842,023	-	-	842,023
Investment as at December 31, 2015: 16,088,828 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	964,525	-	964,525
Investment as at December 31, 2015: 3,336,113 units - Meezan Asset Allocation Plan-II	-	-	-	-	-	-	200,000	200,000
<b>Meezan Sovereign Fund</b>								
Investment as at December 31, 2015: 2,276,572 units - Aggressive Allocation Plan	118,336	-	-	-	-	-	-	118,336
Investment as at December 31, 2015: 2,895,859 units - Moderate Allocation Plan	-	150,527	-	-	-	-	-	150,527
Investment as at December 31, 2015: 3,423,627 units - Conservative Allocation Plan	-	-	177,960	-	-	-	-	177,960
Investment as at December 31, 2015: 15,816,269 units - Meezan Capital Preservation Plan-I	-	-	-	822,129	-	-	-	822,129
Investment as at December 31, 2015: 43,385,465 units - Meezan Capital Preservation Plan-II	-	-	-	-	2,255,177	-	-	2,255,177
<b>Al Meezan Mutual fund</b>								
Investment as at December 31, 2015: 5,295,567 units - Meezan Capital Preservation Plan-I	-	-	-	86,477	-	-	-	86,477
Investment as at December 31, 2015: 3,121,175 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	50,969	-	50,969
<b>Al Meezan Mutual fund</b>								
Investment as at December 31, 2015: 3,510,740 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	184,805	-	184,805
Investment as at December 31, 2015: 3,895,493 units - Meezan Asset Allocation Plan-II	-	-	-	-	-	-	205,059	205,059
<b>Unit Holders holding 10% or more units of the Fund</b>	<b>122,721</b>	<b>43,105</b>	<b>-</b>	<b>162,985</b>	<b>-</b>	<b>192,340</b>	<b>147,138</b>	<b>668,289</b>

	June 30, 2015 (Audited)							Total
	Aggressive	Moderate	Conservative	MCPPI-I	MCPPI-II	MAAP-I	MAAP-II	
(Rupees in '000)								
<b>Al Meezan Investment Management Limited</b>								
<b>- Management Company</b>								
Remuneration 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 as at June 30, 2015: 98,437 units								
- Conservative Allocation Plan	-	-	6,031	-	-	-	-	6,031
Investment as at June 30, 2015: 2,651,209 units								
- Meezan Capital Preservation Plan-I	-	-	-	142,927	-	-	-	142,927
<b>Meezan Bank Limited</b>								
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 as at June 30, 2015: 3,964,321 units								
- Meezan Capital Preservation Plan-II	-	-	-	-	199,088	-	-	199,088
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee Fee payable	27	25	35	104	194	-	-	385
<b>Directors and Executives of the Management Company</b>								
Investment as at June 30, 2015: 13,528 units								
- Aggressive Allocation Plan	948	-	-	-	-	-	-	948
Investment as at June 30, 2015: 11,788 units								
- Moderate Allocation Plan	-	758	-	-	-	-	-	758
Investment as at June 30, 2015: 10,492 units								
- Conservative Allocation Plan	-	-	643	-	-	-	-	643
Investment as at June 30, 2015: 21,315 units								
- Meezan Capital Preservation Plan-I	-	-	-	1,149	-	-	-	1,149
Investment as at June 30, 2015: 297,324 units								
- Meezan Capital Preservation Plan-II	-	-	-	-	14,932	-	-	14,932
<b>Meezan Islamic Fund</b>								
Investment as at June 30, 2015: 3,987,725 units								
- Aggressive Allocation Plan	243,690	-	-	-	-	-	-	243,690
Investment as at June 30, 2015: 3,075,363 units								
- Moderate Allocation Plan	-	187,935	-	-	-	-	-	187,935
Investment as at June 30, 2015: 1,465,973 units								
- Conservative Allocation Plan	-	-	89,586	-	-	-	-	89,586
Investment as at June 30, 2015: 20,807,623 units								
- Meezan Capital Preservation Plan-I	-	-	-	1,271,553	-	-	-	1,271,553
Investment as at June 30, 2015: 25,627,412 units								
- Meezan Capital Preservation Plan-II	-	-	-	-	1,566,091	-	-	1,566,091
<b>Meezan Sovereign Fund</b>								
Investment as at June 30, 2015: 1,936,916 units								
- Aggressive Allocation Plan	104,439	-	-	-	-	-	-	104,439
Investment as at June 30, 2015: 3,485,449 units								
- Moderate Allocation Plan	-	187,935	-	-	-	-	-	187,935
Investment as at June 30, 2015: 4,984,360 units								
- Conservative Allocation Plan	-	-	268,756	-	-	-	-	268,756
Investment as at June 30, 2015: 4,529,964 units								
- Meezan Capital Preservation Plan-I	-	-	-	244,256	-	-	-	244,256
Investment as at June 30, 2015: 8,689,559 units								
- Meezan Capital Preservation Plan-II	-	-	-	-	468,541	-	-	468,541
<b>Meezan Cash Fund</b>								
Investment as at June 30, 2015: 1,591,429 units								
- Meezan Capital Preservation Plan-I	-	-	-	79,731	-	-	-	79,731
Investment as at June 30, 2015: 21,072,974 units								
- Meezan Capital Preservation Plan-II	-	-	-	-	1,055,756	-	-	1,055,756
<b>Unitholders holding 10% or more units of the Fund</b>	<b>227,737</b>	<b>41,912</b>	<b>-</b>	<b>159,536</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>429,185</b>

For the period ended December 31, 2015 (Unaudited)								
	Aggressive	Moderate	Conservative	MCPPI-I	MCPPI-II	MAAP-I	MAAP-II	Total
(Rupees in '000)								
<b>Al Meezan Investment Management Limited - Management Company</b>								
Remuneration for the period	22	98	91	25	11	75	17	339
Sindh Sales Tax and Federal Excise Duty on Management Fee	7	31	30	8	4	24	6	110
Allocated Expense	17	13	11	68	135	53	9	306
Units redeemed: 738 units - Meezan Capital Preservation Plan-I	-	-	-	53	-	-	-	53
<b>Meezan Bank Limited</b>								
Profit on saving account	74	79	158	94	129	618	77	1,229
Shariah Advisor Fee	1	-	-	2	5	2	-	10
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee fee for the period	146	124	97	633	1,231	310	11	2,552
Sindh Sales Tax on Trustee Fee	20	17	14	89	172	43	2	357
<b>Directors and Executives of the Management Company</b>								
Units Issued: 11,617 units - Aggressive Allocation Plan	830	-	-	-	-	-	-	830
Units Issued: 7 units - Meezan Capital Preservation Plan-I	-	-	-	-	-	-	-	-
Units Issued: 267 units - Meezan Capital Preservation Plan-II	-	-	-	-	15	-	-	15
Units Issued: 3,924 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	202	-	202
Units Redeemed: 899 units - Aggressive Allocation Plan	64	-	-	-	-	-	-	64
Units Redeemed: 750 units - Moderate Allocation Plan	-	49	-	-	-	-	-	49
Units Redeemed: 11 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	1	-	1
Cash Dividend paid	-	-	-	-	15	-	-	15
<b>Meezan Islamic Fund</b>								
Units Purchased: 916,650 units - Aggressive Allocation Plan	54,711	-	-	-	-	-	-	54,711
Units Purchased: 432,300 units - Moderate Allocation Plan	-	25,652	-	-	-	-	-	25,652
Units Purchased: 356,116 units - Conservative Allocation Plan	-	-	21,361	-	-	-	-	21,361
Units Purchased: 1,743,568 units - Meezan Capital Preservation Plan-I	-	-	-	103,777	-	-	-	103,777
Units Purchased: 8,168,676 units - Meezan Capital Preservation Plan-II	-	-	-	-	492,380	-	-	492,380
Units Purchased: 16,088,828 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	975,500	-	975,500
Units Purchased: 3,336,113 units - Meezan Asset Allocation Plan-II	-	-	-	-	-	-	200,000	200,000
Units Sold: 298,572 units - Aggressive Allocation Plan	17,792	-	-	-	-	-	-	17,792
Units Sold: 996,792 units - Moderate Allocation Plan	-	60,822	-	-	-	-	-	60,822
Units Sold: 832,597 units - Conservative Allocation Plan	-	-	51,347	-	-	-	-	51,347
Units Sold: 11,897,535 units - Meezan Capital Preservation Plan-I	-	-	-	701,652	-	-	-	701,652
Units Sold: 19,750,658 units - Meezan Capital Preservation Plan-II	-	-	-	-	1,143,688	-	-	1,143,688
<b>Meezan Sovereign Fund</b>								
Units Purchased: 537,879 units - Aggressive Allocation Plan	27,454	-	-	-	-	-	-	27,454
Units Purchased: 606,642 units - Moderate Allocation Plan	-	30,922	-	-	-	-	-	30,922
Units Purchased: 1,390,396 units - Conservative Allocation Plan	-	-	70,718	-	-	-	-	70,718
Units Purchased: 35,315,784 units - Meezan Capital Preservation Plan-I	-	-	-	1,817,209	-	-	-	1,817,209
Units Purchased: 67,918,455 units - Meezan Capital Preservation Plan-II	-	-	-	-	3,489,240	-	-	3,489,240
Units Purchased: 15,328,112 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	780,000	-	780,000
Units Purchased: 38,933 units - Meezan Asset Allocation Plan-II	-	-	-	-	-	-	2,000	2,000
Units Sold: 198,223 units - Aggressive Allocation Plan	10,118	-	-	-	-	-	-	10,118
Units Sold: 1,196,232 units - Moderate Allocation Plan	-	60,811	-	-	-	-	-	60,811
Units Sold: 2,951,129 units - Conservative Allocation Plan	-	-	149,610	-	-	-	-	149,610
Units Sold: 24,029,479 units - Meezan Capital Preservation Plan-I	-	-	-	1,234,887	-	-	-	1,234,887
Units Sold: 33,222,549 units - Meezan Capital Preservation Plan-II	-	-	-	-	1,703,186	-	-	1,703,186
Units Sold: 15,328,112 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	781,014	-	781,014
Units Sold: 38,933 units - Meezan Asset Allocation Plan-II	-	-	-	-	-	-	2,024	2,024
<b>Meezan Cash Fund</b>								
Units Purchased: 28,347,641 units - Meezan Capital Preservation Plan-I	-	-	-	1,442,729	-	-	-	1,442,729
Units Purchased: 47,481,251 units - Meezan Capital Preservation Plan-II	-	-	-	-	2,409,495	-	-	2,409,495

For the period ended December 31, 2015 (Unaudited)								
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	Total
(Rupees in '000)								
Units Purchased: 17,878,903 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	906,714	-	906,714
Units Sold: 29,939,070 units - Meezan Capital Preservation Plan-I	-	-	-	1,531,991	-	-	-	1,531,991
Units Sold: 68,554,225 units - Meezan Capital Preservation Plan-II	-	-	-	-	3,499,341	-	-	3,499,341
Units Sold: 17,878,903 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	909,257	-	909,257
<b>AI Meezan Mutual Fund</b>								
Units Purchased: 5,295,567 units - Meezan Capital Preservation Plan-I	-	-	-	86,000	-	-	-	86,000
Units Purchased: 3,121,175 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	51,000	-	51,000
<b>Meezan Islamic Income Fund</b>								
Units Purchased: 11,376,889 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	591,257	-	591,257
Units Purchased: 7,694,885 units - Meezan Asset Allocation Plan-II	-	-	-	-	-	-	404,024	404,024
Units Sold: 7,866,149 units - Meezan Asset Allocation Plan-I	-	-	-	-	-	410,350	-	410,350
Units Sold: 3,799,392 units - Meezan Asset Allocation Plan-II	-	-	-	-	-	-	200,000	200,000
For the period ended December 31, 2014 (Unaudited)								
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	Total
(Rupees in '000)								
<b>AI Meezan Investment Management Limited - Management Company</b>								
Remuneration for the period	27	21	24	79	8	-	-	159
Sindh Sales Tax and Federal Excise Duty on Management Fee	9	7	8	28	3	-	-	55
Preliminary expenses and floatation costs paid	-	-	101	-	-	-	-	101
Units Issued: 2,651,209 units - Meezan Capital Preservation Plan I	-	-	-	133,000	-	-	-	133,000
<b>Meezan Bank Limited</b>								
Profit on saving account	125	98	167	738	47	-	-	1,175
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee fee for the period	151	130	181	331	1	-	-	794
<b>Directors and executives of the Management Company</b>								
Units Issued: 1,645 units - Aggressive Allocation Plan	106	-	-	-	-	-	-	106
Units Issued: 4,343 units - Moderate Allocation Plan	-	250	-	-	-	-	-	250
Units Issued: 21,315 units - Meezan Capital Preservation Plan-I	-	-	-	1,073	-	-	-	1,073
Units Redeemed: 93 units - Aggressive Allocation Plan	6	-	-	-	-	-	-	6
<b>Meezan Islamic Fund</b>								
Units Purchased: 850,215 units - Aggressive Allocation Plan	44,811	-	-	-	-	-	-	44,811
Units Purchased: 1,105,933 units - Moderate Allocation Plan	-	58,980	-	-	-	-	-	58,980
Units Purchased: 991,629 units - Conservative Allocation Plan	-	-	51,056	-	-	-	-	51,056
Units Purchased: 18,617,950 units - Meezan Capital Preservation Plan-I	-	-	-	979,046	-	-	-	979,046
Units Sold: 1,033,863 units - Aggressive Allocation Plan	53,466	-	-	-	-	-	-	53,466
Units Sold: 572,099 units - Moderate Allocation Plan	-	29,863	-	-	-	-	-	29,863
Units Sold: 698,936 units - Conservative Allocation Plan	-	-	36,618	-	-	-	-	36,618
Transaction cost paid - Aggressive Allocation Plan	112	-	-	-	-	-	-	112
Transaction cost paid - Moderate Allocation Plan	-	148	-	-	-	-	-	148
Transaction cost paid - Conservative Allocation Plan	-	-	128	-	-	-	-	128
Transaction cost paid - Meezan Capital Preservation Plan-I	-	-	-	2,454	-	-	-	2,454
<b>Meezan Sovereign Fund</b>								
Units Purchased: 464,521 units - Aggressive Allocation Plan	23,824	-	-	-	-	-	-	23,824
Units Purchased: 1,241,898 units - Moderate Allocation Plan	-	63,641	-	-	-	-	-	63,641
Units Purchased: 3,116,571 units - Conservative Allocation Plan	-	-	159,170	-	-	-	-	159,170
Units Sold: 410,628 units - Aggressive Allocation Plan	20,955	-	-	-	-	-	-	20,955
Units Sold: 496,309 units - Moderate Allocation Plan	-	25,350	-	-	-	-	-	25,350
Units Sold: 1,822,852 units - Conservative Allocation Plan	-	-	93,000	-	-	-	-	93,000
<b>Meezan Cash Fund</b>								
Units Purchased: 29,294,459 units - Meezan Capital Preservation Plan-I	-	-	-	1,492,000	-	-	-	1,492,000
Units Sold: 19,154,317 units - Meezan Capital Preservation Plan-I	-	-	-	981,500	-	-	-	981,500

## 11. 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 account. 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 period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unitholders.

## 12. FINANCIAL INSTRUMENTS - FAIR VALUES

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows:

Note	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2015 (Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
Fund of funds	7,182,639	-	-	-	7,182,639	7,182,639	-	-	7,182,639
<b>Financial assets - not measured at fair value</b>									
Cash and cash equivalents	12.1	-	322,595	-	322,595				
Trade and other receivables	12.1	141	-	-	141				
		<u>7,182,639</u>	<u>141</u>	<u>322,595</u>	<u>-</u>				<u>7,505,375</u>
<b>Financial liabilities - not measured at fair value</b>									
Trade and other payables	12.1	-	-	11,798	11,798				

12.1 The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

## 13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

## 14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

**Chief Executive**

**Director**







**HALF YEARLY REPORT**  
DECEMBER 31, 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

### 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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN CAPITAL PRESERVATION FUND – II**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Capital Preservation Fund – II (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 22, 2016





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

Telephone + 92 (21) 3568 5847  
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Internet www.kpmg.com.pk

## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Capital Preservation Fund II** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Emphasis of Matter*


Without qualifying our opinion, we draw attention to Note 1.7 to the condensed interim financial information, which describes that the going concern basis for preparing the interim financial information has not been used, because the Fund has an initial maturity on 27 June 2016.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in this condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
<b>Assets</b>			
Balances with bank		892	257
Investments	5	2,238,596	2,245,251
Prepayments and other receivables		72	108
Preliminary expenses and floatation costs		1,219	2,479
<b>Total assets</b>		<u>2,240,779</u>	<u>2,248,095</u>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		6,398	6,184
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		186	158
Payable to Securities and Exchange Commission of Pakistan (SECP)		847	1,628
Payable to Meezan Bank Limited (MBL)		11	-
Payable on redemption of units		-	129
Accrued expenses and other liabilities	9	4,427	4,444
<b>Total liabilities</b>		<u>11,869</u>	<u>12,543</u>
<b>Net assets</b>		<u>2,228,910</u>	<u>2,235,552</u>
<b>Contingencies &amp; Commitments</b>	7		
<b>Unitholders' fund (as per statement attached)</b>		<u>2,228,910</u>	<u>2,235,552</u>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<u>39,746,531</u>	<u>40,519,661</u>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<u>56.08</u>	<u>55.17</u>

The annexed notes 1 to 13 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
<b>(Rupees in '000)</b>					
<b>Income</b>					
Net realised (loss) / gain on sale of investments		(45,056)	(3,454)	(1,889)	4,713
Profit on saving accounts with bank		37	1,590	16	168
Dividend income		79,447	-	-	-
Back end load		2,046	1,141	781	379
		<u>36,474</u>	<u>(723)</u>	<u>(1,092)</u>	<u>5,260</u>
Unrealised gain on re-measurement of investments -fair value through profit or loss' (net)	5.1	3,804	139,272	71,477	98,308
<b>Total income</b>		<b>40,278</b>	<b>138,549</b>	<b>70,385</b>	<b>103,568</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company	6.1 & 6.2	10	264	5	19
Sindh Sales Tax and Federal Excise Duty on management fee		4	90	2	6
Remuneration to Central Depository Company (CDC) - Trustee		974	935	483	468
Sindh Sales Tax on Trustee Fee	6.3	136	-	20	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		847	807	420	405
Auditors' remuneration		150	176	65	88
Fees and subscription		76	66	43	33
Legal and professional charges		133	-	33	-
Amortisation of preliminary expenses and floatation costs		1,260	1,281	630	630
Bank and settlement charges		1	4,260	-	5
Provision for Workers' Welfare Fund (WWF)	9	-	2,591	-	2,016
Allocated expenses	8	97	-	97	-
<b>Total expenses</b>		<b>3,688</b>	<b>10,470</b>	<b>1,798</b>	<b>3,670</b>
<b>Net income from operating activities</b>		<b>36,590</b>	<b>128,079</b>	<b>68,587</b>	<b>99,898</b>
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(578)	(1,095)	(175)	(1,073)
<b>Net income for the period before taxation</b>		<b>36,012</b>	<b>126,984</b>	<b>68,412</b>	<b>98,825</b>
Taxation	11	-	-	-	-
<b>Net income for the period after taxation</b>		<b>36,012</b>	<b>126,984</b>	<b>68,412</b>	<b>98,825</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>36,012</b>	<b>126,984</b>	<b>68,412</b>	<b>98,825</b>

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31,	
	2015	2014
	(Rupees in '000)	
Undistributed income brought forward		
- Realised	78,880	-
- Unrealised	130,688	-
	<b>209,568</b>	-
Net income for the period	<b>36,012</b>	126,984
Undistributed income carried forward	<b>245,580</b>	126,984
Undistributed income / accumulated (loss) carried forward		
- Realised	<b>241,776</b>	(12,288)
- Unrealised	<b>3,804</b>	139,272
	<b>245,580</b>	126,984

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
Net assets at beginning of the period	<b>2,235,552</b>	-
Issue of nil units (December 31, 2014: 41,295,834 units)	-	2,064,792
Redemption of 773,130 units (December 31, 2014: 442,027 units)	<b>(43,232)</b>	(23,197)
	<b>(43,232)</b>	2,041,595
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	<b>578</b>	1,095
Net realised loss on sale of investments	<b>(45,056)</b>	(3,454)
Unrealised appreciation in value of investments (net)	<b>3,804</b>	139,272
Other comprehensive income / (loss) for the period	<b>77,264</b>	(8,834)
Total comprehensive income for the period	<b>36,012</b>	126,984
Net assets at end of the period	<b>2,228,910</b>	2,169,674
Net assets value per unit at the beginning of the period	<b>55.17</b>	-
Net assets value per unit at the end of the period	<b>56.08</b>	53.11

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	36,012	126,984
<b>Adjustments for:</b>		
Unrealised gain on re-measurement of investments - 'at fair value through profit or loss' (net)	(3,804)	(139,272)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	578	1,095
Amortisation of preliminary expenses and floatation costs	1,260	-
	<b>34,046</b>	(11,193)
<b>Decrease / (increase) in assets</b>		
Investments - net	10,459	(2,037,248)
Prepayments and other receivables	36	(221)
Preliminary expenses and floatation costs	-	(3,719)
	<b>10,495</b>	(2,041,188)
<b>(Decrease) / increase in liabilities</b>		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	214	11,189
Payable to Central Depository Company Limited (CDC) - Trustee	28	159
Payable to Securities and Exchange Commission of Pakistan (SECP)	(781)	807
Payable to Meezan Bank Limited (MBL)	11	-
Accrued expenses and other liabilities	(17)	2,767
	<b>(545)</b>	14,922
<b>Net cash generated from / (used in) operating activities</b>	<b>43,996</b>	(2,037,459)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	-	2,064,792
Payments against redemption of units	(43,361)	(23,197)
<b>Net cash (used in) / generated from financing activities</b>	<b>(43,361)</b>	2,041,595
Net increase in cash and cash equivalents during the period	<b>635</b>	4,136
Cash and cash equivalents at beginning of the period	257	-
Cash and cash equivalents at end of the period	<b>892</b>	4,136

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 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 Pakistan Stock Exchange (formerly 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 percent 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 Limited of Pakistan as a Trustee.
- 1.7** According to the offering document of the fund, the fund will cease to exist (mature) on June 27, 2016. Resultantly, the financial statements have not been prepared on a going concern basis.

### 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 and 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 annual financial statements of the Fund for the year ended June 30, 2015.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interest in Other Entities* and IFRS 13 *Fair Value Measurement* became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 *Fair Value Measurement* are disclosed in notes 4.1 and 12 to the interim financial information.

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

#### 4.1 Change in accounting policy - fair value measurement

IFRS 13 *Fair Value Measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 *Financial Instruments: Disclosures*. As a result, the Fund has included additional disclosures in this regard in note 12 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

		<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>December 31,</b>	<b>June 30,</b>
		<b>2015</b>	<b>2015</b>
		<b>(Rupees in '000)</b>	
<b>5 INVESTMENTS</b>			
Investments 'at fair value through profit or loss'			
- held for trading"	5.1	<u><b>2,238,596</b></u>	<u>2,245,251</u>
		<u><b>2,238,596</b></u>	<u>2,245,251</u>
<b>5.1 Held for trading - Units of mutual funds</b>			

Name of the investee funds	As at July 01, 2015	Purchases during the period	Bonus issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised (loss) / gain	Percentage in relation to	
	..... (Number of units) .....				..... (Rupees in '000) .....			..... % .....		
Meezan Islamic Fund	24,168,267	6,415,263	-	14,595,745	15,987,785	974,160	958,468	(15,692)	43.00	42.82
Meezan Islamic Income Fund	1,053,621	25,433,557	-	2,970,100	23,517,078	1,215,565	1,237,939	22,374	55.54	55.30
Meezan Sovereign Fund	5,647,987	2,151,429	-	7,799,416	-	-	-	-	-	-
Meezan Cash Fund	5,570,285	2,809,690	-	8,379,975	-	-	-	-	-	-
KSE Meezan Index Fund	1,734,306	44,749	-	1,165,932	613,123	45,067	42,189	(2,878)	1.89	1.88
<b>Total</b>						<u><b>2,234,792</b></u>	<u><b>2,238,596</b></u>	<u><b>3,804</b></u>		
<b>Total cost of investments</b>							<u><b>2,168,236</b></u>			

## 6. SINDH SALES TAX AND FEDERAL EXCISE DUTY ON MANAGEMENT FEE / TRUSTEE FEE

- 6.1** The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011. During the period, Sindh Sales Tax at the rate of 14 percent (till 30 June 2015: 15 percent) was charged on the remuneration of Management Company and sales load.
- 6.2** 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 from 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 where various options are being considered. In 2014, the Honourable High Court 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 June 13, 2013, aggregating to Rs. 0.045 million (June 30, 2015: Rs. 1.184 million). Had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by Rs. 0.001 per unit (June 30, 2015 : 0.03 per unit).
- 6.3** In the current period, a notification (SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund recognised sales tax on trustee fee at the rate of 14 percent in the current period.

## 7 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2015.

## 8. ALLOCATED EXPENSES

In the current period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non - Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

## 9. WORKERS' WELFARE FUND

The status of Workers' Welfare Fund (WWF) is the same as disclosed in the annual financial statements for the year ended June 30, 2015. 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. 4.277 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.11 per unit (0.20 percent). The mutual funds have been excluded from levy of WWF vide Finance Act, 2015, hence, effective from July 1, 2015, no provision of WWF has been made in the Fund. The matter regarding previous years would either need to be clarified by Regulatory bodies or Courts.

## 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 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 2003, NBFC Regulations, 2008 and the Trust Deed respectively.

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

	<b>(Unaudited) December 31, 2015</b>	<b>(Audited) June 30, 2015</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	<u>1</u>	<u>-</u>
Sindh Sales Tax and Federal Excise Duty payable on management fee	<u>53</u>	<u>50</u>
Sindh Sales Tax and Federal Excise Duty payable on sales load	<u>6,247</u>	<u>6,134</u>
Allocated expenses payable	<u>97</u>	<u>-</u>
Investment as at December 31, 2015: 3,259,889 units (June 30, 2015: 3,259,889 units)	<u>182,815</u>	<u>179,848</u>
<b>Meezan Bank Limited</b>		
Balances with bank	<u>892</u>	<u>257</u>
Profit receivable on savings account	<u>8</u>	<u>3</u>
Shariah advisor fee payable	<u>11</u>	<u>-</u>
<b>Unitholders holding 10 percent or more of the Fund's net assets</b>		
Investment as at December 31, 2015: 5,308,575 units (June 30, 2015: 5,308,575 units)	<u>297,705</u>	<u>292,874</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	<u>163</u>	<u>158</u>
Sindh Sales Tax on trustee fee payable	<u>23</u>	<u>-</u>
<b>Meezan Islamic Fund</b>		
Investment as at December 31, 2015: 15,987,785 units (June 30, 2015: 24,168,267 units)	<u>958,468</u>	<u>1,476,923</u>
<b>Meezan Cash Fund</b>		
Investment as at December 31, 2015: nil (June 30, 2015: 5,570,285 units)	<u>-</u>	<u>279,071</u>
<b>KSE Meezan Index Fund</b>		
Investment as at December 31, 2015: 613,123 units (June 30, 2015: 1,734,306 units)	<u>42,189</u>	<u>127,558</u>
<b>Meezan Islamic Income Fund</b>		
Investment as at December 31, 2015: 23,517,078 units (June 30, 2015: 1,053,621 units)	<u>1,237,939</u>	<u>57,159</u>
<b>Meezan Sovereign Fund</b>		
Investment as at December 31, 2015: nil (June 30, 2015: 5,647,987 units)	<u>-</u>	<u>304,540</u>
<b>Directors and officers of the Management Company</b>		
Investments as at December 31, 2015: 200,284 units (June 30, 2015: 200,284 units)	<u>11,232</u>	<u>11,050</u>

	Six months ended December 31, 2015	For the period from June 28, 2014 to December 31, 2014
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	10	264
Sindh Sales Tax and Federal Excise Duty on management fee	4	90
Allocated expenses	97	-
Units issued: nil (December 31, 2014: 3,259,889 units)	-	162,994
<b>Meezan Bank Limited</b>		
Profit on saving account	37	1,590
Shariah advisor fee	11	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	974	935
Sindh Sales Tax on trustee fee	136	-
<b>Unitholders holding 10 percent or more of the Fund's net assets</b>		
Units issued: nil (December 31, 2014: 5,308,575 units)	-	265,429
<b>Meezan Islamic Fund</b>		
Units purchased: 6,415,263 units (December 31, 2014: 24,204,816 units)	390,170	1,225,728
Units sold: 14,595,745 units (December 31, 2014: 6,372,228 units)	859,825	345,480
Transaction cost paid	-	3,072
Cash dividend received	53,170	-
<b>Al-Meezan Mutual Fund</b>		
Units purchased: nil (December 31, 2014: 15,521,242 units)	-	217,455
Units sold: nil (December 31, 2014: 4,535,147 units)	-	60,000
Transaction cost paid	-	545
<b>KSE Meezan Index Fund</b>		
Units purchased: 44,749 units (December 31, 2014: 4,041,197 units)	3,208	253,937
Units sold: 1,165,932 units (December 31, 2014: nil)	85,100	-
Transaction cost paid	-	636
Cash dividend received	3,208	-
<b>Meezan Islamic Income Fund</b>		
Units purchased: 25,433,557 units (December 31, 2014: 40,354,333 units)	1,311,992	2,033,000
Units sold: 2,970,100 units (December 31, 2014: 25,330,296 units)	155,500	1,283,944
Cash dividend received	3,582	-
<b>Meezan Cash Fund</b>		
Units purchased: 2,809,690 units	141,500	-
Units sold: 8,379,975 units	423,411	-
<b>Meezan Sovereign Fund</b>		
Units purchased: 2,151,429 units (December 31, 2014: 99 units)	109,186	5
Units sold: 7,799,416 units	397,624	-
Cash dividend received	19,486	-
<b>Directors and executive of the Management Company</b>		
Units issued: nil (December 31, 2014: 200,284 units)	-	10,014

## 11. 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 account. 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 period 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.

## 12. FINANCIAL INSTRUMENTS - FAIR VALUES

Note	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2015 (Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
Funds of fund	2,238,596	-	-	-	2,238,596	2,238,596	-	-	2,238,596
<b>Financial assets - not measured at fair value</b>									
Cash and cash equivalents	12.1	-	-	892	-	892			
Trade and other receivables	12.1	-	1,291	-	-	1,291			
		<u>2,238,596</u>	<u>1,291</u>	<u>892</u>	<u>-</u>	<u>2,240,779</u>			
<b>Financial liabilities - not measured at fair value</b>									
Trade and other payables	12.1	-	-	-	402	402			

12.1 The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

## 13. DATE OF AUTHORISATION FOR ISSUE AND GENERAL

13.1 This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management company.

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

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

**Chief Executive**

**Director**





**HALF YEARLY REPORT**  
DECEMBER 31, 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

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN CAPITAL PRESERVATION FUND – III**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Capital Preservation Fund – III (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 22, 2016





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

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## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Capital Preservation Fund III** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Emphasis of Matter*


Without qualifying our opinion, we draw attention to Note 1.6 to the condensed interim financial information which describes that the going concern basis for preparing the interim financial information has not been used, because the fund will cease to exist on 31 January 2016.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in this condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
(Rupees in '000)			
<b>Assets</b>			
Balances with banks		2,407	1,519
Investments	5	3,401,403	3,401,797
Receivables against sale of Investments		-	3,000
Prepayments and other receivables		28	90
Preliminary expenses and floatation costs		208	1,473
<b>Total assets</b>		<b>3,404,046</b>	<b>3,407,879</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		10,928	10,923
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		530	229
Payable to Meezan Bank Limited (MBL)		11	-
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,288	2,440
Payable on redemption of units		226	3,000
Accrued expenses and other liabilities		11,189	11,117
<b>Total liabilities</b>		<b>24,172</b>	<b>27,709</b>
<b>Net assets</b>		<b>3,379,874</b>	<b>3,380,170</b>
<b>Contingencies and commitments</b>	7		
<b>Unitholders' fund (as per statement attached)</b>		<b>3,379,874</b>	<b>3,380,170</b>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>56,984,949</b>	<b>57,697,312</b>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<b>59.31</b>	<b>58.58</b>

The annexed notes 1 to 13 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
(Rupees in '000)					
<b>Income</b>					
Net realised (loss) / gain on sale of investments		(70,453)	(12,765)	(12,081)	3,991
Dividend Income		121,677	-	-	-
Profit on saving accounts with banks		52	80	22	31
Other income		2,139	1,521	527	920
		<u>53,415</u>	<u>(11,164)</u>	<u>(11,532)</u>	<u>4,942</u>
Unrealised (loss) / gain on re-measurement of investments - at 'fair value through profit or loss' (net)	5.1	(6,178)	228,643	133,940	167,599
<b>Total income</b>		<b>47,237</b>	<b>217,479</b>	<b>122,408</b>	<b>172,541</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		13	11	6	3
Sindh Sales Tax and Federal Excise Duty on Management Fee	6.1 & 6.2	4	4	2	1
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		1,411	1,326	700	674
Sindh Sales Tax on Trustee fee	6.3	198	-	98	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		1,287	1,200	638	611
Auditors' remuneration		188	135	101	72
Fees and subscription		101	65	62	32
Amortisation of preliminary expenses and floatation costs		1,264	1,254	628	624
Bank and settlement charges		-	1,813	-	14
Printing expenses		-	12	-	-
Legal and professional charges		133	-	33	-
Allocated expenses	8	154	-	154	-
Provision for Workers' Welfare Fund (WWF)	9	-	4,218	-	3,394
<b>Total expenses</b>		<b>4,753</b>	<b>10,038</b>	<b>2,422</b>	<b>5,425</b>
<b>Net income from operating activities</b>		<b>42,484</b>	<b>207,441</b>	<b>119,986</b>	<b>167,116</b>
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(1,047)	(741)	(16)	(787)
<b>Net income for the period before taxation</b>		<b>41,437</b>	<b>206,700</b>	<b>119,970</b>	<b>166,329</b>
<b>Taxation</b>	11	-	-	-	-
<b>Net income for the period after taxation</b>		<b>41,437</b>	<b>206,700</b>	<b>119,970</b>	<b>166,329</b>
<b>Other comprehensive income for the period</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>41,437</b>	<b>206,700</b>	<b>119,970</b>	<b>166,329</b>

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	Six Months period ended December 31,	
		2015	2014
(Rupees in '000)			
Undistributed income / accumulated (loss) brought forward			
- Realised		213,218	(906)
- Unrealised		286,240	135,860
		<u>499,458</u>	<u>134,954</u>
Net income for the period		41,437	206,700
Undistributed income carried forward		<u>540,895</u>	<u>341,654</u>
Undistributed income carried forward			
- Realised		547,073	113,011
- Unrealised	5.1	(6,178)	228,643
		<u>540,895</u>	<u>341,654</u>

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	<b>Six Months period ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000)</b>	
Net assets at beginning of the period	<b>3,380,170</b>	3,111,277
Redemption of 712,363 units (December 31, 2014: 568,099)	<b>(42,780)</b>	(30,435)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	<b>1,047</b>	741
Unrealised (diminution) / appreciation in the value of investments (net)	<b>(6,178)</b>	228,643
Net realised loss on sale of investments	<b>(70,453)</b>	(12,765)
Net other income / (loss) for the period	<b>118,068</b>	(9,178)
Total comprehensive income for the period	<b>41,437</b>	206,700
	-	-
Net assets at end of the period	<b>3,379,874</b>	3,288,283
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the period	<b>58.58</b>	52.27
Net assets value per unit at end of the period	<b>59.31</b>	55.77

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	Six Months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	41,437	206,700
<b>Adjustments for</b>		
Unrealised loss / (gain) on re-measurement of investments - 'at fair value through profit or loss' (net)	6,178	(228,643)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	1,047	741
Preliminary expenses and floatation costs	1,265	1,254
	<b>49,927</b>	<b>(19,948)</b>
<b>(Increase) / decrease in assets</b>		
Investments - net	(5,784)	40,764
Receivables against sale of investments	3,000	-
Prepayments and other receivables	62	65
	<b>(2,722)</b>	<b>40,829</b>
<b>(Decrease) / increase in liabilities</b>		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	5	(4)
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	301	21
Payable to Meezan Bank Limited	11	-
Payable to Securities and Exchange Commission of Pakistan (SECP)	(1,152)	272
Accrued expenses and other liabilities	72	4,253
	<b>(763)</b>	<b>4,542</b>
<b>Net cash generated from operating activities</b>	<b>46,442</b>	<b>25,423</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments against redemption of units	(45,554)	(29,197)
<b>Net cash used in financing activities</b>	<b>(45,554)</b>	<b>(29,197)</b>
Net increase / (decrease) in cash and cash equivalents during the period	<b>888</b>	<b>(3,774)</b>
Cash and cash equivalents at beginning of the period	1,519	5,877
Cash and cash equivalents at end of the period	<b>2,407</b>	<b>2,103</b>

The annexed notes 1 to 13 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 SIX MONTHS ENDED DECEMBER 31, 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 Pakistan Stock Exchange (formerly 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 in circular No.7 issued by SECP.
- 1.4** The Management Company of the Fund has been given quality rating of AM2+ by JCR-VIS Credit Rating Company of Pakistan 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, the fund will cease to exist (mature) on January 31, 2016. Resultantly, the financial statements have not been prepared on a going concern basis.

### 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 and 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, 2003, the NBFC Regulations, 2008 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.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interest in Other Entities* and IFRS 13 *Fair Value Measurement* became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 *Fair Value Measurement* are disclosed in notes 4.1 and 12 to the interim financial information.

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.

#### 4.1 Change in accounting policy - fair value measurement

IFRS 13 *Fair Value Measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 *Financial Instruments: Disclosures*. As a result, the Fund has included additional disclosures in this regard in note 12 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

## 5 INVESTMENTS

(Unaudited) (Audited)  
December 31, June 30,  
2015 2015  
(Rupees in '000)

Investments 'at fair value through profit or loss'

- held for trading"

5.1 3,401,403 3,401,797

### 5.1 Held for trading - Units of mutual funds

Name of the investee funds	As at July 01, 2015	Purchases during the period	Bonus issue	Redemption during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised (loss) / gain	Percentage in relation to	
	----- (Number of units) -----				----- (Rupees in '000) -----			----- % -----		
Meezan Islamic Fund	42,727,003	1,647,260	-	18,767,733	25,606,530	1,562,741	1,535,112	(27,629)	45.42	45.13
Meezan Islamic Income Fund	1,991	32,595,458	-	167,680	32,429,769	1,674,794	1,707,103	32,309	50.51	50.19
KSE Meezan Index Fund	4,638,473	119,682	-	2,444,711	2,313,444	170,046	159,188	(10,858)	4.71	4.68
Meezan Cash Fund	3,016,655	-	-	3,016,655	-	-	-	-	-	-
Meezan Sovereign Fund	5,533,153	3,836,415	-	9,369,568	-	-	-	-	-	-
<b>Total</b>						<u>3,407,581</u>	<u>3,401,403</u>	<u>(6,178)</u>		
<b>Total cost of investments</b>							<u>3,222,998</u>			

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

## 6. SINDH SALES TAX AND FEDERAL EXCISE DUTY ON MANAGEMENT FEE / TRUSTEE FEE

6.1 The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011. During the period, Sindh Sales Tax at the rate of 14 percent (till 30 June 2015: 15 percent) was charged on the remuneration of Management Company and sales load.

6.2 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 from 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 where various options are being considered. In 2014, the Honourable High Court 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 June 13, 2013, aggregating to Rs. 0.055 million (June 30, 2015: Rs. 0.053 million). Had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by Rs. 0.00096 per unit (June 30, 2015 : 0.0009 per unit).

6.3 In the current period, a notification (SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund recognised sales tax on trustee fee at the rate of 14 percent in the current period.

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2015.

## 8. ALLOCATED EXPENSES

In the current period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non - Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

## 9. WORKERS' WELFARE FUND (WWF)

The status of Workers' Welfare Fund (WWF) is the same as disclosed in the annual financial statements for the year ended June 30, 2015. 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.10.83 million. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs.0.19 per unit (0.33 percent). The mutual funds have been excluded from levy of WWF vide Finance Act, 2015, hence, effective from July 1, 2015, no provision of WWF has been made in the Fund. The matter regarding previous years would either need to be clarified by Regulatory bodies or Courts.

## 10. 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 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, 2003, NBFC Regulations, 2008 and the Trust Deed respectively.

Details of transactions with connected persons and balances with them for the period ended December 31, 2015 and as of that date along with comparatives are as follows:

	<b>(Unaudited) December 31, 2015</b>	<b>(Audited) June 30, 2015</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	<u>4</u>	<u>1</u>
Sindh Sales Tax and Federal Excise Duty payable on management fee	<u>64</u>	<u>62</u>
Sindh Sales Tax and Federal Excise Duty payable on sales load	<u>10,860</u>	<u>10,860</u>
Allocated expenses payable	<u>154</u>	<u>-</u>
Investments as at December 31, 2015: 2,101,382 units (June 30, 2015: 2,101,382 units)	<u>124,633</u>	<u>123,109</u>
<b>Meezan Bank Limited</b>		
Balances with bank	<u>2,407</u>	<u>1,519</u>
Shariah advisor fee payable	<u>11</u>	<u>-</u>
Profit receivable on savings account	<u>11</u>	<u>8</u>
<b>Central Depository Company of Pakistan Limited- Trustee</b>		
Trustee fee payable	<u>365</u>	<u>229</u>
SST on Trustee Fee	<u>165</u>	<u>229</u>
<b>KSE Meezan Index Fund</b>		
Investments as at December 31, 2015: 2,313,444 units (June 30, 2015: 4,638,473 units)	<u>159,188</u>	<u>341,160</u>
<b>Meezan Cash Fund</b>		
Investments as at December 31, 2015: Nil (June 30, 2015: 3,016,655 units)	<u>-</u>	<u>151,134</u>
<b>Meezan Islamic Fund</b>		
Investments as at December 31, 2015: 25,606,530 units (June 30, 2015: 42,727,003 units)	<u>1,535,112</u>	<u>2,611,047</u>
<b>Meezan Islamic Income Fund</b>		
Investments as at December 31, 2015: 32,429,769 units (June 30, 2015: 1,991 units)	<u>1,707,103</u>	<u>108</u>
<b>Meezan Sovereign Fund</b>		
Investment as at December 31, 2015: Nil (June 30, 2015: 5,533,153 units)	<u>-</u>	<u>298,348</u>
<b>Directors and executives of the Management Company</b>		
Investments as at December 31, 2015: 26,640 units (June 30, 2015: 26,640 units)	<u>1,580</u>	<u>1,561</u>

	(Unaudited) Six months period ended December 31,	
	2015	2014
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	13	11
Sindh Sales Tax and Federal Excise Duty on management fee	4	4
Allocated expenses	154	-
<b>Meezan Bank Limited</b>		
Profit on saving accounts	52	80
Shariah advisor fee	11	-
<b>Central Depository Company of Pakistan Limited- Trustee</b>		
Remuneration for the period	1,411	1,326
<b>KSE Meezan Index Fund</b>		
Issuance of 119,682 units (December 31, 2014: 1,532,729 units)	8,581	99,750
Redemption of 2,444,711 units (December 31, 2014: Nil units)	178,899	-
Dividend received (December 31, 2014: Nil)	8,581	-
Transaction cost	-	250
<b>Meezan Cash Fund</b>		
Redemption of 3,016,565 units (December 31, 2014: Nil units)	153,314	-
<b>Meezan Islamic Fund</b>		
Issuance of 1,647,260 units (December 31, 2014: 11,023,825 units)	97,099	558,001
Redemption of 18,767,733 units (December 31, 2014: 14,650,007 units)	1,089,050	718,700
Dividend Received (December 31, 2014: Nil)	93,999	-
Transaction cost	-	1,398
<b>Meezan Islamic Income Fund</b>		
Issuance of 32,595,457 units (December 31, 2014: 14,121,392 units)	1,683,328	718,000
Redemptions of 167,680 units (December 31, 2014: 14,681,069 units)	8,750	744,900
Dividend Received (December 31, 2014: Nil)	7	-
<b>Meezan Sovereign Fund</b>		
Issuance of 3,836,414 units (December 31, 2014: Nil units)	194,889	-
Redemption of 9,369,567 units (December 31, 2014: Nil units)	477,647	-
Dividend Received (December 31, 2014: Nil)	19,089	-
<b>Al Meezan Mutual Fund</b>		
Issuance of Nil units (December 31, 2014: 4,130,435 units)	-	59,850
Transaction Cost	-	150
<b>Directors and executives of the Management Company</b>		
Units issued: Nil (December 31, 2014: 10,000 units)	-	500

## 11. 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 account. 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 period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unitholders.

## 12. FINANCIAL INSTRUMENTS - FAIR VALUES

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows:

Note	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
December 31, 2015 (Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
	Fund of funds	3,401,403	-	-	-	3,401,403	-	-	3,401,403
<b>Financial assets - not measured at fair value</b>									
	Cash and cash equivalents	12.1	-	-	2,407	-	-	-	2,407
	Trade and other receivables	12.1	-	236	-	-	-	-	236
			<u>3,401,403</u>	<u>236</u>	<u>2,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,404,046</u>
<b>Financial liabilities - not measured at fair value</b>									
	Trade and other payables	12.1	-	-	-	925	-	-	925

12.1 The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

## 13. DATE OF AUTHORISATION FOR ISSUE AND GENERAL

13.1 This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

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

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

**Chief Executive**

**Director**





**HALF YEARLY REPORT**  
DECEMBER 31, 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

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office**

CDC House, 99-B, Block 'B'  
S.M.C.H.S. Main Shakra-e-Faisal  
Karachi - 74400. Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**MEEZAN GOLD FUND**

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Meezan Gold Fund (the Fund) are of the opinion that Al Meezan Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from August 13, 2015 to December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Muhammad Manif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 22, 2016





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

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

## **Auditor's report on review of Condensed Interim Financial Information to the Unitholders**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Gold Fund** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unitholders' fund, condensed interim cash flow statement and notes thereto for the period from 13 August 2015 to 31 December 2015 (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in the condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

*KPMG Taseer Hadi & Co.*

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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2015 (UNAUDITED)

	Note	December 31, 2015 (Rupees in '000)
<b>Assets</b>		
Balance with bank	5	56,774
Investment in gold	6	84,067
Profit receivable on saving account		120
Other receivables		100
<b>Total assets</b>		<b>141,061</b>
<b>Liabilities</b>		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	7	413
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	9	20
Payable to Securities and Exchange Commission of Pakistan (SECP)	10	31
Payable to Meezan Bank Limited (MBL)		11
Payable on redemption and conversion of units		21,300
Accrued expenses and other liabilities	11	381
<b>Total liabilities</b>		<b>22,156</b>
<b>Net assets</b>		<b>118,905</b>
<b>Contingencies and commitments</b>	15	
<b>Unitholders' fund (as per statement attached)</b>		<b>118,905</b>
		(Number of units)
<b>Number of units in issue</b>	16	<b>2,509,377</b>
		(Rupees)
<b>Net assets value per unit</b>		<b>47.38</b>

The annexed notes 1 to 24 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 PERIOD FROM AUGUST 13, 2015 TO DECEMBER 31, 2015 AND QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

	Note	For the period from August 13, 2015 to December 31, 2015	Quarter ended December 31, 2015
<b>Income</b>			
(Rupees in '000)			
Profit on saving account with bank		451	321
Unrealised loss on re-measurement of investment in gold (net)	6.1	(4,918)	(2,406)
<b>Total loss</b>		<b>(4,467)</b>	<b>(2,085)</b>
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited (Al Meezan)- Management Company	7.1	615	440
Sindh Sales Tax and Federal Excise Duty on Management Fee	7.2 & 7.3	198	141
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	9	70	50
Sindh Sales Tax on trustee fee	9.1	10	7
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	10	31	22
Auditors' remuneration	12	118	80
Fees and subscription		11	2
Brokerage		11	11
Bank and settlement charges		348	5
Allocated expenses	13	5	218
<b>Total expenses</b>		<b>1,417</b>	<b>976</b>
<b>Net loss from operating activities</b>		<b>(5,884)</b>	<b>(3,061)</b>
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(686)	(256)
<b>Net loss for the period before taxation</b>		<b>(6,570)</b>	<b>(3,317)</b>
Taxation	22	-	-
<b>Net loss for the period after taxation</b>		<b>(6,570)</b>	<b>(3,317)</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>(6,570)</b>	<b>(3,317)</b>

The annexed notes 1 to 24 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 PERIOD FROM AUGUST 13, 2015 TO DECEMBER 31, 2015 (UNAUDITED)

For the period from  
August 13, 2015 to  
December 31, 2015

(Rupees in '000)

Net loss for the period	(6,570)
Accumulated loss carried forward	<u>(6,570)</u>
Accumulated loss carried forward	
- Realised	(1,652)
- Unrealised	<u>(4,918)</u>
	<u>(6,570)</u>

The annexed notes 1 to 24 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 PERIOD FROM AUGUST 13, 2015 TO DECEMBER 31, 2015 (UNAUDITED)

	<b>For the period from August 13, 2015 to December 31, 2015</b>
	<b>(Rupees in '000)</b>
Net assets at beginning of the period	-
Issue of 3,536,477 units	<b>174,064</b>
Redemption of 1,027,100 units	<b>(49,275)</b>
	<b>124,789</b>
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	<b>686</b>
Unrealised loss on re-measurement of investment in gold (net)	<b>(4,918)</b>
Net other loss for the period	<b>(1,652)</b>
Total comprehensive income for the period	<b>(6,570)</b>
Net assets at end of the period	<b>118,905</b>
Net assets value per unit at beginning of the period	-
Net assets value per unit at end of the period	<b>47.38</b>

The annexed notes 1 to 24 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 PERIOD FROM AUGUST 13, 2015 TO DECEMBER 31, 2015 (UNAUDITED)

	Note	For the period from August 13, 2015 to December 31, 2015  (Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period		(6,570)
<b>Adjustments for:</b>		
Unrealised loss on re-measurement of investment in gold		4,918
Element of loss and capital losses included in prices of units issue less those in units redeemed (net)		686
		(966)
<b>Increase in assets</b>		
Investment in gold (net)		(88,985)
Profit receivable on saving account		(120)
Other receivables		(100)
		(89,205)
<b>Increase in liabilities</b>		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		413
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		20
Payable to Securities and Exchange Commission of Pakistan (SECP)		31
Payable to Meezan Bank Limited (MBL)		11
Accrued expenses and other liabilities		381
		856
<b>Net cash used in operating activities</b>		(89,315)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units		174,064
Payments against redemption and conversion of units		(27,975)
<b>Net cash generated from financing activities</b>		146,089
Net increase in cash and cash equivalents during the period		56,774
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	5	56,774

The annexed notes 1 to 24 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 PERIOD FROM AUGUST 13, 2015 TO DECEMBER 31, 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 Fund commenced its operations from August 13, 2015. 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 an open-ended 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). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency. The investments in Gold contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and/or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by Shariah Advisor. 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. The Fund is in the process of listing on the Pakistan Stock Exchange.

**1.3** 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 categorised as Commodity 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 of Pakistan Limited as 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 and 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. BASIS OF PREPARATION

### 3.1 Statement of compliance

This condensed interim financial information has 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 Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Trust Deed, the NBFC Rules, 2003, the NBFC Regulations, 2008, and the said directives differ with the requirements of these standards, the requirements of the Trust Deed, the NBFC Rules, 2003, the NBFC Regulations, 2008, and the said directives shall prevail.

### 3.2 Basis of measurement

This condensed interim financial information has been prepared on the basis of historical cost convention except for investment in gold which is stated at fair value.

### 3.3 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund and are rounded to the nearest thousand rupees.

### 3.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards requires the use of critical accounting estimates. It also requires the Management Company to exercise its judgement 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- (a) Classification and valuation of financial instruments (note 4.1 & 6)
- (b) Recognition of provision for Workers Welfare Fund (note 8)
- (c) Impairment (note 4.4)
- (d) Taxation (note 22)

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after January 01, 2016) introduce severe restrictions on the use of revenue-based amortisation for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Fund's interim financial information.

- **Investment Entities: Applying the Consolidation Exception** - (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) (effective for annual periods beginning on or after January 01, 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Fund's interim financial information.
- **Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements'** (effective for annual periods beginning on or after January 01, 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Fund's interim financial information.
- **Amendment to IAS 27 'Separate Financial Statement'** (effective for annual periods beginning on or after January 01, 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Fund's interim financial information.
- **Agriculture: Bearer Plants** - Amendment to IAS 16 and IAS 41 (effective for annual periods beginning on or after January 01, 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a fund can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Fund's interim financial information.
- **Annual Improvements 2012-2014 cycles** (amendments are effective for annual periods beginning on or after January 01, 2016). The new cycle of improvements contain amendments to the following standards:
  - **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:** IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
  - **IFRS 7 'Financial Instruments- Disclosures':** IFRS 7 is amended to clarify servicing arrangements on continuing involvement in transferred financial assets in case when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 19 'Employee Benefits': IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting': IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on Fund's interim financial information.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the current period, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities and IFRS 13 Fair Value Measurement became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of application of IFRS 13 Fair Value Measurement is disclosed in notes 4.3, 6.1.3 and 19 to the interim financial information. The principle accounting policies adopted and applied in the preparation of the condensed financial information are set out below:

##### 4.1 Financial instruments

###### 4.1.1 Classification

The Fund classifies its financial assets in the following category:

###### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

###### 4.1.2 Regular way contracts

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

###### 4.1.3 Recognition and Derecognition

The Company initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

#### 4.1.4 Measurement

All financial assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

All financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

#### 4.1.5 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### 4.2 New accounting standards

IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Fund has included additional disclosures in this regard in note 6.1.3 and 19 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

#### 4.3 Investment in gold

Investment in gold is initially recognised at fair value less cost to sell. Subsequent to initial recognition, these are measured at fair value using lowest rate (i.e. spot rate) fixed by Paksitan Mercantile Exchange (PMEX). Gain or loss arising from changes in fair value less cost to sell are recognised in Income Statement in the period of change.

#### 4.4 Impairment

*Financial assets (including receivables)*

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that

has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss account.

#### *Non-financial assets*

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

#### **4.5 Unitholders' Fund**

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

##### **4.5.1 Issue 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 on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company.

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

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

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

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

#### **4.7 Provisions**

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

#### **4.8 Net asset value per unit**

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

#### **4.9 Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account 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*

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 ninety 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 ninety percent of accounting income, the income distributed through bonus units shall not be taken into account. Accordingly, the Fund has not recorded a tax liability in respect of income relating to the current period as the Fund intends to avail this exemption.

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, 2011.

##### *Deferred*

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

However, the Fund intends to avail the tax exemption by distributing at least ninety percent of its accounting income for the period as reduced by capital gains, whether realised or unrealised, to its unit holders. Accordingly, no current tax and deferred tax has been recognised in these interim financial information.



Deferred tax liabilities are recognised for all taxable temporary differences. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates. The fund has not recorded a tax liability and deferred tax in respect of income as the Fund intends to avail this exemption.

#### 4.10 Revenue recognition

- Gains / (losses) arising on sale of Gold are included in the Income Statement on the date at which the transaction takes place.
- Profit on bank deposit is recognised on time proportion basis using effective yield method.

#### 4.11 Expenses

All expenses including Management Fee, custody fee, trustee fee and SECP fee are recognised in the Income Statement as and when incurred.

#### 4.12 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances maintained 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 investments and other purposes.

#### 4.13 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.

#### 4.14 Distribution

Distribution including bonus units / cash dividend are recognised in the period in which they are approved.

	Note	(Unaudited) December 31, 2015 (Rupees in '000)
<b>5. BALANCE WITH BANK</b>		
On saving account	5.1	<u>56,774</u>
<b>5.1</b>	The balance in saving account have a profit rate of 4.02% per annum.	
<b>6. INVESTMENT IN GOLD</b>		
Investment in gold	6.1	<u>84,067</u>

## 6.1 Investment in gold

Commodity	Opening Balance	Purchases during the Period	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised loss as at December 31, 2015	Percentage in relation to Net Assets of the Fund on the basis of market value of investments (note 6.1.1)
	(TOLA)				(Rupees in '000)			(%)
Tola Gold	-	1,910	-	1,910	88,985	84,067	(4,918)	70.70
<b>Total</b>					<b>88,985</b>	<b>84,067</b>	<b>(4,918)</b>	
<b>Total cost of investments</b>						<b>88,985</b>		

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

**6.1.2** The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX under their custody in the vaults of a commercial bank.

**6.1.3** The fair value measurement of investment in gold of Rs. 84.07 million has been categorised as level 1 fair value based on the quoted market price in active markets.

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

	Note	(Unaudited) December 31, 2015 (Rupees in '000)
Management fee	7.1	151
Sindh Sales Tax and Federal Excise Duty on Management Fee	7.2 & 7.3	133
Sales load payable		94
Sindh Sales Tax and Federal Excise Duty on sales load	7.2 & 7.3	30
Allocated expenses		5
		<b>413</b>

**7.1** Under the provisions of NBFC Regulations, 2008, the Management Company is entitled to a remuneration of 1.5% of the average annual net assets of the Fund.

**7.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011. During the period, Sindh Sales Tax at the rate of 14 percent was charged on the remuneration of Management Company.

**7.3** 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 High Court of Sindh. 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. 0.098 million. Had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by Rs. 0.039 per unit (0.08 percent).

## 8. WORKERS' WELFARE FUND

The mutual funds have been excluded from levy of WWF vide Finance Act, 2015, hence, no provision of WWF has been made in the Fund.

## 9. 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 December 31, 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

9.1 In the current period, a notification (No. SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund has recognised sales tax on trustee fee at the rate of 14 percent in the current period.

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

This represents annual fee at the rate of 0.075 percent of the average annual net assets of the Fund payable to SECP under regulation 62 read with Schedule II of NBFC Regulations, 2008.

## 11. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	(Unaudited) December 31, 2015 (Rupees in '000)
Custodian fee payable	11.1	213
Auditors' remuneration	12	118
CGT Payable		3
Withholding tax payable		47
		381

11.1 Vault custody services are provided by Pakistan Mercantile Exchange (PMEX), including Insurance / Takaful of physical gold contained in their vaults. The Pakistan Mercantile Exchange (PMEX) is entitled to a remuneration of 1 percent of market value of average investment on daily basis of the Fund.

## 12. AUDITORS' REMUNERATION

	<b>(Unaudited) December 31, 2015 (Rupees in '000)</b>
Statutory Audit fee	<b>68</b>
Half yearly review	<b>50</b>
	<b>118</b>

## 13. ALLOCATED EXPENSES

In the current period, a statutory notification (S.R.O. 1160 (I)/2015 dated November 25, 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in Non- Banking Finance Companies and Notified Entities Regulations, 2008. As a result of these amendments, the Management Company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CIS) upto a maximum of 0.1% of average annual net assets of the Scheme. Accordingly, such expenses have been charged effective from December 16, 2015.

## 14. 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, 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, 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, 2003, NBFC Regulations, 2008, and the Trust Deed.

Details of transactions with connected persons and balances with them for the period ended December 31, 2015 are as follows:

	<b>(Unaudited) December 31, 2015 (Rupees in '000)</b>
<b>AI Meezan Investment Management Limited - Management Company</b>	
Remuneration payable	<u>151</u>
Sindh Sales Tax and Federal Excise Duty on management fee payable	<u>133</u>
Sales load payable	<u>94</u>
Sindh Sales Tax and Federal Excise Duty on sales load payable	<u>30</u>
Allocated expenses payable	<u>5</u>
Investments as at December 31, 2015: 211,313 units	<u>10,012</u>
<b>Meezan Bank Limited</b>	
Bank balance	<u>56,774</u>
Investments as at December 31, 2015: 1,000,000 units	<u>47,380</u>
Shariah advisor fee payable	<u>11</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Trustee fee payable	<u>17</u>
Sindh Sales Tax on trustee fee payable	<u>3</u>
<b>Directors and Executives of the Management Company</b>	
Investments as at December 31, 2015: 5,197 units	<u>246</u>
<b>For the period from August 13, 2015 to December 31, 2015 (Rupees in '000)</b>	
<b>AI Meezan Investment Management Company Limited - Management Company</b>	
Remuneration for the period	<u>615</u>
Sindh Sales Tax and Federal Excise Duty on management fee for the period	<u>198</u>
Units issued: 801,906 units	<u>39,000</u>
Units redeemed: 590,593 units	<u>28,000</u>
Allocated expenses	<u>5</u>
<b>Meezan Bank Limited</b>	
Profit on saving account	<u>451</u>
Units issued: 1,000,000 units	<u>50,000</u>
Shariah advisor fee	<u>11</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Remuneration for the period	<u>70</u>
Sindh Sales Tax on trustee fee	<u>10</u>
<b>Directors and executives of the Management Company</b>	
Units issued: 15,797 units	<u>750</u>
Units redeemed: 10,600 units	<u>506</u>

## 15. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2015.

## 16. NUMBER OF UNITS IN ISSUE

(Unaudited)  
December 31,  
2015  
(Number of Units)

### 16.1 The movement in number of units in issue during the period is as follows:

Total units in issue at beginning of the period	-
Units issued during the period	3,536,477
Units redeemed during the period	(1,027,100)
<b>Total units in issue at end of the period</b>	<b>2,509,377</b>

### 16.2 The Fund may issue the following classes of units:

Class	Description
A	Units shall be issued to the Pre-IPO Investors and may be charged a Front-end Load, at the discretion of the Management Company.
B	Units that shall be issued to investors at the Offer Price, during the Initial Offering Period, may also be subject to a Back-end Load / Contingent Load.
C	These are the Units issued after IPO, which may be issued to the Unitholders from time to time. These units shall also be charged with Front-end Load.

## 17. FINANCIAL INSTRUMENTS BY CATEGORY

December 31, 2015 (Unaudited)

	Loans and receivables	Financial liabilities measured at amortised cost	Total
(Rupees in '000)			
<b>On balance sheet - financial assets</b>			
Balance with bank	56,774	-	56,774
Profit receivable on saving account	120	-	120
Other receivables	100	-	100
	<u>56,994</u>	<u>-</u>	<u>56,994</u>
<b>On balance sheet - financial liabilities</b>			
Payable to AI Meezan - Management Company	-	413	413
Payable to CDC - Trustee	-	20	20
Payable to MBL	-	11	11
Payable on redemption and conversion of units	-	21,300	21,300
Accrued expenses and other liabilities	-	331	331
	<u>-</u>	<u>22,075</u>	<u>22,075</u>

## 18. 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, currency 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:

### 18.1 Credit risk

Credit risk is the risk that counter party to a financial instrument will fail to discharge its obligation or commitment that it has entered into with the Fund, and cause the other party to incur financial loss without taking into account the fair value of any collateral.

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 December 31, 2015 is tabulated below:

	(Unaudited) December 31, 2015 (Rupees in '000)
<b>Financial Assets</b>	
Balance with bank	56,774
Profit receivable on saving account	120
Other receivables	100
	<u>56,994</u>

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

	(Unaudited) December 31, 2015 (%)
AA	<u>100</u>

None of the financial assets were considered to be past due or impaired as on December 31, 2015.

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

## 18.2 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 unitholders' redemptions at any time. The Fund manages the liquidity risk by maintaining maturities of financial assets and financial 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 percent 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. However, no such borrowing has been obtained during the period.

In addition to unitholders' fund, analysis of the Fund's financial liabilities into relevant maturity grouping as at December 31, 2015 is tabulated below:

	December 31, 2015 (Unaudited)				Total
	Maturity upto			More than one year	
	Three months	Six months	One year		
	(Rupees in '000)				
Payable to Al Meezan - Management Company	250	-	-	-	250
Payable to CDC - Trustee	20	-	-	-	20
Payable on redemption and conversion of units	21,300	-	-	-	21,300
Accrued expenses and other liabilities	331	-	-	-	331
	<u>21,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,901</u>

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

## 18.3 Market risk

### 18.3.1 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 unitholders 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.

### 18.3.2 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 the risk.

#### *Cash flow interest rate risk*

The Fund's interest rate risk arises from the balances in savings accounts. As at December 31, 2015, if there had been increase / (decrease) of 100 basis points in interest rates, with all other variables held constant, net assets of the Fund for the period would have been higher / (lower) by Rs 0.0568 million mainly as a result of finance income.

#### *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.

### 18.3.3 Currency risk

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

## 19. FINANCIAL INSTRUMENTS - FAIR VALUE

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 financial assets and financial liabilities traded in active markets are based on the quoted market prices at the close of trading on the period 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 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 (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows:

	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
<b>December 31, 2015</b>	(Rupees in '000)								
<b>Financial assets - measured at fair value</b>	-	-	-	-	-				
<b>Financial assets - not measured at fair value</b>									
Cash and cash equivalents 19.1	-	-	56,774	-	56,774				
Trade and other receivables 19.1	-	220	-	-	220				
	-	220	56,774	-	56,994				
<b>Financial assets - not measured at fair value</b>									
Trade and other payables 19.1	-	-	-	21,901	21,901				

**19.1** The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

**19.2** Investment in gold are non financial assets, therefore the fair value are disclosed in note 6.1.3 to the interim financial information.

## 20. COMMODITY RISK MANAGEMENT

### 20.1 Commodity risk

Commodity risk represent the accounting loss that would be recognised at the reporting date due to change in future market values and the size of the future income, caused by fluctuation in the prices of commodities.

Commodity risk arises on the fair value or future cash flows of a commodity will fluctuate because of the decrease / increase in the price of the gold contract quoted on Pakistan Mercantile Exchange (PMEX).

## 21. 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' fund 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 NBFC Regulations, 2008, 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 18, 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.

## **22. 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 account. 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 period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2016 as reduced by capital gains (whether realised or unrealised) to its unitholders.

## **23. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

## **24. GENERAL**

**24.1** Figures have been rounded off to the nearest thousand rupees.

**24.2** There are no corresponding figures as the Fund commenced its operations from August 13, 2015. The financial year for the fund will end on June 30, 2016.

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

**Chief Executive**

**Director**





**HALF YEARLY REPORT**  
DECEMBER 31, 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

Bank Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Sindh Bank Pakistan 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  
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



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
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## **Auditor's report on review of Condensed Interim Financial Information to the Participants**

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Meezan Tahaffuz Pension Fund** ("the Fund") as at 31 December 2015 and the related condensed interim income statement and statement of comprehensive income, condensed interim statement of movement in participants' sub funds, condensed interim cash flow statement, condensed interim contribution table, condensed interim number of units in issue and notes thereto for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

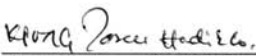
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Other Matters*

The figures for the quarter ended 31 December 2015 in this condensed interim financial information have not been reviewed and no conclusions have been expressed thereon.

**Date: 25 February 2016**

**Karachi**

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

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

Note	(Unaudited) December 31, 2015				Audited June 30, 2015	
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total	
<b>Assets</b>						
(Rupees in '000)						
Bank balances	5	23,590	107,986	97,814	229,390	455,016
Investments	6	3,167,464	1,432,219	263,807	4,863,490	4,040,031
Receivable against investments (net)		28,525	-	-	28,525	20,898
Dividend receivable		4,570	-	-	4,570	4,061
Profit receivable	7	1,951	24,587	5,797	32,335	17,846
Deposit with Central Depository Company of Pakistan Limited (CDC) - Trustee		100	100	100	300	300
Receivable against change of plan / change of fund manager		145	-	-	145	41,486
<b>Total assets</b>		<b>3,226,345</b>	<b>1,564,892</b>	<b>367,518</b>	<b>5,158,755</b>	<b>4,579,638</b>
<b>Liabilities</b>						
Payable to Al Meezan Investment Management Limited (Al Meezan) - pension fund manager	8	16,670	9,382	2,526	28,578	20,776
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		308	149	35	492	405
Payable to auditors		74	73	74	221	216
Payable to Securities and Exchange Commission of Pakistan (SECP)		506	245	59	810	1,163
Payable against investments (net)		-	-	-	-	33,365
Payable against withdrawal and change of plan		903	1,193	1,005	3,101	16,856
Accrued expenses and other liabilities	9	29,231	4,618	1,239	35,088	30,336
<b>Total liabilities</b>		<b>47,692</b>	<b>15,660</b>	<b>4,938</b>	<b>68,290</b>	<b>103,117</b>
<b>Net assets</b>		<b>3,178,653</b>	<b>1,549,232</b>	<b>362,580</b>	<b>5,090,465</b>	<b>4,476,521</b>
<b>Contingencies and commitments</b>	10					
<b>Participants' sub-funds (as per statement attached)</b>		<b>3,178,653</b>	<b>1,549,232</b>	<b>362,580</b>	<b>5,090,465</b>	<b>4,476,521</b>
(Number of units)						
<b>Number of units in issue (as per statement attached)</b>		<b>7,245,522</b>	<b>7,739,892</b>	<b>1,814,851</b>		
(Rupees)						
<b>Net assets value per unit</b>		<b>438.71</b>	<b>200.16</b>	<b>199.78</b>		

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 INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

Note	For the six months ended December 31, 2015				For the six months ended December 31, 2014	
	Equity sub fund	Debt sub fund	Money market sub fund	Total		
	(Rupees in '000)					
<b>Income</b>						
Profit on sukuk certificates	-	31,793	7,878	39,671	57,152	
Profit on saving accounts with banks	2,061	10,623	3,808	16,492	9,193	
Profit on Term Deposit Receipts	-	7,089	-	7,089	3,255	
Dividend income	65,390	-	-	65,390	43,326	
Unrealised appreciation on re-measurement of investments at fair value through profit or loss (net)	117,170	6,229	1,175	124,574	187,820	
Net realised gain / (loss) on sale of investments	7,329	(5,573)	(984)	772	9,186	
Reversal of provision against sukuk certificates	-	-	-	-	16	
<b>Total income</b>	<b>191,950</b>	<b>50,161</b>	<b>11,877</b>	<b>253,988</b>	<b>309,948</b>	
<b>Expenses</b>						
Remuneration of Al Meezan Investment Management Limited - pension fund manager	8.1	22,779	11,031	2,640	36,450	23,711
Sindh Sales Tax and Federal Excise Duty on management fee	8.2 & 8.3	7,344	3,556	851	11,751	7,919
Remuneration of Central Depository Company of Pakistan Limited (CDC) - Trustee		1,591	770	184	2,545	1,832
Sindh Sales Tax on trustee fee	8.4	224	108	26	358	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		506	245	59	810	527
Auditors' remuneration		82	82	82	246	234
Legal & professional charges		33	33	33	99	-
Brokerage		2,495	28	11	2,534	1,510
Bank and settlement charges		596	26	16	638	173
Charity expense		1,078	-	-	1,078	752
Provision for Workers' Welfare Fund (WWF)	11	3,258	713	164	4,135	5,606
<b>Total expenses</b>		<b>39,986</b>	<b>16,592</b>	<b>4,066</b>	<b>60,644</b>	<b>42,264</b>
<b>Net income from operating activities</b>		<b>151,964</b>	<b>33,569</b>	<b>7,811</b>	<b>193,344</b>	<b>267,684</b>
Element of income and capital gains included in prices of units issued less those in units redeemed (net)		7,684	1,383	215	9,282	6,992
<b>Net income for the period before taxation</b>		<b>159,648</b>	<b>34,952</b>	<b>8,026</b>	<b>202,626</b>	<b>274,676</b>
Taxation	13	-	-	-	-	-
<b>Net income for the period after taxation</b>		<b>159,648</b>	<b>34,952</b>	<b>8,026</b>	<b>202,626</b>	<b>274,676</b>
<b>Other comprehensive income for the period</b>						
<b>Items that can be reclassified to income statement in subsequent periods</b>						
Unrealised diminution on re-measurement of investment classified as "available for sale" (net)	6.4.1	-	(395)	-	(395)	(1,342)
<b>Total comprehensive income for the period</b>		<b>159,648</b>	<b>34,557</b>	<b>8,026</b>	<b>202,231</b>	<b>273,334</b>

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 INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

Note	For the quarter ended December 31, 2015				For the quarter ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	(Rupees in '000)				
<b>Income</b>					
Profit on sukuk certificates	-	13,553	3,098	16,651	29,054
Profit on saving accounts with banks	1,393	5,815	2,412	9,620	4,562
Profit on Term Deposit Receipts	-	4,349	-	4,349	2,269
Dividend income	25,331	-	-	25,331	19,122
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss' (net)	208,863	9,827	2,004	220,694	145,185
Net realised (loss) / gain on sale of investments	(888)	(5,113)	(490)	(6,491)	8,244
<b>Total income</b>	<b>234,699</b>	<b>28,431</b>	<b>7,024</b>	<b>270,154</b>	<b>208,436</b>
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - pension fund manager	8.1	11,711	5,618	1,335	18,664
Sindh Sales Tax and Federal Excise Duty on management fee	8.2 & 8.3	3,776	1,811	430	6,017
Remuneration of Central Depository Company of Pakistan Limited (CDC) - Trustee		775	367	88	1,230
Sindh Sales Tax on trustee fee	8.4	102	52	12	166
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		260	125	30	415
Auditors' remuneration		36	37	36	109
Brokerage		1,147	18	9	1,174
Bank and settlement charges		538	12	11	561
Charity expense		754	-	-	754
Provision for Workers' Welfare Fund (WWF)	11	3,258	429	104	3,791
<b>Total expenses</b>		<b>22,357</b>	<b>8,469</b>	<b>2,055</b>	<b>32,881</b>
<b>Net income from operating activities</b>		<b>212,342</b>	<b>19,962</b>	<b>4,969</b>	<b>237,273</b>
Element of income and capital gains included in prices of units issued less those in units redeemed (net)		3,757	1,051	136	4,944
<b>Net income for the period before taxation</b>		<b>216,099</b>	<b>21,013</b>	<b>5,105</b>	<b>242,217</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>216,099</b>	<b>21,013</b>	<b>5,105</b>	<b>242,217</b>
<b>Other comprehensive income for the period</b>					
<b>Items that can be reclassified to income statement in subsequent periods</b>					
Unrealised diminution on re-measurement of investment classified as "available for sale" (net)		-	(27)	-	(27)
<b>Total comprehensive income for the period</b>		<b>216,099</b>	<b>20,986</b>	<b>5,105</b>	<b>242,190</b>

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 STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS FOR THE SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	For the six months ended December 31, 2015				For the six months ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	(Rupees in '000)				
<b>Net assets at beginning of the period</b>	<b>2,740,148</b>	<b>1,398,572</b>	<b>337,801</b>	<b>4,476,521</b>	2,883,326
Amount received on issue of units (2015: Equity sub fund: 1,074,990 units; Debt sub fund: 1,186,925 units; Money market sub fund: 304,825 units) (2014: Equity sub fund: 1,057,874 units; Debt sub fund: 1,576,644 units; Money market sub fund: 396,401 units)	463,827	235,087	60,226	759,140	738,561
Amount paid on redemption of units (2015: Equity sub fund: 405,738 units; Debt sub fund: 593,975 units; Money market sub fund: 219,073 units) (2014: Equity sub fund: 738,218 units; Debt sub fund: 864,957 units; Money market sub fund: 303,021 units)	(177,286)	(117,601)	(43,258)	(338,145)	(478,501)
	286,541	117,486	16,968	420,995	260,060
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(7,684)	(1,383)	(215)	(9,282)	(6,992)
Net realised gain / (loss) on sale of investments	7,329	(5,573)	(984)	772	9,186
Unrealised appreciation in the value of investments (net)	117,170	5,834	1,175	124,179	186,478
Net other comprehensive income for the period	35,149	34,296	7,835	77,280	77,670
Total comprehensive income for the period	159,648	34,557	8,026	202,231	273,334
<b>Net assets at end of the period</b>	<b>3,178,653</b>	<b>1,549,232</b>	<b>362,580</b>	<b>5,090,465</b>	3,409,728

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 CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

Note	For the six months ended December 31, 2015				For the six months ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
(Rupees in '000)					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net income for the period	159,648	34,952	8,026	202,626	274,676
<b>Adjustments for:</b>					
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss' (net)	(117,170)	(6,229)	(1,175)	(124,574)	(187,820)
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)	(7,684)	(1,383)	(215)	(9,282)	(6,992)
	34,794	27,340	6,636	68,770	79,848
<b>(Increase) / decrease in assets</b>					
Investment	(438,043)	(284,359)	23,122	(699,280)	(483,792)
Receivable against investments (net)	(7,627)	-	-	(7,627)	844
Dividend receivable	(509)	-	-	(509)	1,211
Profit receivable	393	(11,545)	(3,337)	(14,489)	-
Deposits and other receivables	-	-	-	-	(1,845)
	(445,786)	(295,904)	19,785	(721,905)	(483,582)
<b>(Decrease) / increase in liabilities</b>					
Payable against purchase of investments	(33,365)	-	-	(33,365)	-
Payable to Al Meezan Investment Management Limited (Al Meezan) - pension fund manager	4,976	2,301	525	7,802	5,436
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	62	22	3	87	66
Payable to auditors	2	1	2	5	-
Payable to Securities and Exchange Commission of Pakistan (SECP)	(151)	(154)	(48)	(353)	(186)
Accrued expenses and other liabilities	3,836	741	175	4,752	6,411
	(24,640)	2,911	657	(21,072)	11,727
<b>Net cash (used in) / generated from operating activities</b>	(435,632)	(265,653)	27,078	(674,207)	(392,007)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipts of contribution	505,168	235,087	60,226	800,481	738,561
Payment on withdrawal	(179,053)	(126,790)	(46,057)	(351,900)	(481,013)
<b>Net cash generated from financing activities</b>	326,115	108,297	14,169	448,581	257,548
Net cash (decrease) / increase in cash and cash equivalents during the period	(109,517)	(157,356)	41,247	(225,626)	(134,459)
Cash and cash equivalents at beginning of the period	133,107	265,342	56,567	455,016	281,259
Cash and cash equivalents at end of the period	23,590	107,986	97,814	229,390	146,800

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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

For the six months ended December 31, 2015							For the six months ended December 31, 2014 (Rupees in'000)
Equity sub fund		Debt sub fund		Money market sub fund		Total	
Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	(Rupees in '000)	

**Contribution net of front end fee received during the period**

Individuals - issue of units	<u>1,074,990</u>	<u>463,827</u>	<u>1,186,925</u>	<u>235,087</u>	<u>304,825</u>	<u>60,226</u>	<u>759,140</u>	<u>738,561</u>
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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 SIX MONTHS ENDED DECEMBER 31, 2015 (UNAUDITED)

	For the six months ended December 31, 2015		
	Equity sub fund	Debt sub fund	Money market sub fund
	(Number of units)		
Total units in issue at beginning of the period	6,576,270	7,146,942	1,729,099
Units issued / converted / reallocated during the period	1,074,990	1,186,925	304,825
Units redeemed / converted / reallocated during the period	(405,738)	(593,975)	(219,073)
<b>Total units in issue at end of the period</b>	<b>7,245,522</b>	<b>7,739,892</b>	<b>1,814,851</b>

	For the six months ended December 31, 2014		
	Equity sub fund	Debt sub fund	Money market sub fund
	(Number of units)		
Total units in issue at beginning of the period	4,668,921	5,695,017	1,636,351
Units issued / converted / reallocated during the period	1,057,874	1,576,644	396,401
Units redeemed / converted / reallocated during the period	(738,218)	(864,957)	(303,021)
Total units in issue at end of the period	4,988,577	6,406,704	1,729,731

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 INFORMATION FOR THE SIX MONTHS ENDED DECEMBER 31, 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 (Al Meezan) as pension fund manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the pension fund manager of the Fund, is situated at Ground Floor, Block B Finance and Trade Centre Shariah-e-Faisal, Karachi 74000, Pakistan.

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 Shariah 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** 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.
- 1.3** 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.
- 1.4** Title to the assets of the Sub Funds are held in the name of CDC as a Trustee of the Fund.
- 1.5** JCR-VIS Credit Rating Company Limited has assigned management quality rating of 'AM2+' to the Pension Fund Manager.

### 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 and 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 Voluntary Pension System Rules, 2005 (VPS Rules) and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the VPS Rules, 2005 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 annual financial statements of the Fund for the year ended June 30, 2015.

Except for the change in note 4.1, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the 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. Moreover, during the current period IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities and IFRS 13 Fair Value Measurement became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Fund's financial statements. The effect of IFRS 13 Fair Value Measurement are disclosed in notes 4.1 and 15 to the interim financial information.

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

##### 4.1 Change in accounting policy - fair value measurement

IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result, the Fund has included additional disclosures in this regard in note 15 to the interim financial information. In accordance with the transitional provisions of IFRS 13, the Fund has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

Note	December 31, 2015 (Un-Audited)				June 30, 2015 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total
<b>5. BANK BALANCES</b>	----- (Rupees in '000) -----				
On current accounts	1,612	-	-	1,612	1,512
On savings accounts	21,978	107,986	97,814	227,778	453,504
	<u>23,590</u>	<u>107,986</u>	<u>97,814</u>	<u>229,390</u>	<u>455,016</u>
5.1	The balances in savings accounts carry expected profit which ranges from 2.72% to 6.65% (June 30, 2015: 4.00% to 9.27%) per annum.				



## 6. INVESTMENTS

### Held-for-trading

- shares of listed companies
- sukuk certificates

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

### Available for sale

- sukuk certificates

### Loans and receivables

Note	December 31, 2015 (Un-Audited)				June 30, 2015 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Total
	(Rupees in '000)				
6.1	3,167,464	-	-	3,167,464	2,592,216
6.2	-	1,109,286	263,807	1,373,093	1,172,792
	<b>3,167,464</b>	<b>1,109,286</b>	<b>263,807</b>	<b>4,540,557</b>	<b>3,765,008</b>
6.3.2	-	52,933	-	52,933	73,385
6.4	-	-	-	-	75,638
6.5	-	270,000	-	270,000	126,000
	<b>3,167,464</b>	<b>1,432,219</b>	<b>263,807</b>	<b>4,863,490</b>	<b>4,040,031</b>

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

Name of the investee company	As at July 01, 2015	Purchases during the period	Cost of purchase	Bonus / rights issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 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)			(%)	
<b>Equity Sub Fund</b>											
<b>Sector / companies</b>											
<b>Automobile Assembler</b>											
Indus Motor Company Limited	78,155	10,000	11,800	-	-	88,155	109,416	89,185	(20,231)	2.81	0.11
Pak Suzuki Motor Company Limited	150,733	-	-	-	-	150,733	65,706	74,658	8,952	2.35	0.18
Honda Atlas Cars (Pakistan) Limited	318,700	50,000	12,310	-	108,200	260,500	57,944	62,244	4,300	1.96	0.18
Millat Tractors Limited	26,950	-	-	-	-	26,950	18,483	14,897	(3,586)	0.47	0.06
										<b>7.59</b>	<b>0.53</b>
<b>Automobile Parts &amp; Accessories</b>											
Agriauto Industries Limited (note 6.1.1)	45,000	-	-	-	-	45,000	8,368	9,315	947	0.29	0.31
Thal Limited (note 6.1.1)	53,645	60,000	15,360	-	-	113,645	30,672	28,790	(1,882)	0.91	0.28
										<b>1.20</b>	<b>0.59</b>
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	1,440,000	950,000	74,684	-	2,178,000	212,000	16,500	13,258	(3,242)	0.42	0.05
<b>Cement</b>											
DG Khan Cement Company Limited	150,397	218,000	30,567	-	150,397	218,000	30,567	32,175	1,608	1.01	0.05
Lucky Cement Limited	417,006	19,000	9,889	-	3,700	432,306	224,650	214,009	(10,641)	6.73	0.13
Fauji Cement Company Limited	5,344,000	-	-	-	-	5,344,000	186,345	196,766	10,421	6.19	0.40
Cherat Cement Company Limited	686,000	304,000	27,830	-	-	990,000	87,533	89,278	1,745	2.81	0.56
Pioneer Cement Company Limited	342,000	350,000	30,995	-	25,000	667,000	58,017	60,604	2,587	1.91	0.29
Attock Cement Pakistan Limited	46,700	-	-	-	31,300	15,400	2,935	2,583	(352)	0.08	0.01
Maple Leaf Cement Factory Limited	175,000	-	-	-	175,000	-	-	-	-	-	-
Kohat Cement Company Limited	150,000	162,600	35,348	-	-	312,600	65,326	75,299	9,973	2.37	0.20
										<b>21.10</b>	<b>1.64</b>
<b>Chemical</b>											
ICI Pakistan Limited	167,570	-	-	-	-	167,570	71,866	81,107	9,241	2.55	0.18
Sitara Chemical Industries Limited	-	74,700	26,096	-	-	74,700	26,096	26,892	796	0.85	0.35
Ghani Gases Limited	-	775,000	24,994	-	-	775,000	24,994	20,491	(4,503)	0.64	1.04
										<b>4.04</b>	<b>1.57</b>
<b>Engineering</b>											
K.S.B Pumps Company Limited	88,800	9,100	1,994	-	-	97,900	14,337	25,011	10,674	0.79	0.74
Crescent Steel & Allied Products Limited	-	224,000	23,058	37,500	10,000	251,500	22,209	31,279	9,070	0.98	0.32
										<b>1.77</b>	<b>1.06</b>
<b>Fertilizer</b>											
Fauji Fertilizer Bin Qasim Limited	3,951	800,000	49,152	-	803,951	-	-	-	-	-	-
Fauji Fertilizer Company Limited	173,198	260,000	30,886	-	-	433,198	56,765	51,109	(5,656)	1.61	0.03
Fatima Fertilizer Company Limited	561,000	400,000	18,800	-	344,000	617,000	26,143	27,598	1,455	0.87	0.03
Engro Corporation Limited	775,000	77,500	22,666	-	93,000	759,500	225,120	212,197	(12,923)	6.68	0.15
Engro Fertilizers Limited	343,000	252,500	24,532	-	405,000	190,500	17,579	16,027	(1,552)	0.50	0.01
Dawood Hercules Corporation Limited	-	418,400	49,565	-	-	418,400	49,565	49,848	283	1.57	0.09
										<b>11.23</b>	<b>0.31</b>
<b>Food &amp; Personal Care Products</b>											
Engro Foods Limited	675,000	85,000	14,513	-	149,000	611,000	93,849	89,566	(4,283)	2.82	0.08
Al-Shaheer Corporation Limited	-	1,924,000	170,575	480,900	500,000	1,904,900	127,087	118,447	(8,640)	3.73	1.54
										<b>6.55</b>	<b>1.62</b>

Name of the investee company	As at July 01, 2015	Purchases during the period	Cost of purchase	Bonus / rights issue	Sales during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 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) -----					
<b>Oil &amp; Gas Exploration Companies</b>											
Pakistan Oilfields Limited	50,550	130,000	42,032	-	145,500	35,050	12,123	9,394	(2,729)	0.30	0.01
Pakistan Petroleum Limited	25,057	500,000	57,629	-	25,100	499,957	57,627	60,900	3,273	1.92	0.03
Mari Petroleum Company Limited	128,450	30,000	16,758	-	25,000	133,450	65,235	93,033	27,798	2.93	0.12
										<b>5.15</b>	<b>0.16</b>
<b>Oil &amp; Gas Marketing Companies</b>											
Pakistan State Oil Company Limited	491,433	95,700	32,816	-	80,000	507,133	191,543	165,209	(26,334)	5.20	0.19
Attock Petroleum Limited	56,920	-	-	-	-	56,920	32,286	28,751	(3,535)	0.90	0.07
Sui Northern Gas Pipelines Limited	550,000	550,000	18,822	-	1,100,000	-	-	-	-	0.76	0.14
Hascol Petroleum Limited	55,500	100,000	11,807	31,100	20,000	166,600	16,216	24,032	7,816	0.76	0.40
										<b>6.86</b>	<b>0.40</b>
<b>Paper &amp; Board</b>											
Packages Limited	291,801	160,000	90,522	-	-	451,801	263,875	262,998	(877)	<b>8.27</b>	<b>0.51</b>
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	44,600	52,700	34,482	-	-	97,300	64,244	61,786	(2,458)	1.94	0.10
Ferozsons Laboratories Limited	211,200	29,250	27,992	-	100,000	140,450	98,525	155,464	56,939	4.89	0.47
The Searle Company Limited	133,000	96,200	41,340	41,400	77,000	193,600	60,024	76,613	16,589	2.41	0.19
Highnoon Laboratories Limited	-	142,800	45,177	-	21,000	121,800	38,534	70,327	31,793	2.21	0.60
										<b>11.45</b>	<b>1.36</b>
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	2,369,245	443,000	44,011	-	40,000	2,772,245	261,927	284,432	22,505	8.95	0.24
Kohinoor Energy Limited	155,000	-	-	-	-	155,000	7,828	6,665	(1,163)	0.21	0.09
K-Electric Limited (note 6.1.1)	6,240,000	4,950,000	37,556	-	-	11,190,000	90,097	83,254	(6,843)	2.62	0.12
Lalpur Power Limited	696,000	400,000	12,952	-	-	1,096,000	34,180	32,595	(1,585)	1.03	0.29
										<b>12.81</b>	<b>0.74</b>
<b>Refinery</b>											
Attock Refinery Limited	50,000	50,000	12,225	-	100,000	-	-	-	-	-	-
National Refinery Limited	-	36,000	8,462	-	-	36,000	8,462	8,034	(428)	0.25	0.05
										<b>0.25</b>	<b>0.05</b>
<b>Technology &amp; Communication</b>											
Pakistan Telecommunication Company Limited "A"	1,199,200	-	-	-	1,197,500	1,700	35	28	(7)	-	-
<b>Textile Composite</b>											
Nishat Mills Limited	690,000	100,000	9,674	-	690,000	100,000	9,674	9,487	(187)	<b>0.30</b>	<b>0.03</b>
<b>Glass &amp; Ceramics</b>											
Tariq Glass Industries Limited	-	250,000	15,557	-	248,000	2,000	124	140	16	-	-
<b>Miscellaneous</b>											
Shifa International Hospitals Limited	41,800	28,000	9,212	-	-	69,800	19,663	21,428	1,765	<b>0.67</b>	<b>0.14</b>
<b>Right Shares</b>											
Shifa International Hospitals Limited	-	-	-	-	-	5,560	-	261	261	<b>0.01</b>	<b>0.01</b>
<b>Total</b>			<b>1,274,640</b>				<b>3,050,294</b>	<b>3,167,464</b>	<b>117,170</b>		

**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 period	Cost of purchase	Sales during the period	Maturity during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain as at December 31, 2015	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	Number of certificates	Number of certificates	Number of certificates	(Rupees in '000)	(Rupees in '000)	(%)	
<b>Debt Sub Fund</b>												
GoP - Ijara sukuk - IX (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	5,890	-	-	5,890	-	-	-	-	-	-
GoP - Ijara sukuk - X (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	1,398	-	-	1,070	328	-	-	-	-	-
GoP - Ijara sukuk - XI (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	420	-	-	-	420	-	-	-	-	-
GoP - Ijara sukuk - XII (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	1,090	-	-	1,090	-	-	-	-	-	-
GoP - Ijara sukuk XIV (note 6.2.1)	March 28, 2016	Weighted average 6 months T-Bills	3	5,020	504,008	300	-	4,723	474,190	474,190	-	30.61
GoP - Ijara sukuk XVI (note 6.2.1)	December 18, 2018	Weighted average 6 months T-Bills	-	6,930	693,450	650	-	6,280	628,450	635,096	6,646	40.99
<b>Total</b>					<b>1,197,458</b>				<b>1,102,640</b>	<b>1,109,286</b>	<b>6,646</b>	
<b>Money Market Sub Fund</b>												
GoP - Ijara sukuk - IX (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	2,540	40	4,016	2,580	-	-	-	-	-	-
GoP - Ijara sukuk - X (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	150	-	-	150	-	-	-	-	-	-
GoP - Ijara sukuk - XII (note 6.2.1)	November 21, 2015	Weighted average 6 months T-Bills	145	2	200	147	-	-	-	-	-	-
GoP - Ijara sukuk - XIV (note 6.2.1)	March 28, 2016	Weighted average 6 months T-Bills	-	1,580	158,632	-	-	1,580	158,632	158,632	-	43.75
GoP - Ijara sukuk - XVI (note 6.2.1)	December 18, 2018	Weighted average 6 months T-Bills	-	1,890	189,000	850	-	1,040	104,000	105,175	1,175	29.01
<b>Total</b>					<b>351,848</b>				<b>262,632</b>	<b>263,807</b>	<b>1,175</b>	

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

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

### 6.3.1 Preference Shares - Unlisted

#### 6.3.1 Preference Shares - Unlisted

##### Equity Sub Fund

##### Name of Security

Mari Petroleum Company Limited- at cost

Note

(Unaudited)  
December  
31, 2015

(Audited)  
June  
30, 2015

(Rupees in '000)  
Carrying Value

6.3.1.1

-

20,035

**6.3.1.1** In accordance with the notice of redemption of preference shares issued by Mari Petroleum Company Limited (MPCL) dated September 23, 2015, all preference shares were surrendered by the Pension Fund to MPCL on September 30, 2015. These preference shares were redeemed on October 06, 2015 and the Pension Fund received dividend for the period from June 19, 2015 to September 11, 2015, which were duly recognized as charity in the interim financial information.

**6.3.2 Investments 'at fair value through profit or loss upon initial recognition' - Sukuk Certificates**

Name of the investee company	Maturity date	Profit rate per annum	As at July 01, 2015	Purchases during the period	Cost of purchase	Sales during the period	Maturity during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised loss	Percentage of net assets on the basis of market value (see note 6.1.2)
			Number of certificates	(Rupees in '000)	-----	Number of certificates	-----	(Rupees in '000)	-----	(%)		
<b>Debt Sub Fund</b>												
Eden Housing Limited (note 6.3.2.1 & 6.3.2.3)	September 29, 2014	3 months Kibor plus base rate of 2.5%	500	-	-	-	-	500	-	-	-	-
Security Leasing Corporation Limited II (note 6.3.2.2 & 6.3.2.3)	January 19, 2022	-	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	52,933	(417)	3.42
<b>Total</b>					<u>-</u>				<u>53,350</u>	<u>52,933</u>	<u>(417)</u>	
<b>Money Market Sub Fund</b>												
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** Eden Housing Limited and Security Leasing Corporation sukus certificates have been classified as non-performing by MUFAP. Details are given in the annual financial statements for the year ended June 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) -----				
<b>Debt Sub Fund</b>				
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>
<b>Money Market Sub Fund</b>				
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 period	Cost of purchase	Sales during the period	Maturity during the period	As at December 31, 2015	Carrying value as at December 31, 2015	Market value as at December 31, 2015	Unrealised gain as at December 31, 2015	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	November 21, 2015	Weighted average 6 months T-Bills	750	-	-	750	-	-	-	-	-	-
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#### 6.4.1 Unrealised diminution appreciation on re-measurement of investment classified as 'available for sale' (net)

Debt Sub Fund	(Unaudited) December 31, 2015	(Audited) June 30, 2015
	(Rupees in '000)	
Market value of investment	-	75,638
Less: Cost of investments	-	75,243
	-	395
Unrealised appreciation on re-measurement of investments classified as 'available for sale' (net) at beginning of the period	(395)	(1,227)
	(395)	(832)

#### 6.5 Loans and receivables - Term Deposit Receipts

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	Placements made during the period	Matured during the period	As at December 31, 2015		

##### Debt Sub Fund

Dubai Islamic Bank Pakistan Limited	September 04, 2016	6.65%	-	144,000	-	144,000	A+	9.29
Meezan Bank Limited	June 22, 2016	6.70% - 8.46%	126,000	-	-	126,000	AA	8.59
<b>Total</b>						<b>270,000</b>		

#### 7. PROFIT RECEIVABLE

Note	December 31, 2015 (Un-Audited)				June 30, 2015 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
Profit receivable on	(Rupees in '000)				
- saving accounts with banks	1,951	8,046	3,039	13,036	8,916
- Term Deposit Receipts	-	7,418	-	7,418	986
- sukuk certificates	-	9,123	2,758	11,881	7,944
	1,951	24,587	5,797	32,335	17,846

#### 8. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - PENSION FUND MANAGER AND SINDH SALES TAX ON TRUSTEE FEE

Management remuneration	8.1	3,969	1,923	454	6,346	5,287
Sindh Sales Tax and Federal Excise						
Duty on management fee	8.2 & 8.3	12,701	7,459	2,072	22,232	15,489
		16,670	9,382	2,526	28,578	20,776

- 8.1** Under the provisions of the Trust Deed, the pension fund manager is entitled to an annual management fee not exceeding 1.5 percent of the net assets of each sub-fund calculated during the period for determining the net asset value of the units of the sub-funds.
- 8.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 14 percent (till June 30, 2015: 15 percent) on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act 2011 effective from July 01, 2011.
- 8.3** 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 from 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 Honourable High Court 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 June 13, 2013, aggregating to Rs. 12.145 million, Rs. 7.190 million and 2.008 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. Had the provision not being made, the Net Asset Value per unit of the Fund as at December 31, 2015 would have been higher by Rs. 1.68 per unit, Rs 0.93 per unit and Rs. 1.11 per unit for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.
- 8.4** In the current period, a notification (No. SRB-3-4/TP/01/2015/86554 dated June 13, 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. These amendments are applicable from July 01, 2015. As a result of these amendments, the Fund recognised sales tax on trustee fee at the rate of 14 percent in the current period.

Note	December 31, 2015 (Un-Audited)				June 30, 2015 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
(Rupees in '000)					
<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>					
Charity payable	2,365	-	-	2,365	1,788
Brokerage Payable	-	28	11	39	-
Zakat Payable	10	16	3	29	29
Provision for Workers' Welfare Fund (WWF)	26,856	4,574	1,225	32,655	28,519
	<b>29,231</b>	<b>4,618</b>	<b>1,239</b>	<b>35,088</b>	30,336

## 10. 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, Al Shaheer Corporation Limited and The Searle Company 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 December 31, 2015.

#### 11. 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.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

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

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 December 31, 2015 amounting to Rs. 26.856 million, Rs. 4.574 million and Rs. 1.225 million which includes Rs. 3.258 million, Rs. 0.713 million and Rs. 0.164 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively pertaining to the current year and Rs. 23.598 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. 3.71 (0.85%), Rs. 0.59 (0.29%) and Rs. 0.68 (0.34%) 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 Al 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 prospectively.

## 12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al 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 Pension Fund Manager, Directors and Executives of the Pension Fund Manager, Meezan Islamic Fund, Al 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, 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, Al Meezan Investment Management Limited - Employees' Gratuity Fund and participants 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 with them for the period ended December 31, 2015 and as of that date along with comparatives are as follows:

	December 31, 2015 (Unaudited)				June 30, 2015 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	(Rupees in '000)				
<b>Al Meezan - pension fund manager</b>					
Remuneration payable	3,969	1,923	454	6,346	5,287
Sindh Sales Tax and Federal Excise Duty on management fee	12,701	7,459	2,072	22,232	15,489
Investments as at December 31, 2015: 260,077 units (June 30, 2015: 260,077 units)	114,098	-	-	114,098	108,366
<b>Meezan Bank Limited</b>					
Bank Balance	2,096	65	474	2,635	6,035
Profit receivable on saving account	-	1	5	6	-
Term Deposit Receipts	-	126,000	-	126,000	126,000
Profit receivable on Term Deposit Receipts	-	4,321	-	4,321	986
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Trustee fee payable	270	131	31	432	405
Sindh Sales Tax on trustee fee	38	18	4	60	-
Deposit	100	100	100	300	300
<b>Participants holding 10 percent or more of the Fund's net assets</b>					
Investments as at December 31, 2015: 190,400 units (June 30, 2015: 165,863 units)	-	-	38,040	38,040	-
<b>Directors and Executives of the Pension Fund Manager</b>					
Investments as at December 31, 2015: (Equity sub fund: 718,313 units; Debt Sub Fund: 413,862 units; Money Market Sub Fund: 17,653 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)	315,131	82,839	3,527	401,497	348,510



	For the period ended December 31, 2015 (Unaudited)				For the period ended December 31, 2014 (Unaudited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	(Rupees in '000)				
<b>Al Meezan - pension fund manager</b>					
Remuneration for the period	22,779	11,031	2,640	36,450	23,711
Sindh Sales Tax and Federal Excise Duty on management fee	7,344	3,556	851	11,751	7,919
<b>Meezan Bank Limited</b>					
Profit on savings account	313	229	79	621	941
Profit on Term Deposit Receipts	-	3,992	-	3,992	3,586
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration for the period	1,591	770	184	2,545	1,832
Sindh Sales Tax on trustee fee	224	108	26	358	-
CDS Charges for the period	103	3	3	109	111
<b>Directors and Executives of the Pension Fund Manager</b>					
Units issued (Equity Sub Fund: 63,658 units; Debt Sub Fund: 54,518 units; Money Market Sub Fund: 4,182 units)	27,777	10,823	823	39,423	41,760
Units redeemed / reallocated (Equity Sub Fund: 6,679 units)	2,928	-	-	2,928	17,321

### 13. TAXATION

The income of the Fund is exempt from Income Tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

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

### 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 (i.e. unobservable inputs).

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

During the six-month period ended December 31, 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.

**14.1** The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows:

Note	Carrying amount					Fair value			
	Investments	Trade and other receivables	Cash and cash equivalents	Trade and other payables	Total	Level 1	Level 2	Level 3	Total
<b>December 31, 2015</b> (Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
	3,167,464	-	-	-	3,167,464	3,167,464	-	-	3,167,464
Equity securities									
GoP Ijarah securities	1,373,093	-	-	-	1,373,093	-	1,373,093	-	1,373,093
Corporate securities	52,933	-	-	-	52,933	-	52,933	-	52,933
<b>Financial assets not measured at fair value</b>									
Cash and cash equivalents	14.2	-	-	229,390	-	229,390			
Trade and other receivables	14.2	-	335,875	-	-	335,875			
		<u>4,593,490</u>	<u>335,875</u>	<u>229,390</u>	<u>-</u>	<u>5,158,755</u>			
<b>Financial liabilities - not measured at fair value</b>									
Trade and other payables	14.2	-	-	-	12,503	12,503			

**14.2** The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

#### **15. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

#### **16. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

**Chief Executive**








**Director**




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