

**LIVE YOUR
DREAMS**



ANNUAL
REPORT
2016





Annual Report 2016

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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 OF THE FUNDS

The Board of Directors of Al Meezan Investment Management Limited is pleased to present the audited financial statements of the following open end funds and a voluntary pension scheme for the year ended June 30, 2016.

Funds of Funds

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

Economic Review:

Economic performance of Pakistan showed marked improvement during the Fiscal Year 2015-16 (FY16), in part due to reforms under the guidance of IMF and continued meltdown in the global oil prices that kept inflationary pressures in check and favorably affected the country's import bill. CPI for FY16 decreased to 2.86% from 4.53% last year.

Low inflation figures provided the State Bank enough cushion to maintain its monetary easing stance whereby the policy rate was brought down to 5.75%, a cumulative reduction of 75bps during FY16. This continued monetary easing has finally started to stimulate private sector credit offtake, which has increased to Rs. 331.8 bn during FY16 compared to Rs. 223 bn during last year. The government has also worked well towards achieving exchange rate stability whereby the rupee depreciated by a mere 2.92%, while currencies in the region remained more volatile. 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 0.6% 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 period under review, the tax revenues totaled Rs.3.1 tn, up around 20% from the previous year, as the government managed to achieve its revenue target.

During the current fiscal year, Pakistan's import bill fell by 2.3% to USD 44.8 bn during FY16 from USD 45.8 bn in the previous fiscal year. The lower than expected fall was mainly due to the increase in the imports of machinery. Increase in remittances (6.4% YoY to USD 19.9 bn), lower trade deficit and continued Coalition Support Fund (CSF) inflows to the tune of USD 713 mn played a major role in reducing current account deficit.

The LNG deal with Qatar was finalized in February 2016, which helped in the revival of energy starved industries; this coupled with comparatively lower oil prices provided much needed respite to the reserves and has assisted in maintaining the exchange rate stability as well. However, the external account has continued to disappoint on the exports front with goods exports falling 9% 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 11th review under the Extended Fund Facility (EFF) Program led to the disbursement of around USD 1bn during the year, resulting in strengthening of Forex reserves to over USD 23 bn. The government also managed to tap into the international markets raising USD 500 mn through a Eurobond issue.

Overall, the economic fundamentals are improving on the back of reforms undertaken by the government. The incumbent government has made several headways in keeping the economy in check; inflation has been kept below the targeted 6%, 2) fiscal deficit capped at 4.45% of GDP, 3) achieved GDP growth rate of 4.7% and 4) improving security situation. The CPEC take off also added a breath of fresh air in the economy. Pressure on external account has been eased further on the back of low oil prices, as oil accounts for around 35% of Pakistan's total import bill. With political stability, low interest rates and improvement in investor sentiment, private sector and consumer credit offtake is expected to increase in the next year, which will provide further impetus to economic growth.

Money Market Review:

During FY16, the State of Pakistan (SBP) stayed firm on its monetary easing stance whereby it slashed the Discount Rate (DR) by another 25bps in its last bi-monthly Monetary Policy Statement (MPS) of FY16 announced in May 2016 bringing it down to a record low of 6.25% (the target policy rate to 5.75%). The overall DR cut during FY16 was 75bps as compared to 300bps cut during FY15. As per SBP, benign inflation due to low commodity prices and country's satisfactory external account position provided sufficient cushion to continue on the monetary easing stance. Overall, in line with this scenario, the interest rates and government paper yields in the secondary market also underwent downward adjustments whereby the KIBORs have declined by 76-100 bps, T-bill yields fell by 105-107 bps while PIB yields went down significantly by 187-238 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. 66 trillion worth of OMO injections carried out by SBP coupled with Rs. 1.80 trillion worth of discounting availed by various counters in comparison to Rs. 546 billion worth of OMO mop-ups and Rs. 486 billion worth of floor placements. Alongside, 26 T-bill and 12 PIB auctions were conducted; cumulatively Rs. 4.6 trillion was accepted against a participation of Rs. 8.9 trillion in T-bills and Rs. 924 billion was accepted against a participation of Rs. 2.5 trillion in PIBs during FY16.

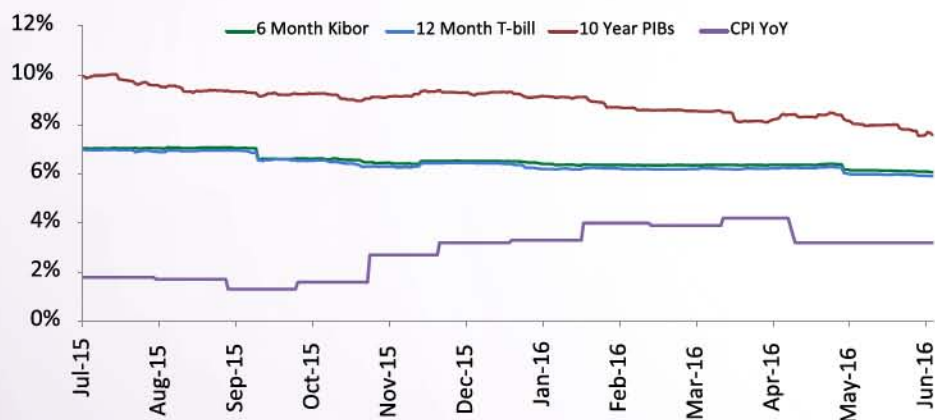
Inflation for FY 16 clocked in at 2.86%. The declining trend in international oil and commodity prices are expected to keep the inflation in check with SBP's forecast for FY17 in the range of 4.5% to 5.5%.

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 against Ijarah IX to XIII which matured in November 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 year and prevented the market from another major liquidity influx. Another Bai Muajjal was conducted in March 2016 against Ijarah XIV for one year just before its maturity, whereby the SBP accepted bids worth Rs. 21.5 bn against a participation of Rs. 32 bn.

Moreover, three fresh GoP Ijarah Sukuks (one floater and two fixed rate) were also issued during FY16, the details of which are as follows:

3 Year GoP Ijarah Sukuks (GIS)		(Rs. in billion)		
Particulars	GIS-16	GIS-17	GIS-18	
Auction Date	15-Dec-15	8-Feb-16	24-Mar-16	
Settlement Date	18-Dec-15	15-Feb-16	29-Mar-16	
Maturity Date	18-Dec-18	15-Feb-19	29-Mar-19	
Type	Floater	Fixed Rate	Fixed Rate	
Target	100.00	100.00	80.00	
Total Participation	273.30	245.37	198.76	
Total Acceptance	117.72	116.26	80.40	
Cutoff Rate	5.89%	6.10%	5.59%	

On the forex front, the rupee lost value during the 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. 3.04 lower at Rs. 104.84/\$ while in the open market, it closed Rs. 2.15 lower at Rs. 105.10/\$. Graphically, the overall interest rate, T-bill/PIB yields and inflation rate behaviors can be observed as under:



Equity Market Review

During FY16, the KMI30 Index posted a return of 15.5% as it closed at 66,163 pts while the KSE100 Index posted a return of 9.8% as it closed at 37,783 pts during the year. The participation in the market however remained lower during this period with the KMI-30 index's volumes down by 11% and the KSE-100 index's volumes down by 19%.

The performance of the equity market can be attributed to i) MSCI's decision to reclassify Pakistan from frontier markets to emerging markets, which not only is expected to attract foreign inflows of approximately 500mn to Pakistan but will also put our equity market on the radar of the largest emerging market funds across the globe, ii) 75bps cut in the policy rate to 5.75%, during FY16 ii) healthy corporate result announcements, iii) successful issuance of a US\$ 500 mn Eurobond and improvement of Pakistan's international credit rating, iv) successful conclusion of IMF's reviews with subsequent disbursement of loan tranches and v) improvement in law and order situation of the country. These factors more than offset the impact of negative factors that kept the market dull during the first nine months of the fiscal year such as i) weakness 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 359 mn during the first ten months, ii) multiple rumors regarding heightened vigilance by the regulator against stock exchange brokers, iii) declining commodity, especially oil prices, iv) concerns on Britain's vote to leave the European union and v) heightened political noise following election tribunal's verdict and arrest of influential personalities.

FY16 had commenced on a positive note with performance 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. Later, an increase in the US interest rate of 25bps in Dec'15 kept the market volatile as it drove the international investors to reallocate their investment portfolios accordingly. Subsequently another round of volatility took its toll on the regional as well as international markets mainly due to concerns regarding slowdown in the growth of Chinese economy clouding the global economic landscape. This coupled with declining commodity prices made the international investors skittish in turn triggering a sell-off across almost all the markets around the globe which led to increased volatility and affected Pakistan's Stock Market as well. Resultantly the KMI-30 posted its lowest level of FY16 in the month of February'16 at 51,626 points (KSE 100 Index 30,564 points).

Subsequent to that the market regained its strength despite the fact that foreigners remained net sellers; a quick recovery was witnessed on the back of decision regarding reclassification of Pakistan from MSCI Frontier to MSCI Emerging market index, measures being taken by SECP for increasing volumes in the stock market and stabilizing oil prices due to declining inventories. Moreover, corporate result announcements were above expectations and provided much needed support to the market. Eventually, during the period under review, the benchmark index KMI-30 posted its highest closing in June'16 at 67,519 points (KSE 100 Index 38,777 points).

Corporate Profitability and major contributors to the Index

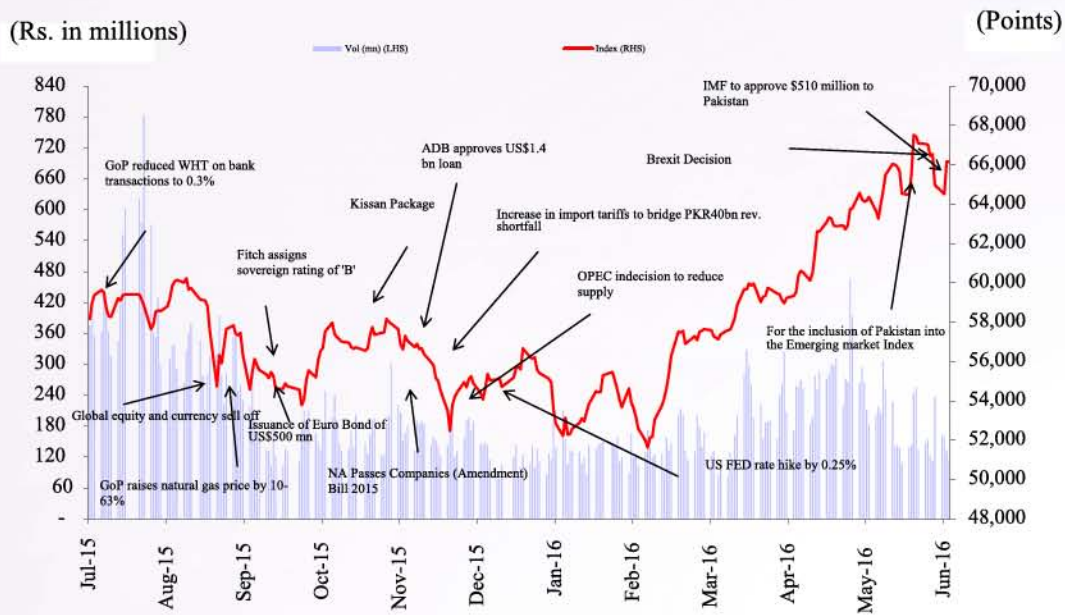
During FY16, Power and Cement remained the best performing sectors. The stocks which remained the largest contributors to the index during the period were:

Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
HUB Power Company Ltd.	1643	45.2
Lucky Cement Ltd.	1272	26.8
The Searle Company Ltd.	899	129.5
Dawood Hercules Corporation Ltd.	816	48.5
Engro Corporation Ltd.	746	19.9

On the flip side, Fertilizer and Oil & Gas Exploration 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 (%)
Fauji Fertilizer Company Ltd	-1607	-16.5
Pakistan State Oil Ltd	-582	-0.5
Engro Fertilizers Ltd	-495	-21.6
Pakistan Oilfields Ltd.	-345	-0.9
Pakistan Telecommunications Company Ltd.	-219	-18.1

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 286 mn by foreign investors during the period under review. Highest outflow was recorded in Banking Sector at USD 138 mn mainly due to foreign selling in HBL, UBL and MCB, followed by Oil & Gas Exploration Sector with an outflow of USD 121 mn, Fertilizer sector with an outflow of USD 48 mn and Textile Sector with an outflow of USD 32 mn. Inflows were witnessed in Oil and Gas marketing sector of USD 56mn, Cement Sector USD 38 mn, Food and Personal Care USD 24 mn, and Technology and Communications USD 5 mn. NBFCs, Individuals, Mutual Funds and other organizations remained net buyers to the tune of USD 188mn, USD 127 mn, USD 39mn and USD 40mn respectively. Companies, Brokers and Banks remained net sellers amounting to USD 84mn, USD 22mn and USD 6 mn respectively.

Among a few major stock market transactions during the year, the following were the most important: Towards the end of the fiscal year Engro Corporation partially offloaded its stake in two of its subsidiaries - Engro Fertilizers and Engro Foods Ltd. The company sold 295mn shares in Engro Fertilizers to investors through private placements at Rs. 65.47 per share. The total transaction value was Rs. 19.3 bn (USD 184mn) out of which Foreigners purchased approximately 125.1mn shares which created foreign flows of USD ~78mn. For the transaction in Engro Foods, Engro Corporation has agreed to offload 51% of its stake (~391 mn shares) in the company to Friesland Campina at Rs. 120 per share, which will create foreign flows of approximately USD 450 mn. The successful completion of these transactions not only shows the depth of the equity market but also reflects the interest of foreign investors in Pakistan for the longer term.

MSCI reclassification and Brexit

As part of its Annual Market Classification Review 2016, MSCI reclassified Pakistan from Frontier to Emerging markets with a 0.19% weight in the Emerging Markets Index. The development will put Pakistan's equity market on the larger radar as it will attract investments from Emerging Markets funds from across the globe. The MSCI Emerging Markets Index is tracked by global funds having cumulative worth of more than USD 1.7 trillion, according to Bloomberg. Although the weight of the Pakistani market is small in the Index, the size of funds tracking Emerging Markets is much higher than those tracking Frontier Markets and is expected to bring about foreign flows of USD 500-600 million to Pakistan in the coming years. After foreign outflows of USD 359 mn till April 2016, the last two months of the fiscal year saw inflows of USD 78mn largely because of MSCI's reclassification decision.

Towards the end of the fiscal year, Britain held the referendum to decide upon its stay in the European Union. The majority voted for Britain's exit from the European Union which led to heightened concerns about the British and European economies and the spillover effects. Even though equity markets initially tumbled on this news, but since then they have more than recovered the losses.

Mutual Fund Industry Review

During the FY16, AUMs of the mutual fund industry witnessed an increase of 9.3%, taking the tally to Rs. 454 bn. Islamic funds increased by 25.7% during the period under review to Rs. 136 bn which brings share of Islamic funds at 30% in the mutual fund industry. Al Meezan improved its market share in the overall Mutual Funds industry to 15.7% as of June 2016 as opposed to 14.8% last year. Similarly, Al Meezan maintained its industry leader position among the Islamic Funds with a share of 52.4% as of June 2016.

In terms of net assets, open end sovereign, money market and income funds showed a growth in size during the year ended June 2016. The combined category showed a rise of 2.6% to reach Rs 201 bn at year end. While conventional funds in this category rose by 1.9%, Islamic funds increased by 5.7%.

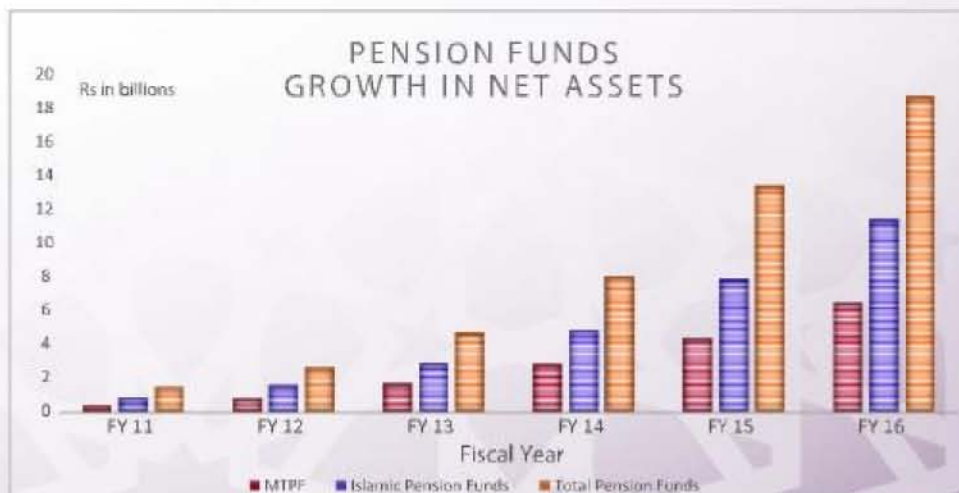
Open end Equity funds (including capital protected, balanced, index tracker, and asset allocation) increased by 14.6% to Rs. 215 bn as of June 2016 compared to Rs. 188 bn as on June 2015. Conventional funds in this category increased by 4.4% while Islamic equity based funds showed an impressive growth of 38.1% in the period under review and stood at Rs. 84 bn.

Commodity funds in the industry surged to Rs. 668 mn at the end of this fiscal year compared to Rs 340 mn as on June 2015. The convincing growth of 102.3% was primarily led by Meezan Gold Fund (MGF), which launched in August 2015 and has achieved the industry leader status in less than a year.

Total pension Funds in the industry approached the Rs. 19bn mark as of June 2016, depicting a growth of 39.2% over the past year. Islamic Pension Funds continued to impress by registering a growth of 44.5% in the review period and crossing the Rs 11.5 bn mark as of June end.

Meezan Tahaffuz Pension Fund (MTPF) retained its 9 year lead since its inception in 2007 while witnessing further growth in FY16 at the same time. MTPF's market share clocked in at 34.8% at the end of June 2016, as opposed to 32.9% last year. In the Islamic sphere, MTPF has consolidated its leadership by increasing its market share to 56.9% from 55.9% last year.

In a market where several asset management companies offer both Islamic and conventional pension funds, MTPF has continued to prove its potential by competing with other pension funds in either category as a single largest VPS product and dominating the pension funds' universe.



Performance Review (Funds)

The table provided below depicts a summary of performance of funds under our management for the year:

Name of Fund	Type	Net Assets June 30, 2016 (Rs. millions)	Growth in Net Assets for FY16 (%)	Return for FY16 (%)	Benchmark Return FY16 (%)
Al Meezan Mutual Fund (AMMF)	Open-End Equity	5,418	35.23	15.53	15.53
Meezan Islamic Fund (MIF)	Open-End Equity	32,554	18.80	17.40	15.53
KSE Meezan Index Fund (KMIF)	Open-End Index Tracker	882	(23.95)	13.32	15.53
Meezan Balanced Fund (MBF)	Open-End Balanced	4,708	39.14	12.10	9.51
Meezan Islamic Income Fund (MIIF)	Open-End Income	9,051	112.33	5.76	3.49
Meezan Cash Fund (MCF)	Open-End Money Market	3,432	(53.96)	4.59	4.49
Meezan Sovereign Fund (MSF)	Open-End Income Fund	7,945	(9.92)	5.12	4.49
Meezan Asset Allocation Fund	Open-Asset Allocation	460	N/A	2.76	5.01
Meezan Gold Fund	Open-Commodity	321	N/A	10.53	15.96
Meezan Capital Preservation Fund-II	Open-end Fund of Funds	1,221	(45.00)	11.24	8.89
Meezan Capital Preservation Fund-III***	Open-end Fund of Funds	0	N/A	(0.42)	2.82
Meezan Tahaffuz Pension Fund					
- Equity sub fund	Voluntary Pension Scheme	4,099	51.16	18.07	
- Debt sub fund		1,997	42.82	4.49	
- Money market sub fund		453	34.19	4.03	
Meezan Financial Planning Fund of Funds					
- Aggressive	Open-end Fund of Funds	443	24.26	13.28	11.66
- Moderate		367	14.55	11.29	10.01
- Conservative		327	37.59	8.71	6.70
- Plan I *		1,576	(0.92)	10.49	8.65
- Plan II **		3,035	(1.53)	6.48	5.60
- MAAF I#		1,278	N/A	11.67	14.92
- MAAF II##		925	N/A	14.80	18.29
- MAAF III###		2,851	N/A	13.46	17.08
- MAAF IV####		532	N/A	0.74	0.44
Total			71,321		

* The Plan was launched on September 01, 2014, ** The Plan was launched on December 16, 2014, ***The Fund matured on January 28, 2016 with net Assets of Rs. 3,318 m, # The Plan was launched on July 10, 2015, ##The Plan was launched on November 24, 2015, ### The Plan was launched on January 26, 2016, #### The Plan was launched on May 23, 2016, N/A: Not Applicable

Outlook

The reclassification of Pakistan in the MSCI Emerging Markets category is a catalyst driving the market's performance during the new fiscal year. While some political concerns may stay in the near term, it is pertinent to note that continued monetary softening, low international oil prices, Pakistan's stock market being attractive among peers on the basis of P/E multiple, strong corporate profitability, improving macroeconomic fundamentals and ongoing development under the China Pakistan Economic Corridor are expected to keep the equities strong and performing in the long run. Commodities, especially precious metals like Gold are expected to continue rising as the volatility in the global economic landscape is expected to keep the demand for Gold intact.

The continued foreign selling witnessed during FY16 has now turned into a net inflow since the last two months of the fiscal year and this trend is expected to continue as Pakistan's stock market is expected to experience considerable foreign inflows from International Emerging Market Funds on account of its reclassification in the MSCI Emerging Markets Index.

Auditors

The present auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants retire and being eligible, offer themselves as auditors of the collective investment schemes under management of Al Meezan for FY 2016-17. The board of

directors on recommendation of the audit committee has approved their appointment for all the collective investment schemes under management of Al Meezan for FY 2016-17.

Compliance with Code of Corporate Governance

Al Meezan Investment Management Limited always strives to maintain the highest standards of corporate governance. In compliance with the Code of Corporate Governance, the Board of Directors declares that:

- These financial statements, prepared by the management company of the Fund, present fairly the state of affairs of the Fund, the result of its operations, cash flows and changes in equity.
- The Fund has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards and International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Funds' ability to continue as a going concern.
- The sale and repurchase of units of the Funds carried out by the Directors, CEO, CFO and Company Secretary of the management company including their spouses and their minor children during the year are as under:

TRADES BY	DESIGNATION	MIF		MIIF		MCF		MSF		MBF		MGF	
		NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED	NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED	NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED	NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED	NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED	NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED
Mr. Ariful Islam	Chairman	23,412	-	-	39,193	-	-	-	-	-	-	-	-
Mr. Mohammad Shoaib, CFA	CEO	85,397	-	-	-	-	-	-	-	-	-	-	-
Mr. P. Ahmed	Director	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Abdullah Ahmed	Director	-	-	-	-	-	-	-	-	-	-	-	-
Syed Amir Ali	Director	-	-	-	-	30,249	-	-	-	-	-	-	-
Mr. Atif Azim	Director	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Tasnimul Haq Farooqui	Director	21,103	-	-	-	-	-	29,429	82,418	-	-	-	-
Mr. Moin M. Fudda	Director	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Mazhar Sharif	Director	-	35,800	-	3,300	-	-	43,521	61,400	-	-	-	-
Syed Amir Ali Zaidi	Director	-	-	29,215	-	-	-	-	-	-	-	-	-
Syed Owais Wasti	CFO	5,219	-	9,666	-	29,638	17,468	-	-	67,526	-	475	-

- Pattern of holding of units is given at the end of report of respective Fund.
- Financial highlights are given in the notes to the financial statements of respective Fund.

Board Meetings

Details of Board Meetings and attendance therein is given in the notes to the financial statements of the Funds

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 and Dr. Imran Ashraf Usmani, the Shariah Advisor for their continued assistance and support on Shariah aspects of fund management.

For and on behalf of the Board

Date: August 31, 2016



Mohammad Shoaib, CFA
Chief Executive Officer

ڈائریکٹرز رپورٹ

المیزان انویسٹمنٹ مینجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز 30 جون 2016ء کو ختم ہونے والے مالی سال کیلئے درج ذیل اوپن اینڈ فنڈز اور وائٹری پنشن اسکیم کے آڈٹ شدہ مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

فنڈز آف فنڈز

- میزان فنانشل پلاننگ فنڈ آف فنڈز
- میزان کپٹل پریزرویشن فنڈ- II

اقتصادی جائزہ:

مجوزہ مالی سال کے دوران پاکستان کی اقتصادی کارکردگی نے بہتری ظاہر کی ہے اس کی وجہ آئی ایم ایف کی رہنمائی میں اصلاحات اور تیل کی عالمی قیمتوں میں مسلسل کمی ہے جس نے افراط زر کے دباؤ کو قابو میں رکھا اور ملک کے درآمدی بل کو بھی ہمارے حق میں بہتر رکھا۔ کنزیومر پرائس انڈیکس گزشتہ سال کے 4.53% کی نسبت مالیاتی سال 2016ء میں 2.86% رہا۔

افراط زر کے کم اعداد و شمار نے اسٹیٹ بینک کو اپنے نرم مالی موقف پر قائم و برقرار رکھا جس کے ذریعے شرح رعایت (ڈسکاؤنٹ ریٹ) 5.75% کی سطح پر لائی گئی جو کہ مالی سال 2016ء میں مجموعی طور پر 75bps کم کی گئی۔ یہ جاری مالیاتی آسانی و سہولت، نجی شعبے کی جانب سے قرضہ جات اٹھانے کیلئے حوصلہ افزا رہی جو کہ مالی سال 2016ء کے دوران بڑھ کر 331.2 ارب روپے ہو گئی جو گزشتہ سال 223 ارب روپے تھی۔ حکومت نے بھی شرح مبادلہ کے استحکام کے حصول میں کافی اچھی کارکردگی کا مظاہرہ کیا ہے جس کے ذریعے روپے کی قدر میں محض 2.92% کمی دیکھی گئی جبکہ اس خطے میں دیگر کرنسیز زیادہ طیران پذیر رہی ہیں۔ ملک کے ٹیکس نیٹ کو وسیع کرنے کے حکومتی اقدامات پر اگرچہ کاروباری برادری کی طرف سے ملا جلا رد عمل آیا تاہم بینکاری لین دین پر ٹیکس گوشوارے جمع نہ کرانے والوں کیلئے 0.6% ود ہولڈنگ ٹیکس کا نفاذ اور ٹیکس وصولی کے حوالے سے تاجر طبقے کیلئے عام معافی کا منصوبہ حکومتی اداروں کی سنجیدگی کو ظاہر کرتا ہے۔ زیر جائزہ عرصے کے دوران، حکومت کے محصولات کا مجموعہ 3.1 کھرب روپے ہے جو گزشتہ سال کے اسی عرصے سے 20% زیادہ ہے۔

مجوزہ مالی سال کے دوران، پاکستان کی درآمدات کے بل میں 2.3% کمی رہی اور بل 44.8 ارب امریکی ڈالر پر آ گیا جو پچھلے مالی سال میں 45.8 ارب امریکی ڈالر تھا۔ کثیر تجارتی خسارہ، مشینری کی درآمدات، ترسیلات زر میں اضافہ (سال بہ سال 6.4% زیادہ جو اب 19.9 ارب امریکی ڈالر ہے)، کم کاروباری خسارے اور جاری کولیشن سپورٹ فنڈ (سی ایس ایف) کی آمد جو کہ تقریباً 713 ملین امریکی ڈالر ہے، نے جاری خسارے کی کمی میں اہم کردار ادا کیا ہے۔

قطر کے ساتھ ایل این جی کا معاہدہ فروری 2016ء میں تکمیل پایا، جس نے توانائی کی کمی کی شکار صنعتوں کے احیاء میں مدد کی، ساتھ ہی کم ہوتی تیل کی قیمتیں ذخائر زبردستی مبادلہ کو درکار سکون فراہم کیا اور شرح مبادلے میں استحکام کو برقرار رکھنے میں بھی مدد و معاون ثابت ہوا۔ تاہم توانائی کی قلت میں راحت اور امن و امان کی بہتر صورتحال کے باوجود برآمدات سال بہ سال کے لحاظ سے 9% تک گر گئی ہیں۔ عالمی میدان میں (عدم مسابقت) بنیادی چیلنج ہے جس نے تسلسل سے برآمدات میں رکاوٹ پیدا کر رکھی ہے۔

ایکسٹینڈڈ فنڈ فیٹیلٹی (ای ایف ایف) پروگرام کے تحت آئی ایم ایف کے گیارہویں جائزے کا کامیاب اختتام اس عرصے کے دوران ایک ارب امریکی ڈالر کی مجموعی فراہمی کا سبب بنا جو زبردستی مبادلہ کے ذخائر کو 23 ارب امریکی ڈالر سے زائد کی تقویت پر منتج ہوا۔ حکومت نے یورو بونڈ کے اجراء سے 500 ملین امریکی ڈالر بین الاقوامی مارکیٹس سے اٹھانے کا بھی انتظام و انصرام کیا۔

بالجوع اقتصادی اساسیات حکومت کی جانب سے کی گئیں اصلاحات کے نتیجے میں بہتر ہو رہی ہیں۔ حکومت اپنے بڑے اہداف کے حصول کی جانب بھی گامزن ہے یعنی (1) افراط زر کی شرح کو 6% سے کم رکھنا، (2) مالی خسارے کو مجموعی ملکی پیداوار (جی ڈی پی) کے 4.45% تک لانا (3) مجموعی ملکی پیداوار کو 4.7% تک بڑھانا (4) امن عامہ کی صورت حال کو بہتر بنانا۔ سی پیک کے آغاز نے بھی ملکی معیشت کو تقویت فراہم کی ہے۔ بیرونی کھاتے (ایکسٹرنل اکاؤنٹ) پر دباؤ تیل کی کم ہوتی قیمتوں کی وجہ سے کم ہوتا دکھائی دیتا ہے کیونکہ یہ پاکستان کے مجموعی درآمدی بل کا لگ بھگ 35% ہے۔ سیاسی استحکام کے ساتھ، کم شرح سود اور سرمایہ کاروں کے مثبت امکانات، نجی شعبے اور صارف قرضہ جات کی اٹھان آئندہ سال میں مزید بڑھنے کی توقع ہے جس سے اقتصادی شرح نمو کو مزید تقویت ملے گی۔

بازار زر کا جائزہ:

مالی سال 2016ء کے دوران، اسٹیٹ بینک اپنے نرم مالیاتی موقف پر کاربند رہتے ہوئے شرح رعایت (ڈسکاؤنٹ ریٹ) میں اپنے دو ماہی مونٹری پالیسی اسٹیٹمنٹ (MPS) جو کہ مئی 2016ء میں اعلان کیا گیا 25bps کی کمی کردی اور اسے 6.25% (اور نارگٹ پالیسی ریٹ کو 5.75%) کی ریکارڈ کمی تک لے آیا۔ اسٹیٹ بینک کے مطابق، کم افراط زر اور ملک کی اطمینان بخش بیرونی کھاتے کی صورتحال نے اس شرح رعایت میں کمی کیلئے ڈھال فراہم کی۔ مالی سال 2016ء میں مجموعی ڈسکاؤنٹ ریٹ 75bps کم ہوا جو کہ گزشتہ مالی سال 2015ء میں 300bps سے کم ہوا۔ مالیاتی منظر نامے کی مطابقت میں شرح منافع اور ثانوی بازار میں گورنمنٹ پیپر شرح منافع کی قدر میں کمی کے باعث KIBOR 100-107bps نیچے رہا۔ ٹی بلز 105-107bps جبکہ پی آئی بی کی یافت قابل ذکر 187-238bps اس زیر جائزہ عرصے میں نیچے گرے ہیں۔

سیالیت (Liquidity) کے محاذ پر، بازار زر نے اس عرصے کے دوران قدرے سخت سیالیتی منظر نامے کا سامنا کیا ہے، اسٹیٹ بینک کی مختلف اوپن مارکیٹ آپریشنز (OMO) کے ذریعے 66 کھرب روپے فراہم کیے جس کے ساتھ 1.80 کھرب روپے مالیت کی رعایتیں (Discounts) مختلف کاؤنٹرز کی جانب سے حاصل کی گئیں جو صرف 546 ارب روپے مالیت کے اوایم او کی (mop-ups) اور 486 ارب روپے مالیت کی فلور پلیٹسمنٹس کے مقابلے میں تھیں۔ اس کے ساتھ 26 عدد T.Bills، 12 عدد PIBs نیلام بھی کیے گئے، 4.6 کھرب روپے مجموعی طور پر 8.9 کھرب روپے کی ٹی بلز میں شرکت کے عوض قبول کیے گئے اور مالی سال 2016 میں PIBs میں لگ بھگ 924 ارب روپے کی شرکت کے عوض 2.5 کھرب روپے قبول کئے گئے۔

مالی سال 2016ء کا اوسط افراط زر اب 2.86% پر کھڑا ہے۔ بین الاقوامی سطح پر تیل اور ایشیائے صرف کی کم قیمتیں متوقع طور پر اسٹیٹ بینک کی مالی سال 2017ء کی پیش گوئیوں کے ساتھ افراط زر کو 4.5% تا 5.5% کی حدود میں رکھیں گی۔

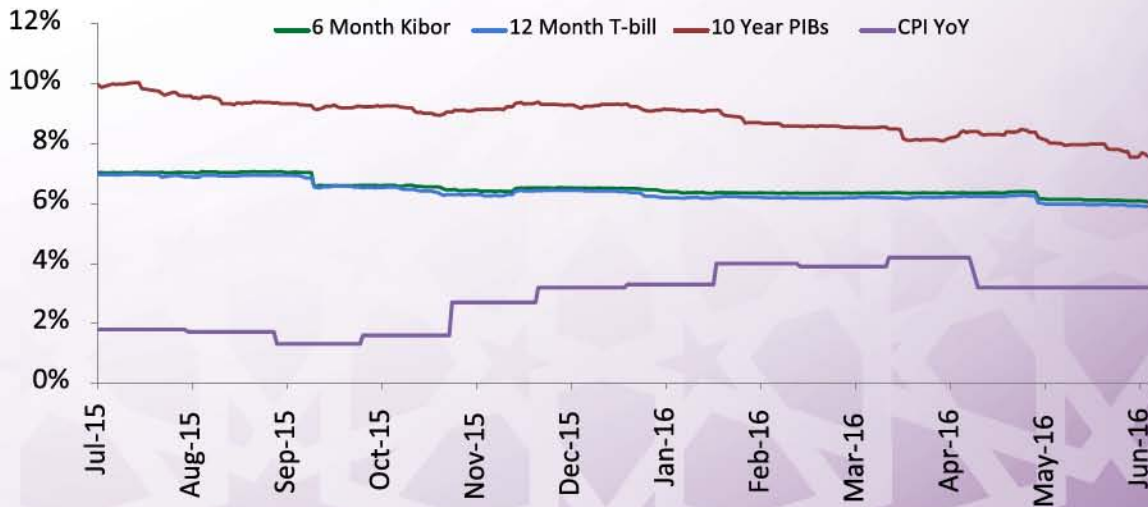
بازار زر کا شریعہ سے ہم آہنگ سراء، جسے سرمایہ کاری کے مواقع کی قلت کے سبب زریسیال کی بہتات کے مسئلے کا سامنا ہے کو تھوڑا سکون اس وقت میسر آیا جب حکومت نے اسلامی ادپن مارکیٹ آپریٹیشنز یعنی او ایم اوز/ اجارہ صکوک 9 تا 13 جنو نمبر 2015ء میں پختہ ہوئے؛ کیلئے بیچ معجل، ان بیچ معجل نے مجموعی طور پر اسلامی بینکس کی جانب سے 225 ارب روپے کی شرکت ظاہر کی جس کے مقابلے میں اسٹیٹ بینک نے ایک سال کے ضمن میں 209 ارب روپے مالیت کی بولیوں کو قبول کیا اور بازار کو ضمنی اجارہ صکوک کے پختہ ہونے پر بہت بڑے زریسیال کی سرایت کر جانے سے بچالیا۔ ایک اور بیچ معجل کا مارچ 2016ء میں اجارہ XIV کے عوض ایک سال کیلئے فقط اس کی پختگی سے پہلے تک اہتمام کیا گیا۔ اسٹیٹ بینک نے 21.5 ارب روپے مالیت کی بولیوں کو قبول کیا بمقابلہ شرکت 32 ارب روپے کے۔

مزید یہ کہ تین تازہ حکومت پاکستان کے اجارہ صکوک (ایک غیر جامد اور دو جامد شرح جات کے ساتھ) مالی سال 2016ء کے دوران جاری کیے گئے جس کی تفصیل حسب ذیل ہے:

3 Year GoP Ijarah Sukuks (GIS)		(Rs. in billion)		
Particulars	GIS-16	GIS-17	GIS-18	
Auction Date	15-Dec-15	8-Feb-16	24-Mar-16	
Settlement Date	18-Dec-15	15-Feb-16	29-Mar-16	
Maturity Date	18-Dec-18	15-Feb-19	29-Mar-19	
Type	Floater	Fixed Rate	Fixed Rate	
Target	100.00	100.00	80.00	
Total Participation	273.30	245.37	198.76	
Total Acceptance	117.72	116.26	80.40	
Cutoff Rate	5.89%	6.10%	5.59%	

زرمبادلہ کے محاذ پر، روپے کی قدر کم ہوئی اور جیسا کہ آئی ایم ایف کی رپورٹ میں کہا گیا کہ روپیہ باقی کرنسیز کی نسبت ڈالر کے مقابلے میں 5% تا 20% مستحکم رہا۔ انٹرنیٹ مارکیٹ میں 3.04 روپے کی کمی سے فی ڈالر 104.84 روپے پر بند ہوئی، جبکہ کھلی مارکیٹ ثانوی بازار 2.15 کی کمی سے 105.10 روپے فی ڈالر پر بند ہوئی۔

مجموعی شرح سود PIBs/T.Bills کی قدر (آمدن) اور افراط زر کی شرح کے طور طریقوں کو گراف کی مدد سے درج ذیل سے دیکھا جاسکتا ہے:



بازار حصص کا جائزہ:

مالی سال 2016ء کے دوران کے ایم آئی-30 انڈیکس %15.5 اضافے کے ساتھ 66,163 پوائنٹس رہی جبکہ کے ایس ای-100 انڈیکس %9.8 اضافے کے ساتھ 37,783 پوائنٹس پر بند ہوا۔ اس عرصے کے دوران مارکیٹ میں شراکت کے ایم آئی-30 انڈیکس کے حجم کے ساتھ %11 کی مندی اور کے ایس ای-100 انڈیکس کے حجم میں %19 کی مندی کے ساتھ کم رہی۔

مارکیٹ میں کارکردگی کو ان چیزوں سے منسوب کیا جاسکتا ہے: (i) MSC کے فیصلے یعنی پاکستان کی فرنیچر مارکیٹ سے ایمر جنگ مارکیٹ میں دوبارہ درجہ بندی جس سے نہ صرف توقع ہے کہ 500 ملین روپے کی بیرونی آمد ہو بلکہ ہمارے حصص مارکیٹ کو عالمی طور پر ایک بڑی ایمر جنگ مارکیٹ فنڈز کے طور پر نمایاں کرے (ii) مالی سال 2016ء کے دوران 75bps کی شرح سے کمی (iii) 500 ملین امریکی ڈالر کے ایک یورو بانڈ کا کامیاب اجراء اور پاکستان کی انٹرنیشنل کریڈٹ ریٹنگ میں بہتری (iv) کامیابی سے قرضے کی قسط کی فراہمی کے ساتھ آئی ایم ایف کے جائزے کا کامیاب اختتام (v) ملک کے امن وامان کے صورتحال میں بہتری، منفی عوامل کے اثرات نے مالی سال کے پہلے نو ماہ کے دوران مارکیٹ کو سست رکھا جیسا کہ (i) علاقائی ساتھ ساتھ عالمی ایکویٹی مارکیٹ میں کمزوری جس سے امریکی فیڈ ریٹ 75bps بڑھا اور چینی معیشت سست روی کا شکار رہی جس کے باعث مالی سال کے پہلے 10 مہینوں میں پاکستان کی اسٹاک مارکیٹ سے 359 ملین امریکی ڈالر کی بیرونی فروخت ہوئی (ii) اسٹاک ایکسچینج بروکرز کے خلاف ریگولیشنز یعنی ضابطہ کار کی جانب سے سخت نگرانی کی مختلف افواہیں (iii) ایشیا سے صرف اور خاص طور پر تیل کی گرتی ہوئی قیمتیں (iv) برطانیہ کا یورپی یونین چھوڑنے کے ووٹ پر پیش بندی اور (v) الیکشن ٹریبونل کے فیصلے کے بعد اٹھتا ہوا سیاسی شور شرابا اور بااثر شخصیات کی گرفتاری۔

مالی سال 2016ء بہتر کارکردگی کے مثبت شگنوں سے شروع ہوا؛ اس بلندی کو ایک ماہانہ سی پی آئی نمبر میں کمی اور بعد ازاں متوقع مالیاتی نرمی، بڑھتے ہوئے زرمبادلہ کے ذخائر اور حکومت کے خلاف انتخابات میں دھاندلی کے الزامات کو عدالتی کمیشن کے برخاستگی سے منسوب کیا جاتا ہے۔ تاہم چینی معیشت کی شرح نمو میں کمی نے تمام بین الاقوامی اسٹاک ایکسچینجز میں غیر یقینی کی لہر کو دوڑا دیا کیونکہ بین الاقوامی سرمایہ کار عالمی معیشت میں مندی کے خوف سے ہچکچاہٹ کا شکار ہو گئے؛ پاکستان کی اسٹاک مارکیٹ سے سرمایہ کاری کا باہر چلا جانا بھی اسی کا شکار تھا اور یہی کچھ تمام اُبھرتی مارکیٹس میں ہوا۔ بعد میں امریکی فیڈرل ریزرو ریٹ میں چڑھاؤ سے متعلق توقعات (جو اس دہائی میں پہلی بار دسمبر میں 25bps میں اضافے کی شکل میں نمودار ہوا) نے مارکیٹ کو غیر مستحکم رکھا کیونکہ اس نے بین الاقوامی سرمایہ کاروں کو اپنے سرمایہ کاری کے حفظ (پورٹفولیو) کو اس کے مطابق دوسری جگہ منتقل کرنے پر آمادہ کیا۔ اس کے بعد تیسری سہ ماہی میں، غیر استحکامی و طیران پذیری کا ایک اور دور شروع ہوا جو علاقائی کے ساتھ ساتھ بین الاقوامی مارکیٹ پر بھی اثر پذیر ہوا جس کی بنیادی وجہ چینی معیشت کی شرح نمو میں کمی سے متعلق تشویش تھی جس نے عالمی معیشت کے منظر نامے کو بھی دھندلا دیا۔ اس پر مستزاد ایشیا سے صرف کی گرتی ہوئی قیمتوں نے بین الاقوامی سرمایہ کاروں کو متذبذب کر دیا جس سے دنیا بھر کی مارکیٹس میں وسیع پیمانے پر فروخت شروع ہو گئی جس سے مزید غیر مستحکم صورتحال پیدا ہوئی اور پاکستان کی اسٹاک مارکیٹ بھی متاثر ہوئے بغیر نہ رہ سکی۔ اس کا نتیجہ یہ نکلا کہ KMI-30 16 فروری 2016ء میں کم ترین سطح 51,626 پوائنٹس (KSE-100 انڈیکس 30,564 پوائنٹس) پر آ گیا۔

اس کے بعد مارکیٹ نے اپنا استحکام پھر حاصل کر لیا اس حقیقت کے باوجود کہ غیر ملکی ہی خالصتاً فروخت کنندگان تھے، ایک جلد استرداد دیا اصلاح MSCI فرنیچر سے MSCI ایمر جنگ مارکیٹ انڈیکس کی طرف سے پاکستان کی نئی درجہ بندی کے امکان کی مدد سے مشاہدے میں آئی۔ اسٹاک مارکیٹ میں حجم کے اضافے کیلئے SECP کی جانب سے اقدامات کیے جا رہے ہیں اور پیداوار کے منجمد ہونے کی توقعات کے سبب تیل کی قیمتیں بھی مستحکم ہو رہی ہیں۔ تاہم کاروباری نتائج کے اعلانات توقعات سے ماورا تھے اور مارکیٹ کو انتہائی مطلوب مدد فراہم کر رہے تھے زیر جائزہ عرصے کے دوران، بالآخر، بیچ مارک انڈیکس KMI-30 نے جون 2016ء میں اپنے بلند ترین کلوزنگ پوائنٹس 67,519 (KSE-100 انڈیکس 38,777 پوائنٹس) حاصل کیے۔

ادارہ جاتی منافع اور انڈیکس میں بڑے حصے ڈالنے والے

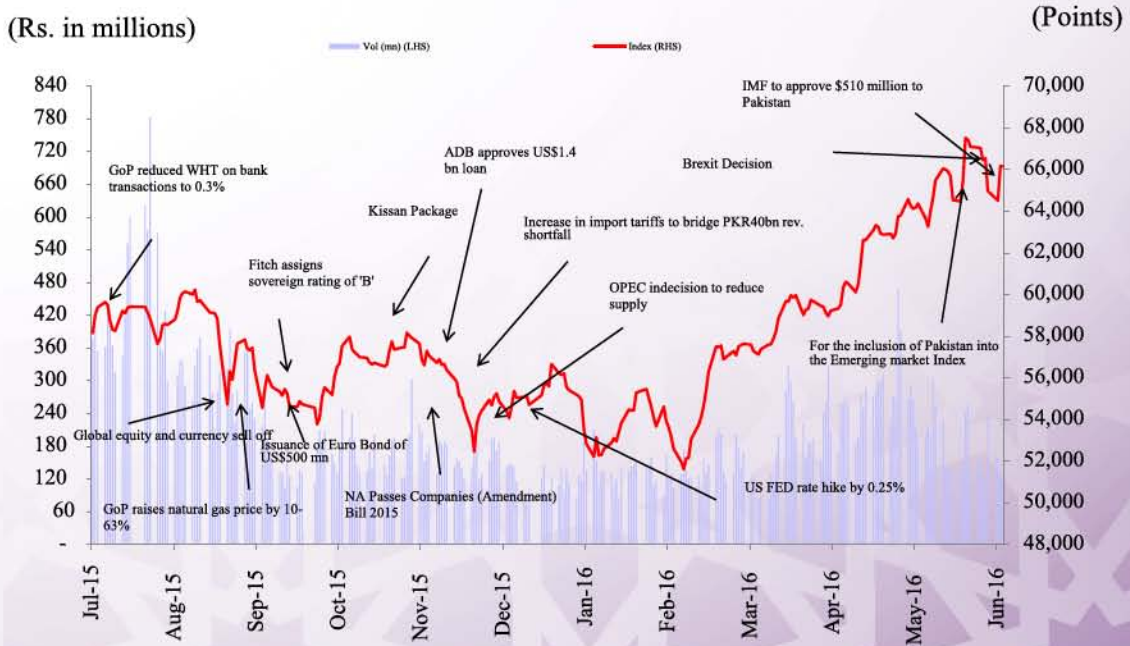
مالی سال 2016ء کے دوران، توانائی اور سینٹ کے ادارے بہترین کارکردگی والے شعبہ جات تھے۔ اس عرصے کے دوران، بہترین کارکردگی والے شراکت دار یہ تھے:

Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
HUB Power Company Ltd.	1643	45.2
Lucky Cement Ltd.	1272	26.8
The Searle Company Ltd.	899	129.5
Dawood Hercules Corporation Ltd.	816	48.5
Engro Corporation Ltd.	746	19.9

دوسری طرف کھادا اور آئل اینڈ گیس ایکسپلوریشن بری کارکردگی کا مظاہرہ کرنے والے شعبے رہے۔ اس مدت کے دوران KMI (کے ایم آئی) میں بری کارکردگی کے اسٹاک یہ تھے:

Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Fauji Fertilizer Company Ltd	-1607	-16.5
Pakistan State Oil Ltd	-582	-0.5
Engro Fertilizers Ltd	-495	-21.6
Pakistan Oilfields Ltd.	-345	-0.9
Pakistan Telecommunications Company Ltd.	-219	-18.1

اس عرصے کے دوران کے ایم آئی-30 کی مجموعی حرکت کو درج ذیل گراف سے دیکھا جاسکتا ہے:



حصص کا بہاؤ:

زیر تبصرہ عرصے کے دوران غیر ملکی سرمایہ کاروں کی جانب سے 286 ملین امریکی ڈالر کا اخراج اسٹاک مارکیٹ کے مشاہدے میں آیا۔ بینکنگ سیکٹر میں بلند ترین اخراج 138 ملین امریکی ڈالر ریکارڈ کیا گیا جس میں نمایاں ایچ بی ایل، یو بی ایل اور ایم سی بی تھے۔ بعد ازاں آئل اینڈ گیس ایکسپلوریشن میں 121 ملین ڈالر کا اخراج رہا جبکہ فریٹلائزر میں غیر ملکی فروخت 48 ملین امریکی ڈالر، ٹیکسٹائل سیکٹر میں 32 ملین امریکی ڈالر جبکہ ٹیکنالوجی اور کمیونیکیشن میں 5 ملین امریکی ڈالر کی آمد دیکھی گئی۔ این بی ایف سیز کمپنیز اور انفرادی، میوچل فنڈز، اور دوسری آرگنائزیشنز علی الترتیب 188 ملین امریکی ڈالر، 127 ملین امریکی ڈالر، 39 ملین امریکی ڈالر اور 40 ملین امریکی ڈالر کے ساتھ خالص خریدار رہے۔ کمپنیز، بینکرز اور پینکس علی الترتیب 84 ملین امریکی ڈالر، 22 ملین امریکی ڈالر اور 6 ملین امریکی ڈالر کے ساتھ نیٹ سیلرز رہے۔

سال کے دوران کچھ بڑی اسٹاک مارکیٹ کے درمیان درج ذیل زیادہ اہمیت کی حامل رہیں: مالی سال کے اختتام پر اینگرو کارپوریشن نے جزوی طور پر اپنے اسٹیک کو دو معاونین اینگرو فریٹلائزرز اور اینگرو فوڈز میں تقسیم کر دیا۔ کمپنی نے 65.47 روپے فی شیئر کی پرائیویٹ پبلسٹی کے ذریعے اینگرو فریٹلائزرز میں سرمایہ کاروں کو 295 ملین شیئرز فروخت کیے۔ کل ٹرانزیکشن کی مالیت 19.3 بلین روپے (184 ملین امریکی ڈالر) تھی جس میں سے غیر ملکی سرمایہ کاروں نے تقریباً 125.1 ملین شیئرز خریدے جس نے 78 ملین امریکی ڈالر کا غیر ملکی بہاؤ ترتیب دیا۔ اینگرو فوڈز میں ہونے والی ٹرانزیکشن میں اینگرو کارپوریشن نے کمپنی میں Friesland Campina کی خاطر 120 روپے فی شیئر کے حساب سے اپنے 51% اسٹیک (391 ملین شیئرز) کو آف لوڈ کرنے پر آمادگی ظاہر کی جس سے تقریباً 450 ملین امریکی ڈالر کا غیر ملکی بہاؤ ترتیب پایا۔ ان ٹرانزیکشنز کی کامیاب تکمیل نہ صرف ایکویٹی مارکیٹ کی گہرائی کو ظاہر کرتی ہے بلکہ پاکستان میں غیر ملکی سرمایہ کاروں کی طویل مدتی دلچسپی کی آئینہ دار بھی ہے۔

MSCI کی ازسرنو درجہ بندی اور Brexit:

2016ء کے سالانہ مارکیٹ درجہ بندی کے جائزے کے تحت، MSCI نے پاکستان کی فرنیچر سے ایمرجنگ مارکیٹ میں 0.19% وزن کے ساتھ ایمرجنگ مارکیٹ انڈیکس میں ازسرنو درجہ بندی کی۔ یہ بہتری پاکستان کی ایکویٹی مارکیٹ کو اس قابل بنائے گی کہ وہ دنیا بھر کی ابھرتی ہوئی مارکیٹس فنڈز سے انویسٹمنٹس کی توجہ اپنی جانب مبذول کرا سکے۔ بلوم برگ کے مطابق، MSCI ایمرجنگ مارکیٹس انڈیکس 1.7 کھرب امریکی ڈالر کی مجموعی مالیت سے زائد کی نشاندہی کرتا ہے۔ اگرچہ انڈیکس میں پاکستانی مارکیٹ کا وزن کم ہے، فنڈ ٹریڈنگ ایمرجنگ مارکیٹس کا حجم فرنیچر مارکیٹس کے حجم سے کافی زیادہ ہے اور توقع ہے کہ آنے والے سالوں میں پاکستان کو 600-500 ملین امریکی ڈالر کا بیرونی سرمایہ کا بہاؤ دلائے۔ اپریل 2016ء تک 359 ملین امریکی ڈالر کی بیرونی آؤٹ فلو کے بعد، مالی سال کے آخری دو ماہ میں 78 ملین امریکی ڈالر کی بڑی آمد MSCI کی ازسرنو درجہ بندی کے فیصلے کی وجہ سے دیکھی گئی۔

مالی سال کے اختتام پر، برطانیہ نے یورپی یونین میں اپنے قیام کے فیصلے کیلئے ریفرنڈم منعقد کیا۔ اکثریت نے یورپی یونین سے اخراج کے حوالے سے ووٹ دیا جس نے برطانوی اور یورپی معیشت کے حوالے سے سخت تشویش پیدا کی اور ان کے پھیلاؤ پر اثر انداز ہوئی۔ حتیٰ کہ ایکویٹی مارکیٹ اس خبر سے ابتدائی طور پر شدید متاثر ہوئی لیکن بعد میں وہ نقصانات کا ازالہ کرنے میں کامیاب ہوئے۔

میوچل فنڈ انڈسٹری کا جائزہ:

مالی سال 2016ء کے دوران، میوچل فنڈ انڈسٹری کے زیر انتظام اثاثہ جات نے 9.3% اضافہ کے ساتھ اسکی جسامت 454 ارب روپے ہونے کا مشاہدہ کیا۔ اسلامی فنڈز زیر جائزہ عرصے کے دوران 136 ارب روپے ہو گیا جو 25.7% اضافہ ہے جس سے میوچل فنڈ انڈسٹری میں اسلامی فنڈز کے حصے میں 30% اضافہ ہو گیا۔ جون 2016ء کے اختتام پر المیز ان کا میوچل فنڈ انڈسٹری میں مجموعی حصہ 15.7% ہے جبکہ یہ مجموعی حصہ پچھلے سال 14.8% تھا۔ المیز ان نے جون 2016ء کے اختتام پر 52.4% شیئرز کے ساتھ انڈسٹری میں اپنے قائدانہ کردار کو برقرار رکھا۔

خالص اثاثہ جات کے لحاظ سے، بازار زور اور اکٹم فنڈز نے جون 2016 کو ختم ہونے والے مالی سال کے دوران جسامت کے لحاظ سے اضافہ ظاہر کیا ہے۔ مشترکہ کیٹیگری (زمرہ) نے اس عرصے کے اختتام پر 201 ارب روپے پر پہنچ کر 2.6% اضافہ ظاہر کیا ہے۔ جبکہ روایتی (کنوٹشل) فنڈز نے اس کیٹیگری میں 1.9% اضافہ اور اسلامی فنڈز میں 5.7% اضافہ کیا۔

اوپن اینڈ ایکیویٹی فنڈز (بشمول کیپٹل پروٹیکٹڈ، بیلسنڈ، انڈیکس ٹریڈر اور ایسٹ ایلیکشن) جون 2016ء کے مطابق 215 ارب روپے سے 14.6% بڑھ گیا جو 30 جون 2015ء پر مقابلہ 188 ارب روپے تھا۔ اس کیٹیگری میں روایتی فنڈز میں 4.4% اضافہ رہا جبکہ اسلامک ایکیویٹی بیسڈ فنڈز نے زیر جائزہ عرصے میں 38.1% کا معقول اضافہ ظاہر کیا اور 84 ارب روپے پر قائم رہا۔

اس مالی سال کے اختتام پر انڈسٹری میں کموڈٹی فنڈز میں 668 ملین کا اضافہ ہوا جو کہ جون 2015ء میں 340 ملین تھا۔ یہ اطمینان بخش 102.3% اضافہ بنیادی طور پر میزان گولڈ فنڈ (MGF) کے باعث ہوا جو اگست 2015 میں قائم کیا گیا تھا اور ایک سال سے کم مدت میں اس نے انڈسٹری کے لیڈر کے طور پر خود کو منوایا۔

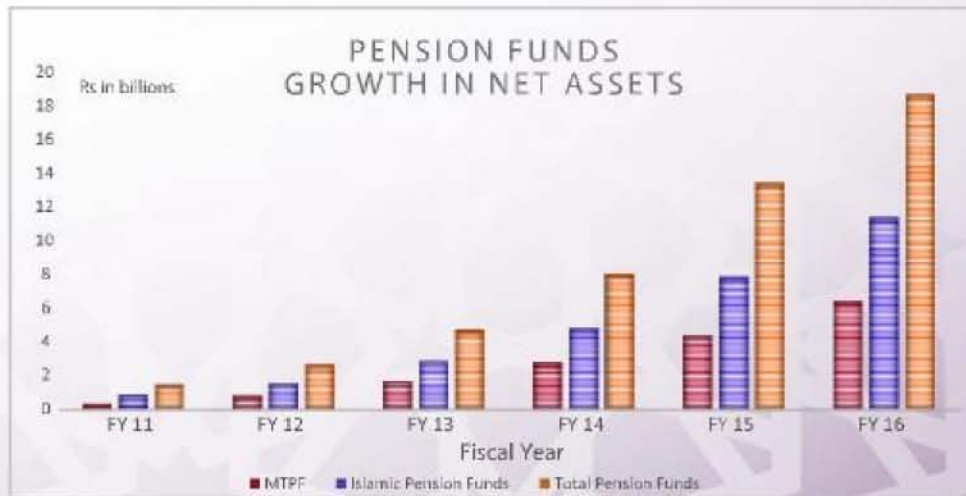
پچھلے سال کے مقابلے میں کل پنشن فنڈز میں 39.2% اضافے کے ساتھ جون 2016ء کو 19 ارب روپے رہا۔ زیر جائزہ مدت میں اسلامک پنشن فنڈز مارکیٹ پر اثر انداز رہا اور 44.5% اضافے کے ساتھ جون کے اختتام پر 11.5 ارب روپے کا حامل ٹھہرا۔

میزان تحفظ پنشن فنڈ (MTPF) نے اپنی 9 سالہ لیڈ کو برقرار رکھا جو 2007ء سے قائم ہے اور 2016 میں اس میں مزید بہتری دکھی گئی۔ میزان تحفظ پنشن فنڈ (MTPF) کا مارکیٹ شیئر جون 2016ء کے اختتام پر 34.8% تھا جو گزشتہ سال کے اسی عرصے میں 32.9% تھا۔ جبکہ اسلامک پنشن فنڈز کے شعبے میں MTPF کا حصہ 56.9% ہے جو گزشتہ سال کے اسی عرصے میں 55.9% تھا۔

مارکیٹ میں جہاں دیگر مینجمنٹ کمپنیز بھی اسلامک اور روایتی پنشن فنڈز کے حوالے سے کام کر رہی ہیں میزان تحفظ پنشن فنڈ (MTPF) نے اپنی بہتر کارکردگی کو برقرار رکھا اور دیگر پنشن فنڈز سے مسابقت کی اور پنشن فنڈز کی کائنات میں غلبے کا حامل ٹھہرا۔

کارکردگی کا جائزہ (پنشن فنڈز):

درج ذیل جدول میزان تحفظ پنشن فنڈ (MTPF) کے زیر انتظام اثاثہ جات، کل پنشن فنڈز اور اسلامک پنشن فنڈز کی گزشتہ پانچ سالوں کی کارکردگی کی مکمل تصویر کشی کرتا ہے: یہ ظاہر کرتا ہے کہ میزان تحفظ پنشن فنڈ (MTPF) پنشن فنڈز انڈسٹری کا ایک لازمی جز ہے۔



کارکردگی کا جائزہ (فٹڈز):

زیر جائزہ عرصے کیلئے درج ذیل جدول ہمارے زیر انتظام اثاثہ جات کی کارکردگی کی مکمل تصویر کشی کرتا ہے:

Name of Fund	Type	Net Assets June 30, 2016 (Rs. millions)	Growth in Net Assets for FY16 (%)	Return for FY16 (%)	Benchmark Return FY16 (%)
Al Meezan Mutual Fund (AMMF)	Open-End Equity	5,418	35.23	15.53	15.53
Meezan Islamic Fund (MIF)	Open-End Equity	32,554	18.80	17.40	15.53
KSE Meezan Index Fund (KMIF)	Open-End Index Tracker	882	(23.95)	13.32	15.53
Meezan Balanced Fund (MBF)	Open-End Balanced	4,708	39.14	12.10	9.51
Meezan Islamic Income Fund (MIIF)	Open-End Income	9,051	112.33	5.76	3.49
Meezan Cash Fund (MCF)	Open-End Money Market	3,432	(53.96)	4.59	4.49
Meezan Sovereign Fund (MSF)	Open-End Income Fund	7,945	(9.92)	5.12	4.49
Meezan Asset Allocation Fund	Open-Asset Allocation	460	N/A	2.76	5.01
Meezan Gold Fund	Open-Commodity	321	N/A	10.53	15.96
Meezan Capital Preservation Fund-II	Open-end Fund of Funds	1,221	(45.00)	11.24	8.89
Meezan Capital Preservation Fund-III***	Open-end Fund of Funds	0	N/A	(0.42)	2.82
Meezan Tahaffuz Pension Fund					
- Equity sub fund	Voluntary Pension Scheme	4,099	51.16	18.07	
- Debt sub fund		1,997	42.82	4.49	
- Money market sub fund		453	34.19	4.03	
Meezan Financial Planning Fund of Funds					
- Aggressive	Open-end Fund of Funds	443	24.26	13.28	11.66
- Moderate		367	14.55	11.29	10.01
- Conservative		327	37.59	8.71	6.70
- Plan I *		1,576	(0.92)	10.49	8.65
- Plan II **		3,035	(1.53)	6.48	5.60
- MAAF I#		1,278	N/A	11.67	14.92
- MAAF II##		925	N/A	14.80	18.29
- MAAF III###		2,851	N/A	13.46	17.08
- MAAF IV####		532	N/A	0.74	0.44
Total			71,321		

* The Plan was launched on September 01, 2014, ** The Plan was launched on December 16, 2014, ***The Fund matured on January 28, 2016 with net Assets of Rs. 3,318 m, # The Plan was launched on July 10, 2015, ##The Plan was launched on November 24, 2015, ### The Plan was launched on January 26, 2016, #### The Plan was launched on May 23, 2016, N/A: Not Applicable

توقعات (Outlooks)

MSCI ایمرجنگ مارکیٹ میں پاکستان کی دوبارہ درجہ بندی نئے مالی سال میں مارکیٹ کی کارکردگی میں ایک عمل انگیز کا کردار ادا کرے گی۔ جبکہ کچھ سیاسی مسائل آنے والے دنوں میں برقرار رہ سکتے ہیں۔ گرتی ہوئی تیل کی قیمتیں، پاکستان اسٹاک مارکیٹ کو P/E کی بنیاد پر پرکشش بناتی ہیں۔ مستحکم کارپوریٹ منافع توقع کرتا ہے کہ مائیکرو اکنامک فنڈ منٹلز میں بہتری اور جاری چائنا پاکستان اکنامک کارڈور کی ترقی سے امید ہے کہ حصص کو مستحکم کرے اور طویل مدت تک ترقی کا باعث بنے۔ کوڈیٹرز بالخصوص قیمتی دھاتیں جیسا کہ سونا کے تار چڑھاؤ کے حوالے سے توقع ہے کہ اس کی قدر میں اضافہ ہوگا اور عالمی معاشی منظر نامے میں اس کی قدر برقرار رہے گی۔

مسلح غیر ملکی فروخت مالی سال 2016ء میں اس مالی سال کے پچھلے دو مہینوں میں نیٹ آمد میں تبدیل ہوئی ہے۔ توقع ہے کہ یہ رجحان جاری رہے گا جیسا کہ پاکستان کی اسٹاک مارکیٹ سے توقع ہے کہ وہ MSCI ایمرجنگ مارکرز انڈیکس میں پاکستان اسٹاک ایکسچینج کی از سر نو درجہ بندی انٹرنیشنل ایمرجنگ مارکیٹ فنڈز سے بیرونی آمد میں بہتری ہوگی۔

آڈیٹرز:

موجودہ آڈیٹرز M/S KPMG Taseer Hadi & Co چارٹرڈ اکاؤنٹنٹس سکڈوش ہو چکے لیکن اہلیت رکھنے کے باعث اپنی خدمات المیز ان مینجمنٹ کے تحت کلکٹیو انویسٹمنٹ اسکیم برائے مالیاتی سال 2016-17ء کیلئے پیش کر رہے ہیں۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر مالیاتی سال 2016-17ء کیلئے المیز ان مینجمنٹ کے تحت تمام کلکٹیو انویسٹمنٹ اسکیمز کیلئے ان کی تعیناتی کر چکا ہے۔

کارپوریٹ گورننس کے ضابطے کی تعمیل کے ساتھ:

المیز ان انویسٹمنٹ مینجمنٹ لمیٹڈ ہمیشہ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے کی کوشش کرتا ہے۔ کارپوریٹ گورننس کے ضابطے کی تعمیل کے ساتھ، بورڈ آف ڈائریکٹرز اعلامیہ پیش کرتا ہے کہ:

- یہ مالیاتی بیانیے، فنڈ کی مینجمنٹ کمپنی کی طرف سے تیار کیے گئے، فنڈ کے معاملات کا بیان، اس کی عملیت کے اثرات، نقدی کا بہاؤ، اور سیالیت میں تبدیلی شفافیت کے ساتھ پیش کی گئی ہے۔
- فنڈ کیلئے باقاعدہ کھاتوں کا اہتمام کیا گیا ہے۔
- مالیاتی بیانیوں کی تیاری اور دانشمندانہ فیصلوں کی بنیاد پر اکاؤنٹنگ اسٹیٹمنٹس کی تیاری کیلئے مناسب پالیسیز کو تسلسل سے نافذ کیا گیا۔
- مالیاتی بیانیوں کی تیاری میں بین الاقوامی اکاؤنٹنگ کے معیارات اور بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔
- اندرونی طور پر کنٹرول کا نظام اپنے ڈیزائن میں محفوظ ہے اور موثر طور پر اس پر عملدرآمد کیا جاتا ہے اور اس کی نگرانی کی جاتی ہے۔
- فنڈ کی ترقی کی صلاحیت کے حوالے سے کسی قسم کے تحفظات اور خدشات نہیں ہیں۔
- ڈائریکٹرز، سی ای او، سی ایف او اور مینجمنٹ کمیٹی کے سیکریٹری بشمول ان کے زوج اور چھوٹے بچوں کے فنڈز کے پونٹ کی خرید و فروخت حسب ذیل رہی:

TRADES BY	DESIGNATION	MIF		MIIF		MCF		MSF		MBF		MGF	
		NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED	NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED	NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED	NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED	NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED	NO. OF UNITS INVESTED	NO. OF UNITS REDEEMED
Mr. Ariful Islam	Chairman	23,412	-	-	39,193	-	-	-	-	-	-	-	-
Mr. Mohammad Shoaib, CFA	CEO	85,397	-	-	-	-	-	-	-	-	-	-	-
Mr. P. Ahmed	Director	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Abdullah Ahmed	Director	-	-	-	-	-	-	-	-	-	-	-	-
Syed Amir Ali	Director	-	-	-	-	30,249	-	-	-	-	-	-	-
Mr. Atif Azim	Director	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Tasnimul Haq Farooqui	Director	21,103	-	-	-	-	-	29,429	82,418	-	-	-	-
Mr. Moin M. Fudda	Director	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Mazhar Sharif	Director	-	35,800	-	3,300	-	-	43,521	61,400	-	-	-	-
Syed Amir Ali Zaidi	Director	-	-	29,215	-	-	-	-	-	-	-	-	-
Syed Owais Wasti	CFO	5,219	-	9,666	-	29,638	17,468	-	-	67,526	-	475	-

- پونٹس کی ملکیت کا پیٹرن متعلقہ فنڈ کی رپورٹ کے آخر میں دیا گیا ہے۔
- مالیاتی جھلکیاں متعلقہ فنڈ کی مالیاتی بیانیوں کے نوٹس میں دی گئی ہیں۔

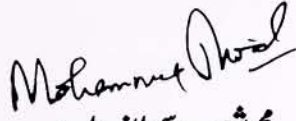
بورڈ کے اجلاس

بورڈ کے اجلاس اور حاضری کی تفصیلات فنڈ کے مالیاتی بیانیے کے نوٹس میں دی گئی ہے۔

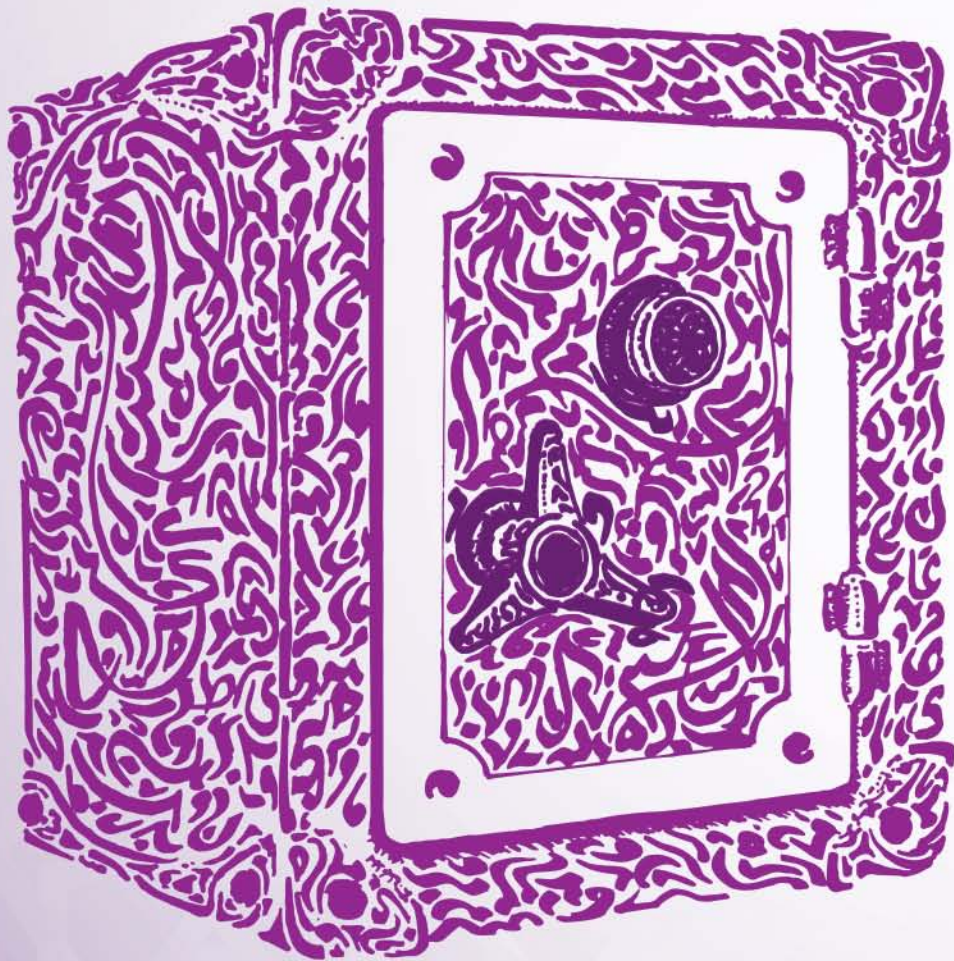
اعتراف و اظہار تشکر:

ہم اس موقع کو غنیمت جانتے ہوئے اپنے قابل احترام سرمایہ کاروں کا تہ دل سے شکریہ ادا کرتے ہیں جنہوں نے المیزان انویسٹمنٹس پر اپنے اعتماد کا بھرپور مظاہرہ کرتے ہوئے اُسے پاکستان میں نئی شعبے میں اثاثہ جات کی انتظام کاری کرنے والا سب سے بڑا ادارہ بنا دیا ہے۔ ہم ضابطہ کار ادارے، سیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور اپنے ٹرسٹی سینٹرل ڈپازٹری کمپنی آف پاکستان (CDC) کے تعاون پر بھی اُن کے شکر گزار ہیں۔ اس کے علاوہ ہم میزان بینک کے شریعہ سپروائزر بورڈ کے ارکان کی مسلسل اعانت اور اثاثہ جات کی انتظام کاری کے شرعی پہلوؤں پر اُن کی رہنمائی کیلئے دل کی گہرائیوں سے اظہار تشکر بجالاتے ہیں۔

برائے و بجانب بورڈ


محمد شعیب سی ایف اے
چیف ایگزیکٹو آفیسر

مورخہ 31 اگست 2016ء





Meezan Financial Planning Fund of Funds

Meezan Financial Planning Fund of Funds invests in Shariah compliant Fixed Income and Equity mutual funds in line with the risk tolerance of the investor and in doing so; it strives to generate returns on investment aligned with respective allocation plans.

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

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

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2016

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

Strategy and Investment Policy

MFPF has nine Allocation Plans which allow investors to invest according to their risk tolerance levels.

The Aggressive Allocation Plan

This Allocation Plan is suitable for Investors having a relatively higher risk tolerance and/or wish to save for long term. It shall invest at least 65% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

The Moderate Allocation Plan

This Allocation Plan is suitable for Investors having a relatively moderate risk tolerance and/or wish to save for medium to long term. It shall invest at least 45% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds

The Conservative Allocation Plan

This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term. It shall invest at least 20% of its net assets in Shariah Compliant Equity Funds, while the remaining portion is allocated to Shariah Compliant Fixed Income Funds.

Meezan Capital Preservation Plans - I & II (MCPPI & II)

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

Meezan Asset Allocation Plans - I - IV (MAAP I-IV)

These are closed end Plans which are suitable for Investors having a relatively moderate risk tolerance and/or wish to earn a relatively higher return over the medium term. These can switch exposure between Shariah compliant equity and fixed income mutual funds without any minimum or maximum limits, subject to expectations regarding the market performance.

In line with these different allocation plans, the benchmarks are also a combination of KSE Meezan Index 30's performance and average 6 month Islamic bank deposits as per the following detail:

Aggressive Allocation Plan	65% KMI-30 & 35% 6M Islamic Bank deposits
Moderate Allocation Plan	50% KMI-30 & 50% 6M Islamic Bank deposits
Conservative Allocation Plan	20% KMI-30 & 80% 6M Islamic Bank deposits
Meezan Capital Preservation Plan-I	KMI-30 and 6M Islamic Bank deposits weighted according to plan's invested percentages in equity and fixed income
Meezan Capital Preservation Plan-II	
Meezan Asset Allocation Plan - I	
Meezan Asset Allocation Plan - II	
Meezan Asset Allocation Plan - III	
Meezan Asset Allocation Plan - IV	

Performance Table with Benchmark

Returns - FY16	
MFPF - Aggressive	13.28%
Benchmark	11.66
MFPF - Moderate	11.29%
Benchmark	10.01%
MFPF - Conservative	8.71%
Benchmark	6.70%
MFPF - Plan I*	10.49%
Benchmark	8.65%
MFPF - Plan II**	6.48%
Benchmark	5.60%
MFPF - MAAP I***	11.67%
Benchmark	14.92%
MFPF - MAAP II****	14.80%
Benchmark	18.29%
MFPF - MAAP III*****	13.46%
Benchmark	17.08%
MFPF - MAAP IV*****	0.74%
Benchmark	0.44%

* The Plan was launched on September 01, 2014

** The Plan was launched on December 16, 2014

*** The Plan was launched on July 10, 2015

**** The Plan was launched on November 24, 2015

***** The Plan was launched on January 26, 2016

***** The Plan was launched on May 24, 2016

Aggressive Allocation Plan

The Aggressive Allocation Plan posted a total income of Rs. 52 million in FY16 as compared to Rs. 54 million last year. Total income comprised of dividend income, realized and unrealized gain on investments of Rs. 34 million, Rs. 2 million and Rs. 16 million respectively. After accounting for expenses of Rs. 1 million and an element of income and capital gains included in prices of units issued and less those in units redeemed of Rs. 1 million, the Fund posted a net income of Rs. 52 million. The net assets of the Fund as at June 30, 2016 were Rs. 443 million as compared to Rs. 356 million at the end of last year depicting a rise of 24%.

Moderate Allocation Plan

The Moderate Allocation Plan posted a total income of Rs. 37 million in FY16 as compared to Rs. 42 million last year. Total income comprised of dividend income and unrealized gain on investments of Rs. 34 and Rs. 5 million respectively. Realized loss was Rs. 2 million. After accounting for expenses of Rs. 1 million and an element of loss and capital loss included in prices of units issued and less those in units redeemed of Rs. 1 million, the Fund posted a net income of Rs. 36 million. The net assets of the Fund as at June 30, 2016 were Rs. 367 million as compared to Rs. 320 million at the end of last year depicting a rise of 14.55%.

Conservative Allocation Plan

The Conservative Allocation Plan posted a total income of Rs. 21 million in FY16 as compared to Rs. 42 million last year. Total income comprised of dividend income on investments of Rs. 33 million while realized and unrealized loss were Rs. 8 million and Rs. 4 million respectively. After accounting for expenses of Rs. 1 million and an element of income and capital gains included in prices of units issued and less those in units redeemed of Rs. 3 million, the Fund posted a net income of Rs. 23 million. The net assets of the Fund as at June 30, 2016 were Rs. 327 million as compared to Rs. 237 million at the end of last year depicting a rise of 37.59%.

Meezan Capital Preservation Plan - I

Meezan Capital Preservation Plan-I posted a total income of Rs. 159 million during FY16. Total income comprised of dividend income and unrealized gain on investments of Rs. 130 million and Rs. 44 million respectively. Realized loss was Rs. 22 million while back end load income contributed Rs. 8 million to the income. After accounting for expenses of Rs. 4 million and an element of loss and capital loss included in prices of units issued and less those in units redeemed of Rs. 1 million, the Fund posted a net income of Rs. 154 million. The net assets of the Fund as at June 30, 2016 were Rs. 1,576 million as compared to Rs. 1,590 million at the end of last year depicting a decrease of 0.92%.

Meezan Capital Preservation Plan - II

Meezan Capital Preservation Plan-II posted a total income of Rs. 199 million during FY16. Total income comprised of dividend income and unrealized gain on investments of Rs. 221 million and Rs. 19 million respectively. Realized loss was Rs. 50 million while back end load income contributed Rs. 10 million to the income. After accounting for expenses of Rs. 8 million and an element of loss and capital loss included in prices of units issued and less those in units redeemed of Rs. 3 million, the Fund posted a net income of Rs. 189 million. The net assets of the Fund as at June 30, 2016 were Rs. 3,035 million as compared to Rs. 3,082 million at the end of last year depicting a decrease of 1.53%.

Meezan Asset Allocation Plan - I (MAAP-I)

Meezan Asset Allocation Plan-I posted a total income of Rs. 150 million during FY16. Total income comprised of dividend income, realized and unrealized gain on investments of Rs. 55 million, Rs. 18 million and Rs. 75 million respectively while profit on saving accounts at banks amounted to Rs. 2 million. After accounting for expenses of Rs. 3 million and an element of loss and capital loss included in prices of units issued and less those in units redeemed of Rs. 10 million, the Fund posted a net income of Rs. 137 million. The net assets of the Fund as at June 30, 2016 were Rs. 1,278 million.

Meezan Asset Allocation Plan - II (MAAP-II)

Meezan Asset Allocation Plan-II posted a total income of Rs. 118 million during FY16. Total income comprised of dividend income, realized and unrealized gain on investments of Rs. 39 million, Rs. 15 million and Rs. 63 million respectively. After accounting for expenses of Rs. 2 million and an element of income and capital gains included in prices of units issued and less those in units redeemed of Rs. 7 million, the Fund posted a net income of Rs. 123 million. The net assets of the Fund as at June 30, 2016 were Rs. 925 million.

Meezan Asset Allocation Plan - III (MAAP-III)

Meezan Asset Allocation Plan-III posted a total income of Rs. 329 million during FY16. Total income comprised of dividend income, realized and unrealized gain on investments of Rs. 125 million, Rs. 33 million and Rs. 171 million respectively. After accounting for expenses of Rs. 3 million and an element of income and capital gains included in prices of units issued and less those in units redeemed of Rs. 24 million, the Fund posted a net income of Rs. 350 million. The net assets of the Fund as at June 30, 2016 were Rs. 2,851 million.

Meezan Asset Allocation Plan - IV (MAAP-IV)

Meezan Asset Allocation Plan-IV posted a total income of Rs. 2 million during the year ended June 30, 2016. Total income comprised of dividend income on investments of Rs. 15 million while realized and unrealized loss were Rs. 0.10 million and Rs. 12 million respectively. After accounting for expenses of Rs. 0.10 million and an element of loss and capital loss included in prices of units issued and less those in units redeemed of Rs. 5 million, the Fund posted a net loss of Rs. 2 million. The net assets of the Fund as at June 30, 2016 were Rs. 532 million.

Distributions

The interim distribution in the form of cash dividend by the following plans of the Fund during the fiscal year ended June 30, 2016:

Plan	Cash dividend per Unit - Rs.	Cash dividend per Unit - %	Total amount of Distribution (million)
MFPF- Aggressive	6.00	12.00	32
MFPF- Moderate	6.25	12.50	30
MFPF- Conservative	5.90	11.80	26
MFPF- MCPP-I	3.90	7.80	105
MFPF- MCPP- II	2.70	5.40	155
MFPF- MAAP- I	1.80	3.60	42
MFPF- MAAP- II	2.65	5.30	43
MFPF- MAAP- III	2.70	5.40	137
MFPF- MAAP- IV	1.95	3.90	15

Breakdown of unit holdings by size

(As on June 30, 2016)

Breakdown of unit holdings by size									
Range (Units)	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV
	Number of Unit holders								
1 - 9,999	283	212	153	270	554	243	191	260	51
10,000 - 49,999	45	71	84	285	485	221	118	307	69
50,000 - 99,999	5	11	12	50	127	26	25	70	23
100,000 - 499,999	3	7	8	33	84	32	26	71	26
500,000 and above	4	2	1	8	13	7	5	18	2
Total	340	303	258	646	1,263	529	365	726	171



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor – Meezan Financial Planning Fund of Funds

August 03, 2016/Shawwal 28, 1437

Alhamdulillah, the period from July 01, 2015 to June 30, 2016 was the fourth year of operations of Meezan Financial Planning Fund of Funds (MFPPFOF) under management of Al Meezan Investment Management Limited (Al Meezan). We Meezan Bank Limited are the *Shari'ah* Advisor of the Fund and are issuing the report in accordance with clause 6.2.7 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the *Shari'ah* compliance of the Fund's activity.

In the capacity of *Shari'ah* Advisor, we have prescribed criteria and procedure to be followed in ensuring *Shari'ah* compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure *Shari'ah* compliance in line with the *Shari'ah* guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

- i. We have reviewed and approved the modes of investments of MFPPFOF in light of the *Shari'ah* guidelines.
- ii. All the provisions of the scheme and investments made on account of MFPPFOF by Al Meezan are *Shari'ah* compliant and in accordance with the criteria established.
- iii. On the basis of information provided by the management, all the operation of MFPPFOF for the year ended June 30, 2016 have been in compliance with *Shari'ah* principles.

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

Dr. Muhammad Imran Ashraf Usmani
For and on behalf of Meezan Bank Limited
Shari'ah Advisor

**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) and Clause 9 of Schedule V 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 year ended June 30, 2016 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, September 9, 2016



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR / PERIOD ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19.23 of Rule Book of Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Limited) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Management Company has applied the principles contained in the CCG in the following manner:

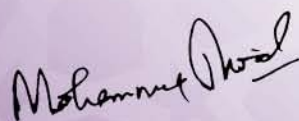
1. The Management Company encourages representation of independent non-executive directors. At present the board includes:

Category	Names
Independent Directors	Mr. P. Ahmed, Mr. Atif Azim Mr. Moin M. Fudda
Executive Director	Mohammad Shoaib, CFA - CEO
Non- Executive Directors	Mr. Ariful Islam Mr. Abdullah Ahmed Muhammad Syed Amir Ali Mr. Tasnimul Haq Farooqui Mr. Mazhar Sharif Syed Amir Ali Zaidi

The independent directors meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by the stock exchange.
4. During the year, no casual vacancy occurred on the Board of the Management Company.
5. The Management Company has prepared a "Code of conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the board.
8. The meetings of the board were presided over by the Chairman, and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Two members of the Board of Director of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to clause 5.19.7 of the CCG, whilst the three Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO of the Management Company before approval of the board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than that disclosed in the pattern of unit holding.
14. The Management Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises of three members, two members are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed a Human Resources and Remuneration Committee. It comprises of four members including CEO. All the other members, including chairman of the committee, are non-executive directors.
18. The board has set up an effective internal audit function.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Management Company / units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the NAV of Fund's units, was determined and intimated to directors, employees and stock exchange(s).
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with.



Mohammad Shoaib, CFA
Chief Executive
Dated: August 31, 2016
Karachi.



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

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Review Report to the Unitholders of Meezan Financial Planning Fund of Funds (“the Fund”) on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (“the Code”) prepared by the Board of Directors of Al Meezan Investment Management Limited (“Management Company”) of the Fund for the year ended 30 June 2016 to comply with the requirements contained in Clause No. 5.19 of Rule Book of the Pakistan Stock Exchange Limited (formerly Listing Regulation No. 35 of Karachi Stock Exchange Limited) where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund’s compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors’ statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Fund’s corporate governance procedures and risks.

The Code requires the Management Company of the Fund to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm’s length transactions and transactions which are not executed at arm’s length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm’s length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund’s compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2016.

Date: 31 AUG 2016

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants

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.



KPMG Taseer Hadi & Co.
Chartered Accountants
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Independent Auditors' Report to the Unitholders

Report on the Financial Statements

We have audited the accompanying financial statements of **Meezan Financial Planning Fund of Funds** ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2016, and the related income statement and statement of comprehensive income, distribution statement, cash flow statement, statement of movement in unitholders' fund for the year ended 30 June 2016, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2016, and of its financial performance, cash flows and transactions for the year ended 30 June 2016 in accordance with approved accounting standards as applicable in Pakistan.

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.



KPMG Taseer Hadi & Co.



Emphasis of Matter

We draw attention to note 1.8 to the financial statements, which states that the financial statements of Meezan Capital Preservation Plan I (MCPPI) and Meezan Capital Preservation Plan II (MCPPII) have not been prepared on going concern basis because these allocation plans will mature on 26 October 2016 and 25 March 2017. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Date: 31 AUG 2016

Karachi

KPMG Taseer Hadi & Co.

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

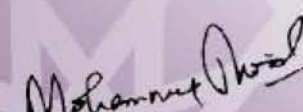
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2016

Note	2016										
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
	(Rupees in '000)										
Assets											
Balance with banks	4	1,250	8,622	2,701	11,454	5,398	8,009	21,477	11,225	48,753	118,889
Investments	5	448,568	366,770	294,927	1,591,746	3,061,757	1,282,841	913,648	2,862,723	443,913	11,266,893
Preliminary expenses and floatation cost	6	-	-	357	-	-	-	-	-	-	357
Receivable on issuance and conversion of units		956	351	33,854	-	-	-	-	-	59,215	94,376
Profit receivable on saving accounts with banks		22	18	9	29	16	14	33	80	176	397
Total assets		450,796	375,761	331,848	1,603,229	3,067,171	1,290,864	935,158	2,874,028	552,057	11,480,912
Liabilities											
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	7	468	539	547	4,581	9,647	3,386	1,912	7,015	3,888	31,983
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	8	35	26	29	112	205	92	67	205	21	792
Payable to Meezan Bank Limited (MBL)		3	-	-	-	-	-	-	-	1,035	1,038
Payable to Securities and Exchange Commission of Pakistan (SECP)	9	366	305	233	1,488	2,912	951	419	904	22	7,600
Payable on redemption and conversion of units		411	1,020	208	-	1	32	-	-	-	1,672
Dividend Payable		25	165	53	142	802	3,788	2,629	356	269	8,229
Accrued expenses and other liabilities	10	6,619	7,105	4,122	21,260	18,970	4,709	4,904	14,541	14,889	97,119
Total liabilities		7,927	9,160	5,192	27,583	32,537	12,958	9,931	23,021	20,124	148,433
Net assets		442,869	366,601	326,656	1,575,646	3,034,634	1,277,906	925,227	2,851,007	531,933	11,332,479
Contingencies and Commitments											
Unitholders' fund (as per statement attached)	13	442,869	366,601	326,656	1,575,646	3,034,634	1,277,906	925,227	2,851,007	531,933	11,332,479
		(Number of units)									
Number of units in issue	14	6,036,493	5,612,498	5,380,605	28,317,037	59,824,077	23,650,020	16,899,207	52,765,904	10,985,112	
		(Rupees)									
Net assets value per unit		73.37	65.32	60.71	55.64	50.73	54.03	54.75	54.03	48.42	

The annexed notes 1 to 24 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

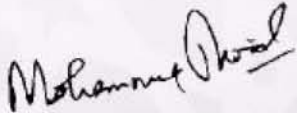
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2016

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

The annexed notes 1 to 24 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoalb, CFA
Chief Executive


Mazhar Sharif
Director

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR / PERIOD ENDED JUNE 30, 2016

		For the year ended June 30, 2016									
		For the period from July 10, 2015 to June 30, 2016		For the period from November 27, 2015 to June 30, 2016		For the period from January 26, 2016 to June 30, 2016		For the period from May 25, 2016 to June 30, 2016		Total	
Note		Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
		(Rupees in '000)									
Income											
		2,866	3,102	1,355	35,077	75,676	18,374	14,566	33,301	207	184,524
		(1,265)	(4,629)	(9,108)	(57,371)	(125,993)	(581)	-	(519)	(1,204)	(200,670)
		33,776	34,068	32,896	129,676	220,756	54,740	39,288	124,605	14,817	684,622
		-	-	-	7,547	9,709	2,016	235	155	-	19,662
		95	147	210	228	182	665	407	772	180	2,886
		35,472	32,688	25,353	115,157	180,330	75,214	54,496	158,314	14,000	691,024
	5.1	16,462	4,508	(4,108)	43,914	18,860	74,917	63,294	170,835	(11,597)	377,085
		51,934	37,196	21,245	159,071	199,190	150,131	117,790	329,149	2,403	1,068,109
Expenses											
	7.1	38	125	109	81	36	97	164	172	25	847
	7.2 & 7.3	12	40	36	26	12	32	53	56	8	275
	7.4	218	178	132	833	1,648	663	438	952	23	5,085
	8	302	251	192	1,226	2,400	781	342	737	18	6,249
	8.1	42	35	27	172	336	109	48	103	3	875
	9	366	305	233	1,488	2,912	951	419	904	22	7,600
	11	21	18	14	127	169	54	25	24	1	453
		10	9	10	27	49	22	12	23	-	162
	6	-	-	200	-	-	-	-	-	-	200
		10	9	7	45	88	6	-	-	-	165
		3	3	3	2	-	3	2	5	-	21
		14	12	5	57	119	7	2	3	-	219
		1,036	985	968	4,084	7,769	2,725	1,505	2,979	100	22,151
		50,898	36,211	20,277	154,987	191,421	147,406	116,285	326,170	2,303	1,045,958
		1,226	(663)	2,796	(763)	(2,849)	(10,477)	7,158	23,584	(4,758)	15,254
		52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212
	19	-	-	-	-	-	-	-	-	-	-
		52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212
		-	-	-	-	-	-	-	-	-	-
		52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212

The annexed notes 1 to 24 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

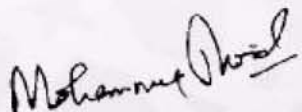
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR / PERIOD ENDED JUNE 30, 2016

Note	For the year ended June 30, 2015			For the period from September 01, 2014 to June 30, 2015	For the period from December 15, 2014 to June 30, 2015	Total	
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II		
(Rupees in '000)							
Income							
Realised gain on sale of investments	11,767	11,577	15,155	42,168	57,216	137,883	
Realised loss on sale of investments	(355)	(138)	(4)	(28,582)	(137,558)	(166,637)	
Dividend income	-	-	-	1,012	60,443	61,455	
Back end load income	-	-	-	1,012	582	1,594	
Profit on saving accounts with banks	227	258	344	1,009	1,526	3,364	
	11,639	11,697	15,495	16,619	(17,791)	37,659	
Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss' (net)	5.1	42,171	30,353	26,499	101,204	10,737	210,964
Total income	53,810	42,050	41,994	117,823	(7,054)	248,623	
Expenses							
Remuneration to Al Meezan - Management Company	7.1	47	64	49	123	236	519
Sindh Sales Tax and Federal Excise Duty on Management Fee	7.2 & 7.3	15	21	17	41	84	178
Remuneration to CDC - Trustee	8	294	275	348	960	942	2,819
Annual fee to SECP	9	327	307	386	1,114	1,124	3,258
Auditors' remuneration	11	33	46	26	81	72	258
Fees and subscription		10	8	11	-	-	29
Preliminary expenses and floatation cost	6	-	-	200	-	-	200
Bank and settlement charges		225	243	171	3,365	3,628	7,632
Printing charges		2	2	2	2	1	9
Provision for Workers' Welfare Fund (WWF)	12	1,028	780	443	2,353	282	4,886
Total expenses		1,981	1,746	1,653	8,039	6,369	19,788
Net income from operating activities		51,829	40,304	40,341	109,784	(13,423)	228,835
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(1,447)	(2,078)	(18,638)	5,513	27,089	10,439
Net income for the year / period before taxation		50,382	38,226	21,703	115,297	13,666	239,274
Taxation	19	-	-	-	-	-	-
Net income for the year / period after taxation		50,382	38,226	21,703	115,297	13,666	239,274
Other comprehensive income for the year / period		-	-	-	-	-	-
Total comprehensive income for the year / period		50,382	38,226	21,703	115,297	13,666	239,274

The annexed notes 1 to 24 form an integral part of these financial statements.

For Al Meezan Investment Management Limited (Management Company)


Mohammad Shoaib, CFA
 Chief Executive


Mazhar Sharif
 Director

DISTRIBUTION STATEMENT

FOR THE YEAR / PERIOD ENDED JUNE 30, 2016

	For the year ended June 30, 2016									
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)									
Undistributed income brought forward										
- Realised	61,683	35,241	29,192	14,093	2,929	-	-	-	-	143,138
- Unrealised	42,171	30,353	26,499	101,204	10,737	-	-	-	-	210,964
	103,854	65,594	55,691	115,297	13,666	-	-	-	-	354,102
Final distribution for the year ended										
June 30, 2015 - cash dividend:										
MCPP-I @ 0.04% i.e. Rs. 0.02 per unit (June 30, 2014: nil)	-	-	-	(590)	-	-	-	-	-	(590)
MCPP-II @ 0.10% i.e. Rs. 0.05 per unit (June 30, 2014: nil)	-	-	-	-	(3,068)	-	-	-	-	(3,068)
Interim distribution for the year / period ended										
June 30, 2016 - cash dividend:										
Aggressive @ 12.00% i.e. Rs. 6.00 per unit (June 30, 2015: nil)	(32,171)									(32,171)
Moderate @ 12.50% i.e. Rs. 6.25 per unit (June 30, 2015: nil)		(29,806)								(29,806)
Conservative @ 11.80% i.e. Rs. 5.90 per unit (June 30, 2015: nil)			(26,105)							(26,105)
MCPP-I @ 7.80% i.e. Rs. 3.90 per unit (June 30, 2015: nil)				(104,539)						(104,539)
MCPP-II @ 5.40% i.e. Rs. 2.70 per unit (June 30, 2015: nil)					(155,478)					(155,478)
MAAP-I @ 3.60% i.e. Rs. 1.80 per unit (June 30, 2015: nil)						(41,524)				(41,524)
MAAP-II @ 5.30% i.e. Rs. 2.65 per unit (June 30, 2015: nil)							(43,176)			(43,176)
MAAP-III @ 5.40% i.e. Rs. 2.70 per unit (June 30, 2015: nil)								(137,042)		(137,042)
MAAP-IV @ 3.90% i.e. Rs. 1.95 per unit (June 30, 2015: nil)									(14,868)	(14,868)
Total distribution	(32,171)	(29,806)	(26,105)	(105,129)	(158,546)	(41,524)	(43,176)	(137,042)	(14,868)	(588,367)
Net income / (loss) for the year / period	52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212
Undistributed income / accumulated (loss) carried forward	123,807	71,336	52,659	164,392	43,692	95,405	80,267	212,712	(17,323)	826,947
Undistributed income / accumulated (loss) carried forward										
- Realised	107,345	66,828	56,767	120,478	24,832	20,488	16,973	41,877	(5,726)	449,862
- Unrealised	16,462	4,508	(4,108)	43,914	18,860	74,917	63,294	170,835	(11,597)	377,085
	123,807	71,336	52,659	164,392	43,692	95,405	80,267	212,712	(17,323)	826,947

The annexed notes 1 to 24 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director


DISTRIBUTION STATEMENT

FOR THE YEAR / PERIOD ENDED JUNE 30, 2016

	For the year ended June 30, 2015			For the period from September 01, 2014 to June 30, 2015	For the period from December 15, 2014 to June 30, 2015	Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	
	(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
Distribution for the year / period	-	-	-	-	-	-
Net income for the year / period	50,382	38,226	21,703	115,297	13,666	239,274
Undistributed income carried forward	103,854	65,594	55,691	115,297	13,666	354,102
Undistributed income carried forward						
- Realised	61,683	35,241	29,192	14,093	2,929	143,138
- Unrealised	42,171	30,353	26,499	101,204	10,737	210,964
	103,854	65,594	55,691	115,297	13,666	354,102

The annexed notes 1 to 24 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

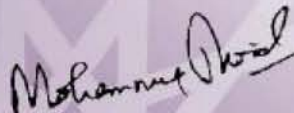
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

FOR THE YEAR / PERIOD ENDED JUNE 30, 2016

	For the year ended June 30, 2016									
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)									
Net assets at beginning of the year / period	356,415	320,046	237,421	1,590,238	3,081,799	-	-	-	-	5,585,919
Issue of units:										
Aggressive: 1,921,950 units										
Moderate: 3,289,938 units										
Conservative: 3,570,197 units										
MCPP I: nil										
MCPP II: nil										
MAAP I: 26,587,494 units										
MAAP II: 16,476,099 units										
MAAP III: 53,284,514 units										
MAAP IV: 10,734,592 units										
Issue of units for re-investment of cash dividend:										
Aggressive: 383,320 units										
Moderate: 383,390 units										
Conservative: 378,877 units										
MCPP I: 1,509,548 units										
MCPP II: 2,246,983 units										
MAAP I: 582,681 units										
MAAP II: 606,233 units										
MAAP III: 2,010,680 units										
MAAP IV: 271,807 units										
Redemption of units:										
Aggressive: 1,356,071 units										
Moderate: 3,038,616 units										
Conservative: 2,443,167 units										
MCPP I: 2,691,336 units										
MCPP II: 3,785,579 units										
MAAP I: 3,520,155 units										
MAAP II: 183,125 units										
MAAP III: 2,529,290 units										
MAAP IV: 21,287 units										
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	67,727	40,150	95,063	(64,450)	(80,040)	1,172,024	852,118	2,661,879	544,498	5,288,969
Realised gain on sale of investments	2,866	3,102	1,355	35,077	75,676	18,374	14,566	33,301	207	184,524
Realised loss on sale of investments	(1,265)	(4,629)	(9,108)	(57,371)	(125,993)	(581)	-	(519)	(1,204)	(200,670)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss (net)	16,462	4,508	(4,108)	43,914	18,860	74,917	63,294	170,835	(11,597)	377,085
Net other income for the year / period	34,061	32,567	34,934	132,604	220,029	44,219	45,583	146,137	10,139	700,273
Total comprehensive income for the year / period	52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212
Final distribution for the year ended June 30, 2015 - cash dividend	-	-	-	(590)	(3,058)	-	-	-	-	(3,658)
Interim distribution for the year / period ended June 30, 2016 - cash dividend	(32,171)	(29,806)	(26,105)	(104,539)	(155,478)	(41,524)	(43,176)	(137,042)	(14,868)	(584,709)
Total distribution for the year / period	(32,171)	(29,806)	(26,105)	(105,129)	(158,546)	(41,524)	(43,176)	(137,042)	(14,868)	(588,367)
Net income for the year / period less distribution	19,953	5,742	(3,032)	49,095	30,026	95,405	80,267	212,712	(17,323)	472,845
Net assets at end of the year / period	442,869	366,601	326,656	1,575,646	3,034,634	1,277,906	925,227	2,851,007	531,933	11,332,479
Net assets value per unit at beginning of the year / period	70.06	64.29	61.27	53.91	50.22	-	-	-	-	-
Net assets value per unit at end of the year / period	73.37	65.32	60.71	55.64	50.73	54.03	54.75	54.03	48.42	-

The annexed notes 1 to 24 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive



Mazhar Sharif
Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR / PERIOD ENDED JUNE 30, 2016

	For the year ended June 30, 2015			For the period from September 01, 2014 to June 30, 2015	For the period from December 15, 2014 to June 30, 2015	Total
	Aggressive	Moderate	Conservative	M CPP-I	M CPP-II	
(Rupees in '000)						
Net assets at beginning of the year / period	330,020	255,369	341,276	-	-	926,665
Issue of units Aggressive: 3,042,818, Moderate: 6,698,042, Conservative: 7,131,374, M CPP I: 32,012,746, M CPP II: 63,265,040	196,929	410,410	410,577	1,608,693	3,193,111	5,819,720
Redemption of units Aggressive: 3,441,565, Moderate: 6,230,878, Conservative: 9,386,384, M CPP I: 2,513,921, M CPP II: 1,902,367	(222,363)	(386,037)	(554,773)	(128,239)	(97,889)	(1,389,301)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	(25,434)	24,373	(144,196)	1,480,454	3,095,222	4,430,419
Realised gain on sale of investments	1,447	2,078	18,638	(5,513)	(27,089)	(10,439)
Realised loss on sale of investments	11,767	11,577	15,155	42,168	57,216	137,883
Unrealised appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	(355)	(138)	(4)	(28,582)	(137,558)	(166,637)
Net other income for the year / period	42,171	30,353	26,499	101,204	10,737	210,964
Total comprehensive income for the year / period	(3,201)	(3,566)	(19,947)	507	83,271	57,064
Total distribution for the year / period	50,382	38,226	21,703	115,297	13,666	239,274
Net income for the year / period less distribution	-	-	-	-	-	-
Net assets at end of the year / period	50,382	38,226	21,703	115,297	13,666	239,274
(Rupees)						
Net assets value per unit at beginning of the year / period	60.16	56.62	55.68	-	-	-
Net assets value per unit at end of the year / period	70.06	64.29	61.27	53.91	50.22	-

The annexed notes 1 to 24 form an integral part of these financial statements.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

CASH FLOW STATEMENT

FOR THE YEAR / PERIOD ENDED JUNE 30, 2016

		For the year ended June 30, 2016										
		For the period from July 10, 2015 to June 30, 2016		For the period from November 27, 2015 to June 30, 2016		For the period from January 26, 2016 to June 30, 2016		For the period from May 25, 2016 to June 30, 2016		Total		
Note		Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
		(Rupees in '000)										
CASH FLOWS FROM OPERATING ACTIVITIES												
	Net income / (loss) for the year / period	52,124	35,548	23,073	154,224	188,572	136,929	123,443	349,754	(2,455)	1,061,212	
	Adjustments for											
	Unrealised (appreciation) / diminution on re - measurement of investments - 'at fair value through profit or loss' (net)	5.1 (16,462)	(4,508)	4,108	(43,914)	(18,860)	(74,917)	(63,294)	(170,835)	11,597	(377,085)	
	Preliminary expenses and floatation costs	-	-	200	-	-	-	-	-	-	200	
	Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed (net)	(1,226)	663	(2,796)	763	2,849	10,477	(7,158)	(23,584)	4,758	(15,254)	
		34,436	31,703	24,585	111,073	172,561	72,489	52,991	155,335	13,900	669,073	
	(Increase) / Decrease in assets											
	Investments (net)	(83,978)	13,609	59,307	47,708	47,491	(1,207,924)	(850,354)	(2,691,888)	(455,510)	(5,121,539)	
	Profit receivable on saving accounts with bank	-	48	33	7	(6)	(14)	(33)	(80)	(176)	(221)	
		(83,978)	13,657	59,340	47,715	47,485	(1,207,938)	(850,387)	(2,691,968)	(455,686)	(5,121,760)	
	Increase / (decrease) in liabilities											
	Payable to Al Meezan - Management Company	45	124	124	44	117	3,386	1,912	7,015	3,888	16,655	
	Payable to the CDC - Trustee	8	1	(6)	8	11	92	67	205	21	407	
	Payable to MBL	(1)	(2)	-	-	-	-	-	-	1,035	1,032	
	Payable to SECP	39	(2)	(153)	374	1,788	951	419	904	22	4,342	
	Accrued expenses and other liabilities	3,825	4,919	2,506	18,850	18,615	4,709	4,904	14,541	14,889	87,758	
		3,916	5,040	2,471	19,276	20,531	9,138	7,302	22,665	19,855	110,194	
	Net cash (used in) / generated from operating activities	(45,626)	50,400	86,396	178,064	240,577	(1,126,311)	(790,094)	(2,513,968)	(421,931)	(4,342,493)	
CASH FLOWS FROM FINANCING ACTIVITIES												
	Proceeds against issuance and conversion of units	179,663	269,066	216,497	84,557	116,771	1,365,013	861,991	2,794,539	492,599	6,380,696	
	Payments against redemption and conversion of units	(105,157)	(325,219)	(311,377)	(149,007)	(196,811)	(192,957)	(9,873)	(132,660)	(7,316)	(1,430,377)	
	Dividend paid	(32,143)	(29,641)	(26,052)	(104,987)	(157,744)	(37,736)	(40,547)	(136,686)	(14,599)	(580,135)	
	Net cash generated from / (used in) financing activities	42,363	(85,794)	(120,932)	(169,437)	(237,784)	1,134,320	811,571	2,525,193	470,684	4,370,184	
	Net (decrease) / increase in cash and cash equivalents during the year / period	(3,263)	(35,394)	(34,536)	8,627	2,793	8,009	21,477	11,225	48,753	27,691	
	Cash and cash equivalents at beginning of the year / period	4,513	44,016	37,237	2,827	2,605	-	-	-	-	91,198	
	Cash and cash equivalents at end of the year / period	4	1,250	8,622	2,701	11,454	5,398	8,009	21,477	11,225	48,753	118,889

The annexed notes 1 to 24 form an integral part of these financial statements.

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



Mohammad Shoab, CFA
Chief Executive



Mazhar Sharif
Director


CASH FLOW STATEMENT

FOR THE YEAR / PERIOD ENDED JUNE 30, 2016

Note	For the year ended June 30, 2015			For the period from September 01, 2014 to June 30, 2015	For the period from December 15, 2014 to June 30, 2015	Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the year / period	50,382	38,226	21,703	115,297	13,666	239,274
Adjustments for						
Unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss' (net)	5.1 (42,171)	(30,353)	(26,499)	(101,204)	(10,737)	(210,964)
Preliminary expenses and floatation costs	-	-	200	-	-	200
Element of (income) / loss and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	1,447	2,078	18,638	(5,513)	(27,089)	(10,439)
	9,658	9,951	14,042	8,580	(24,160)	18,071
Decrease / (increase) in assets						
Investments (net)	20,882	(94,157)	7,682	(1,494,336)	(3,079,651)	(4,639,580)
Profit receivable on saving accounts with bank	6	(52)	(31)	(36)	(10)	(123)
	20,888	(94,209)	7,651	(1,494,372)	(3,079,661)	(4,639,703)
(Decrease) / increase in liabilities						
Payable to AI Meezan - Management Company	(33)	127	176	4,537	9,530	14,337
Payable to the CDC - Trustee	(4)	5	(1)	104	194	298
Payable to MBL	1	-	-	-	-	1
Payable to SECP	52	134	73	1,114	1,124	2,497
Accrued expenses and other liabilities	998	1,148	509	2,410	355	5,420
	1,014	1,414	757	8,165	11,203	22,553
Net cash generated from / (used in) operating activities	31,560	(82,844)	22,450	(1,477,627)	(3,092,618)	(4,599,079)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds against issuance and conversion of units	184,575	386,826	410,556	1,608,693	3,193,111	5,783,761
Payments against redemption and conversion of units	(217,592)	(266,618)	(399,624)	(128,239)	(97,888)	(1,109,961)
Net cash (used in) / generated from financing activities	(33,017)	120,208	10,932	1,480,454	3,095,223	4,673,800
Net (decrease) / increase in cash and cash equivalents during the year / period	(1,457)	37,364	33,382	2,827	2,605	74,721
Cash and cash equivalents at beginning of the year / period	5,970	6,652	3,855	-	-	16,477
Cash and cash equivalents at end of the year / period	4,513	44,016	37,237	2,827	2,605	91,198

The annexed notes 1 to 24 form an integral part of these financial statements.

For AI Meezan Investment Management Limited (Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR / PERIOD ENDED JUNE 30, 2016

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 Limited (formerly Karachi Stock Exchange Limited). Units are offered for public subscription on a continuous basis except for six plans Meezan Capital Preservation Plan-I (MCPPI), Meezan Capital Preservation Plan-II (MCPPII), Meezan Asset Allocation Plan-I (MAAP-I), Meezan Asset Allocation Plan-II (MAAP-II), Meezan Asset Allocation Plan-III (MAAP-III) and Meezan Asset Allocation Plan-IV (MAAP-IV) in which the offer of units is discontinued after the end of the subscription period, however the subscription in units may be reopened for fresh issuance by the Management Company with prior approval of the Commission after intimation to the Trustee and by providing notice to investors in order to protect the interest of the unitholders. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund. The fund property of different types of allocation plans shall be accounted for and maintained separately in books of accounts, which shall collectively constitute the Fund property of the Scheme.
- 1.5** The Management Company of the Fund has been given quality rating of AM2++ by JCR-VIS Credit Rating Company Limited.
- 1.6** In the current year, four new plans (i.e. MAAP-I, MAAP-II, MAAP-III and MAAP-IV) were introduced.
- 1.7** 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, MCPPI, MCPPII, MAAP-I, MAAP-II, MAAP-III and MAAP-IV 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. 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.
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 after the close of the subscription period (i.e. March 26, 2015) . Units shall be subject to front end load and back end load. An early exit fee shall also be charged in case of redemption before the completion of the initial maturity of the plan.
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 along 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.
Meezan Asset Allocation Plan III (MAAP-III)	<i>Low risk - High return along 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. March 30, 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.
Meezan Asset Allocation Plan IV (MAAP-IV)	<i>Low risk - High return along 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. July 22, 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.

- 1.8** According to the offering document of Meezan Capital Preservation Plan I (MCPPI-I) and Meezan Capital Preservation Plan II (MCPPI-II), the initial maturity of the plans are October 26, 2016 and March 25, 2017 respectively. Resultantly, the financial information have not been prepared on a going concern basis. Therefore, the assets and liabilities are measured at lower of their carrying amount and fair value less cost to sell.

After the initial maturity on October 26, 2016 and March 25, 2017, 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 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 in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis except for investments classified as 'at fair value through profit or loss' which is measured at fair value and the financial statements of MCPP - I and MCPP - II which have not been prepared on a going concern basis. Therefore, the assets and liabilities of these plans are measured at lower of their carrying amount and fair value less cost to sell.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

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

- a) Classification and valuation of financial instruments (notes 3.1 and 5);
- b) Amortization of preliminary expenses and floatation costs (note 3.6 and 6);
- c) Recognition of provision for Workers' Welfare Fund (note 12);
- d) Taxation (note 3.8.1 and 19).

2.5 New, amended and revised standards and interpretations of IFRSs

During the 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 note 18 to these financial statements.

2.6 Standard, 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 01 July 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization 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 financial statements.
- 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 1 January 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 financial statements.
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 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 financial statements.
- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 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 financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company 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 financial statements.
- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Fund's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are not likely to have an impact on Fund's financial statements.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on Fund's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 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 when servicing arrangements on continuing involvement in transferred financial assets in cases 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 IFRS7)' 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 Funds's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

3.1.1 Classification

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

(a) Financial instruments as at 'fair value through profit or loss'

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

Financial instruments as 'at fair value through profit or loss' are measured at fair value, and changes therein are recognised in Income Statement.

All derivatives in a net receivable position (positive fair value), are reported as financial assets held for trading. All derivatives in a net payable position (negative fair value), are reported as financial liabilities held for trading.

(b) Loans and receivables

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

3.1.2 Regular way contracts

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

3.1.3 Recognition

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

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

3.1.4 Measurement

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

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

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

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

3.1.5 Fair value measurement principles

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

3.1.6 Derecognition

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

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

3.1.7 Offsetting of financial instruments

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

3.2 Unitholders' fund

Unitholders' fund of each allocation plan representing the units issued by each respective sub fund separately, is carried at the redemption amount representing the investors' right to a residual interest in the respective sub fund's net assets.

3.3 Issuance and redemption of units

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

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

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

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

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

3.5 Provisions

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

3.6 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, brokerage paid to the members of the stock exchange and other expenses. These costs are being amortized over a period of five years commencing from April 10, 2013 in accordance with the Trust Deed of the Fund and NBFC Regulations, 2008.

3.7 Net assets value per Unit

The net assets value (NAV) per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of each allocation plan by the number of units in issue of the respective allocation plan at the year end.

3.8 Taxation

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

Current

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

Deferred

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

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

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

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

3.9 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- (ii) Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the date of book closure of the investee fund / institution declaring the dividend.
- (iii) Profit on bank deposit is recognized on time proportion basis using effective yield method.

3.10 Expenses

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

3.11 Cash and cash equivalents

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

3.12 Segment Reporting

Operating segments are reported in the manner consistent with the internal reporting used by the investment committee. The investment committee of the Management Company makes the strategic resource allocation on behalf of the Fund. The Fund has determined the operating segment based on the requirements of the Trust Deed and reports reviewed by its investment committee for taking strategic decisions. Therefore, the operating segments are Aggressive, Moderate, Conservative, MCPP I, MCPP II, MAAP I, MAAP II, MAAP III and MAAP IV. Segment wise assets, liabilities, revenues and operating results have been disclosed in the Statement of Assets and Liabilities and Income Statement and Statement of Comprehensive Income.

3.13 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.

3.14 Distribution

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

4. BALANCE WITH BANKS

		2016									
Note	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
(Rupees in '000)											
Saving accounts	4.1	1,250	8,622	2,701	11,454	5,398	8,009	21,477	11,225	48,753	118,889
		2015									
Note	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
(Rupees in '000)											
Saving accounts	4.1	4,513	44,016	37,237	2,827	2,605	-	-	-	-	91,198

4.1 The balance in savings accounts have an profit which ranges from 2.50% to 3.59% (2015: 3.50% to 5.50%) per annum.

5. INVESTMENTS

		2016									
Note	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
(Rupees in '000)											
Investments - 'at fair value through profit or loss' - held for trading	5.1	448,568	366,770	294,927	1,591,746	3,061,757	1,282,841	913,648	2,862,723	443,913	11,266,893
		2015									
Note	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
(Rupees in '000)											
Investments - 'at fair value through profit or loss' - held for trading		348,128	375,871	358,342	1,595,540	3,090,388	-	-	-	-	5,768,269

5.1 At fair value through profit or loss - Held for Trading - Units of mutual funds

Name of the investee funds	As at July 01, 2015	Purchases during the year/ period	Sales during the year/ period	As at June 30, 2016	Carrying value as at June 30, 2016	Market value as at June 30, 2016	Unrealised gain / (loss)	Percentage of total market value of total investment
	(Number of units)			(Rupees in '000)				%
Aggressive Allocation Plan								
Meezan Islamic Fund	3,987,725	1,699,615	944,892	4,742,448	292,130	313,997	21,867	70.00
Meezan Sovereign Fund	1,936,916	1,174,353	462,246	2,649,023	139,976	134,571	(5,405)	30.00
					432,106	448,568	16,462	100
Total cost of investments						371,153		
Moderate Allocation Plan								
Meezan Islamic Fund	3,075,363	1,490,991	1,796,604	2,769,750	171,804	183,385	11,581	50.00
Meezan Sovereign Fund	3,485,449	2,095,502	1,971,006	3,609,945	190,458	183,385	(7,073)	50.00
					362,262	366,770	4,508	100
Total cost of investments						338,756		
Conservative Allocation Plan								
Meezan Islamic Fund	1,465,973	727,555	1,079,922	1,113,606	69,285	73,732	4,447	25.00
Meezan Sovereign Fund	4,984,360	2,877,729	3,507,851	4,354,238	229,750	221,195	(8,555)	75.00
					299,035	294,927	(4,108)	100
Total cost of investments						282,808		
Meezan Capital Preservation Plan I								
Al Meezan Mutual Fund	-	6,325,869	6,325,869	-	-	-	-	-
Meezan Islamic Fund	20,807,623	13,746,230	19,873,403	14,680,450	913,312	971,993	58,681	61.06
Meezan Cash Fund	1,591,429	30,182,062	31,726,676	46,815	2,402	2,347	(55)	0.15
Meezan Sovereign Fund	4,529,964	43,234,157	35,610,459	12,153,662	632,118	617,406	(14,712)	38.79
					1,547,832	1,591,746	43,914	100
Total cost of investments						1,526,121		

Name of the investee funds	As at July 01, 2015	Purchases during the year/period	Sales during the year/period	As at June 30, 2016	Carrying value as at June 30, 2016	Market value as at June 30, 2016	Unrealised gain / (loss)	Percentage of total market value of total investment
	(Number of units)			(Rupees in '000)				%
Meezan Capital Preservation Plan II								
Al Meezan Mutual Fund	-	6,731,129	1,818,953	4,912,176	79,379	88,370	8,991	2.89
Meezan Islamic Fund	25,627,412	25,323,693	35,560,005	15,391,100	971,170	1,019,045	47,875	33.28
Meezan Cash Fund	21,072,974	49,329,322	70,402,296	-	-	-	-	-
Meezan Sovereign Fund	8,689,559	86,386,512	56,604,781	38,471,290	1,992,348	1,954,342	(38,006)	63.83
Meezan Islamic Income Fund	-	561,167	561,167	-	-	-	-	-
					3,042,897	3,061,757	18,860	100
Total cost of investments						3,039,646		
Meezan Asset Allocation Plan I								
Al Meezan Mutual Fund	-	3,263,441	-	3,263,441	53,559	58,709	5,150	4.59
Meezan Islamic Fund	-	21,408,494	5,230,327	16,178,167	996,848	1,071,156	74,308	83.49
Meezan Cash Fund	-	17,878,903	17,878,903	-	-	-	-	-
Meezan Sovereign Fund	-	22,788,255	19,776,950	3,011,305	157,517	152,976	(4,541)	11.92
Meezan Islamic Income Fund	-	13,269,035	13,269,035	-	-	-	-	-
					1,207,924	1,282,841	74,917	100
Total cost of investments						1,207,924		
Meezan Asset Allocation Plan II								
Meezan Islamic Fund	-	16,290,892	4,457,624	11,833,268	715,540	783,481	67,941	85.76
Meezan Sovereign Fund	-	3,716,683	2,840,126	876,557	45,832	44,529	(1,303)	4.87
Meezan Islamic Income Fund	-	19,291,436	17,621,433	1,670,003	88,982	85,638	(3,344)	9.37
					850,354	913,648	63,294	100
Total cost of investments						850,353		
Meezan Asset Allocation Plan III								
Al Meezan Mutual Fund	-	17,952,133	-	17,952,133	284,404	322,959	38,555	11.28
Meezan Islamic Fund	-	39,206,278	6,929,300	32,276,978	1,990,051	2,137,059	147,008	74.65
Meezan Islamic Income Fund	-	53,532,368	45,679,306	7,853,062	417,433	402,705	(14,728)	14.07
					2,691,888	2,862,723	170,835	100
Total cost of investments						2,691,888		
Meezan Asset Allocation Plan IV								
Meezan Islamic Fund	-	5,047,854	-	5,047,854	345,367	334,218	(11,149)	75.29
Meezan Islamic Income Fund	-	7,198,193	5,059,062	2,139,131	110,143	109,695	(448)	24.71
					455,510	443,913	(11,597)	100
Total cost of investments						455,510		
Total investments in units of mutual funds								
Al Meezan Mutual Fund	-	34,272,572	8,144,822	26,127,750	417,342	470,038	52,696	4.17
Meezan Islamic Fund	54,964,096	124,941,602	75,872,077	104,033,621	6,465,507	6,888,066	422,559	61.14
Meezan Cash Fund	22,664,403	97,390,287	120,007,875	46,815	2,402	2,347	(55)	0.02
Meezan Sovereign Fund	23,626,248	162,273,191	120,773,419	65,126,020	3,387,999	3,308,404	(79,595)	29.36
Meezan Islamic Income Fund	-	93,852,199	82,190,003	11,662,196	616,558	598,038	(18,520)	5.31
					10,889,808	11,266,893	377,085	100
Total cost of investments						10,308,649		

6. PRELIMINARY EXPENSES AND FLOATION COST

		2016									
		Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
		(Rupees in '000)									
Opening balance	Note	-	-	557	-	-	-	-	-	-	557
Less: Amortization during the year / period	6.1	-	-	200	-	-	-	-	-	-	200
Closing balance		-	-	357	-	-	-	-	-	-	357

		2015									
		(Rupees in '000)									
Opening balance		-	-	757	-	-	-	-	-	-	757
Less: Amortization during the year / period	6.1	-	-	200	-	-	-	-	-	-	200
Closing balance		-	-	557	-	-	-	-	-	-	557

- 6.1 Preliminary expenses and floatation cost represent expenditure incurred prior to the commencement of the operations of the Fund, restricted to one percent of pre-IPO Capital, and are being amortized over a period of five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund.

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

		2016									
		Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
		(Rupees in '000)									
Management fee	7.1	7	8	3	9	5	6	16	8	24	86
Sindh Sales Tax and Federal Excise Duty on Management fee	7.2 & 7.3	19	41	32	36	50	17	32	33	8	268
Sales load		42	49	30	-	-	7	-	6	1,137	1,271
Sindh Sales Tax and Federal Excise Duty on Sales Load	7.2 & 7.3	364	410	458	4,406	9,341	3,250	1,788	6,735	2,697	29,449
Allocated expense	7.4	36	31	24	130	251	106	76	233	22	909
		468	539	547	4,581	9,647	3,386	1,912	7,015	3,888	31,983

		2015									
		(Rupees in '000)									
Management Fee	7.1	4	23	6	5	69	-	-	-	-	107
Sindh Sales Tax and Federal Excise Duty on Management Fee	7.2 & 7.3	15	22	17	24	59	-	-	-	-	137
Sales load		60	45	15	-	-	-	-	-	-	120
Sindh Sales Tax and Federal Excise Duty on Sales Load	7.2 & 7.3	344	325	385	4,508	9,402	-	-	-	-	14,964
		423	415	423	4,537	9,530	-	-	-	-	15,328

- 7.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5 percent of average annual net assets in case of Fund of Funds Scheme. The remuneration of the Management Company has been charged at the rate of 1 percent per annum for the year / period ended 30 June 2016.
- 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 year / period SST at the rate of 14 percent (30 June 2015: 15 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 and sales load 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, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on 4 September 2013.

The SHC while disposing the Constitutional Petition No. D-3184 of 2014 relating to levy of FED on Mutual Funds has declared the said provisions to be ultra vires and as a result no FED is payable with effect from 01 July 2011. The Management Company, on abundant caution has not reversed the provision for FED recognized in the year / period, as they are of the view that the Federal Government still reserve the right to appeal against the said order.

Furthermore, the mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, effective from 1 July 2016, no provision of FED will be recognised in the financial statements of the Fund.

As a matter of abundant caution, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs. 0.018 million (June 30, 2015: Rs. 0.012 million), Rs. 0.036 million (June 30, 2015: Rs. 0.016 million), Rs. 0.031 million (June 30, 2015: Rs. 0.014 million), Rs. 0.033 million (June 30, 2015: Rs. 0.02 million) and Rs. 0.049 million (June 30, 2015: Rs. 0.043 million), Rs. 0.016 million, Rs. 0.026 million, 0.028 million and 0.004 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, Meezan Asset Allocation Plan II, Meezan Asset Allocation Plan III and Meezan Asset Allocation Plan IV respectively. Had the provision not being made, the impact on Net Assets Value per unit as at June 30, 2016 would not have been significant.

- 7.4** During the current year / period, a statutory notification (S.R.O. No. 1160 (I)/2015 dated November 25, 2015) was issued by the 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.

8. 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 year / period ended June 30, 2016 and 2015 has been calculated as per the following applicable tariff:

Net assets	Tariff
Up to 1 billion	0.10% per annum
Over 1 billion	Rs. 1 million plus 0.075% p.a. of Net Assets exceeding Rs. 1 billion

- 8.1** In the current year / 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.

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

This represents annual fee at the rate of 0.095 percent of the average annual net assets of the fund payable to SECP under regulation 62 read with Schedule II of NBFC Regulation 2008. Provided that for collective Investment Schemes which on quarterly average basis have at least 1,000 retail investors and more than 50% of Net Assets are held by individual investors, provided that the maximum investment by a single retail investor (considered eligible for calculating the threshold of 1,000) does not exceed 1% of the Net Assets shall pay the annual fee at the rate of 0.076% for the next three years from the date of notification of these regulations.

During the year, fees charges at the rate of 0.095%. The fee is payable to the SECP within three months of the close of the financial year.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

		2016									
		Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
Note		(Rupees in '000)									
	Auditors' remuneration	13	10	8	91	101	31	12	24	1	291
	Printing charges payable	-	1	-	1	1	1	2	2	-	8
	Withholding tax payable	3,906	5,278	2,656	18,797	18,533	4,662	4,880	14,492	1,362	74,566
12	Provision for Workers' Welfare Fund	2,694	1,745	1,452	2,353	282	-	-	-	-	8,526
	Zakat payable	2	67	2	-	13	-	-	-	-	84
	Shariah advisor fee payable	4	4	4	18	40	15	10	23	-	118
	Others	-	-	-	-	-	-	-	-	13,526	13,526
		6,619	7,105	4,122	21,260	18,970	4,709	4,904	14,541	14,889	97,119
		2015									
		(Rupees in '000)									
	Auditors' remuneration	14	18	16	54	68	-	-	-	-	170
	Printing charges payable	-	-	-	1	5	-	-	-	-	6
	Withholding tax payable	28	423	148	1	-	-	-	-	-	600
12	Provision for Workers' Welfare Fund	2,694	1,745	1,452	2,354	282	-	-	-	-	8,527
	Others	58	-	-	-	-	-	-	-	-	58
		2,794	2,186	1,616	2,410	355	-	-	-	-	9,361

11. AUDITORS' REMUNERATION

		2016									
		Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
		(Rupees in '000)									
	Statutory audit fee	11	10	8	87	91	26	10	19	1	263
	Half year review fee	7	6	4	28	55	21	12	-	-	133
	Certification fee	3	2	2	10	20	6	2	5	-	50
	Out of pocket expense	-	-	-	2	3	1	1	-	-	7
		21	18	14	127	169	54	25	24	1	453
		2015									
		(Rupees in '000)									
	Statutory audit fee	13	21	10	45	41	-	-	-	-	130
	Half year review fee	8	13	6	28	25	-	-	-	-	80
	Certification fee	11	10	9	6	4	-	-	-	-	40
	Out of pocket expense	1	2	1	2	2	-	-	-	-	8
		33	46	26	81	72	-	-	-	-	258

12. WORKERS' WELFARE FUND

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

During the year 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 SHC 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 SHC.

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 larger bench of 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, SHC has not addressed the other amendments made in WWF Ordinance, 1971 about applicability of WWF to the CISs which is still pending before the SHC.

The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company, as a matter of abundant caution, has recognised WWF charge for the period from January 1, 2013 to June 30, 2015 amounting to Rs. 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.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2016 and June 30, 2015.

14. NUMBER OF UNITS IN ISSUE

The movement in number of units in issue during the year / period is as follows:

	2016								
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV
	(Number of units)								
Total units in issue at beginning of the year / period	5,087,294	4,977,786	3,874,698	29,498,825	61,362,673	-	-	-	-
Units issued during the year / period	1,921,950	3,289,938	3,570,197	-	-	26,587,494	16,476,099	53,284,514	10,734,592
Units issued against re-investment of cash dividend during the year / period	383,320	383,390	378,877	1,509,548	2,246,983	582,681	606,233	2,010,680	271,807
Units redeemed during the year / period	(1,356,071)	(3,038,616)	(2,443,167)	(2,691,336)	(3,785,579)	(3,520,155)	(183,125)	(2,529,290)	(21,287)
Total units in issue at end of the year / period	6,036,493	5,612,498	5,380,605	28,317,037	59,824,077	23,650,020	16,899,207	52,765,904	10,985,112
	2015								
	(Number of units)								
Total units in issue at beginning of the year / period	5,486,041	4,510,622	6,129,708	-	-	-	-	-	-
Units issued during the year / period	3,042,818	6,698,042	7,131,374	32,012,746	63,265,040	-	-	-	-
Units redeemed during the year / period	(3,441,565)	(6,230,878)	(9,386,394)	(2,513,921)	(1,902,367)	-	-	-	-
Total units in issue at end of the year / period	5,087,294	4,977,786	3,874,698	29,498,825	61,362,673	-	-	-	-

15. 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 Islamic Income Fund, Meezan Balanced Fund, Meezan Capital Preservation Fund – III, Meezan Capital Preservation Fund – II, Meezan Gold Fund, Meezan Asset Allocation 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 / 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 year / period end are as follows:

	2016									
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)									
Al Meezan Investment Management Limited										
- Management Company										
Management fee payable	7	8	3	9	5	6	16	8	24	86
Sindh Sales Tax and Federal Excise Duty on Management fee	19	41	32	36	50	17	32	33	8	268
Sales load payable	42	49	30	-	-	7	-	6	1,137	1,271
Sindh Sales Tax and Federal Excise Duty on Sales load payable	364	410	458	4,406	9,341	3,250	1,788	6,735	2,697	29,449
Allocated expenses	36	31	24	130	251	106	76	233	22	909
Investment of 105,614 units - Conservative Allocation Plan	-	-	6,412	-	-	-	-	-	-	6,412
Investment of 2,791,385 units - MCPP I	-	-	-	155,313	-	-	-	-	-	155,313
Investment of 494,071 units - MAAP II	-	-	-	-	-	-	27,050	-	-	27,050
Investment of 2,568,004 units - MAAP III	-	-	-	-	-	-	-	138,749	-	138,749
Meezan Bank Limited										
Bank balance	185	8,157	2,584	11,454	5,398	7,999	21,477	11,225	48,753	117,232
Sales load payable	3	-	-	-	-	-	-	-	1,035	1,038
Profit Receivable	20	17	11	29	16	14	34	80	176	397
Investment of 3,964,321 units - MCPP II	-	-	-	-	201,110	-	-	-	-	201,110
Central Depository Company of Pakistan Limited - Trustee										
Trustee Fee payable	35	26	29	112	205	92	67	205	21	792
Directors and Executives of the Management Company										
Investment of 46,045 units - Aggressive Allocation Plan	3,378	-	-	-	-	-	-	-	-	3,378
Investment of 11,986 units - Moderate Allocation Plan	-	783	-	-	-	-	-	-	-	783
Investment of 11,410 units - Conservative Allocation Plan	-	-	693	-	-	-	-	-	-	693
Investment of 22,667 units - MCPP I	-	-	-	1,261	-	-	-	-	-	1,261
Investment of 311,840 units - MCPP II	-	-	-	-	15,820	-	-	-	-	15,820
Investment of 4,011 units - MAAP I	-	-	-	-	-	217	-	-	-	217
Meezan Islamic Fund										
Investment of 4,742,448 units - Aggressive Allocation Plan	313,997	-	-	-	-	-	-	-	-	313,997
Investment of 2,769,750 units - Moderate Allocation Plan	-	183,385	-	-	-	-	-	-	-	183,385
Investment of 1,113,606 units - Conservative Allocation Plan	-	-	73,732	-	-	-	-	-	-	73,732
Investment of 14,680,450 units - MCPP I	-	-	-	971,993	-	-	-	-	-	971,993
Investment of 15,391,100 units - MCPP II	-	-	-	-	1,019,045	-	-	-	-	1,019,045
Investment of 16,178,167 units - MAAP I	-	-	-	-	-	1,071,156	-	-	-	1,071,156
Investment of 11,833,268 units - MAAP II	-	-	-	-	-	-	783,481	-	-	783,481
Investment of 32,276,978 units - MAAP III	-	-	-	-	-	-	-	2,137,059	-	2,137,059
Investment of 5,047,845 units - MAAP IV	-	-	-	-	-	-	-	-	334,218	334,218

	2016									Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
	(Rupees in '000)									
Meezan Sovereign Fund										
Investment of 2,649,023 units - Aggressive Allocation Plan	134,571	-	-	-	-	-	-	-	-	134,571
Investment of 3,609,945 units - Moderate Allocation Plan	-	183,385	-	-	-	-	-	-	-	183,385
Investment of 4,354,238 units - Conservative Allocation Plan	-	-	221,195	-	-	-	-	-	-	221,195
Investment of 12,153,662 units - MCPP I	-	-	-	617,406	-	-	-	-	-	617,406
Investment of 38,471,290 units - MCPP II	-	-	-	-	1,954,342	-	-	-	-	1,954,342
Investment of 3,011,305 units - MAAP I	-	-	-	-	-	152,976	-	-	-	152,976
Investment of 876,557 units - MAAP II	-	-	-	-	-	-	44,529	-	-	44,529
Meezan Cash Fund										
Investment of 46,815 units - MCPP I	-	-	-	2,347	-	-	-	-	-	2,347
Al Meezan Mutual Fund										
Investment of 4,912,176 units - MCPP II	-	-	-	-	88,370	-	-	-	-	88,370
Investment of 3,263,441 units - MAAP I	-	-	-	-	-	58,709	-	-	-	58,709
Investment of 17,952,133 units - MAAP III	-	-	-	-	-	-	322,959	-	-	322,959
Meezan Islamic Income Fund										
Investment of 1,670,003 units - MAAP II	-	-	-	-	-	-	85,638	-	-	85,638
Investment of 7,853,062 units - MAAP III	-	-	-	-	-	-	-	402,705	-	402,705
Investment of 2,139,131 units - MAAP IV	-	-	-	-	-	-	-	-	109,695	109,695
Unit Holders holding 10% or more units of the Fund	133,948	93,088	33,000	173,361	-	215,059	165,839	-	-	814,295

	2015									Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
	(Rupees in '000)									
Al Meezan Investment Management Limited										
- Management Company										
Management Fee payable	4	23	6	5	69	-	-	-	-	107
Sindh Sales Tax and Federal Excise Duty on Management Fee	15	22	17	24	59	-	-	-	-	137
Sales load payable	60	45	15	-	-	-	-	-	-	120
Sindh Sales Tax and Federal Excise Duty on Sales load payable	344	325	325	4,508	9,402	-	-	-	-	14,904
Investment of 98,437 units - Conservative Allocation Plan	-	-	6,031	-	-	-	-	-	-	6,031
Investment of 2,651,209 units - MCPP I	-	-	-	142,927	-	-	-	-	-	142,927
Meezan Bank Limited										
Bank balance	4,414	43,921	37,126	2,827	2,605	-	-	-	-	90,893
Sales load payable	1	2	-	-	-	-	-	-	-	3
Profit Receivable	19	63	39	36	10	-	-	-	-	167
Investment of 3,964,321 units - MCPP II	-	-	-	-	199,088	-	-	-	-	199,088
Central Depository Company of Pakistan Limited - Trustee										
Trustee Fee payable	27	25	35	104	194	-	-	-	-	385
Directors and Executives of the Management Company										
Investment of 13,528 units - Aggressive Allocation Plan	948	-	-	-	-	-	-	-	-	948
Investment of 11,788 units - Moderate Allocation Plan	-	758	-	-	-	-	-	-	-	758
Investment of 10,492 units - Conservative Allocation Plan	-	-	643	-	-	-	-	-	-	643
Investment of 21,315 units - MCPP I	-	-	-	1,149	-	-	-	-	-	1,149
Investment of 297,324 units - MCPP II	-	-	-	-	14,932	-	-	-	-	14,932
Meezan Islamic Fund										
Investment of 3,987,725 units - Aggressive Allocation Plan	243,690	-	-	-	-	-	-	-	-	243,690
Investment of 3,075,363 units - Moderate Allocation Plan	-	187,935	-	-	-	-	-	-	-	187,935
Investment of 1,465,973 units - Conservative Allocation Plan	-	-	89,586	-	-	-	-	-	-	89,586
Investment of 20,807,623 units - MCPP I	-	-	-	1,271,553	-	-	-	-	-	1,271,553
Investment of 25,627,412 units - MCPP II	-	-	-	-	1,566,091	-	-	-	-	1,566,091

For the year ended June 30, 2016

	For the period from July 10, 2015 to June 30, 2016	For the period from November 27, 2015 to June 30, 2016	For the period from January 26, 2016 to June 30, 2016	For the period from May 25, 2016 to June 30, 2016	Total					
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)									
Sale of 944,892 units - Aggressive Allocation Plan	59,980	-	-	-	-	-	-	-	-	59,980
Sale of 1,796,604 units - Moderate Allocation Plan	-	112,243	-	-	-	-	-	-	-	112,243
Sale of 1,079,922 units - Conservative Allocation Plan	-	-	66,987	-	-	-	-	-	-	66,987
Sale of 19,873,403 units - MCPP I	-	-	-	1,183,552	-	-	-	-	-	1,183,552
Sale of 35,560,005 units - MCPP II	-	-	-	-	2,087,888	-	-	-	-	2,087,888
Sale of 5,230,327 units - MAAP I	-	-	-	-	-	324,000	-	-	-	324,000
Sale of 4,457,624 units - MAAP II	-	-	-	-	-	-	275,000	-	-	275,000
Sale of 6,929,300 units - MAAP III	-	-	-	-	-	-	-	434,000	-	434,000
Dividend received	22,027	15,301	6,581	87,761	101,024	45,689	33,418	91,154	13,189	416,144
Meezan Sovereign Fund										
Purchase of 1,174,353 units - Aggressive Allocation Plan	60,199	-	-	-	-	-	-	-	-	60,199
Purchase of 2,095,502 units - Moderate Allocation Plan	-	107,935	-	-	-	-	-	-	-	107,935
Purchase of 2,877,729 units - Conservative Allocation Plan	-	-	148,540	-	-	-	-	-	-	148,540
Purchase of 43,234,157 units - MCPP I	-	-	-	2,231,195	-	-	-	-	-	2,231,195
Purchase of 86,386,512 units - MCPP II	-	-	-	-	4,453,710	-	-	-	-	4,453,710
Purchase of 22,788,255 units - MAAP I	-	-	-	-	-	1,170,067	-	-	-	1,170,067
Purchase of 3,716,683 units - MAAP II	-	-	-	-	-	-	193,943	-	-	193,943
Sale of 462,246 units - Aggressive Allocation Plan	23,993	-	-	-	-	-	-	-	-	23,993
Sale of 1,971,006 units - Moderate Allocation Plan	-	101,561	-	-	-	-	-	-	-	101,561
Sale of 3,507,851 units - Conservative Allocation Plan	-	-	178,748	-	-	-	-	-	-	178,748
Sale of 35,610,459 units - MCPP I	-	-	-	1,842,757	-	-	-	-	-	1,842,757
Sale of 56,604,781 units - MCPP II	-	-	-	-	2,927,566	-	-	-	-	2,927,566
Sale of 19,776,950 units - MAAP I	-	-	-	-	-	1,015,624	-	-	-	1,015,624
Sale of 2,840,126 units - MAAP II	-	-	-	-	-	-	149,524	-	-	149,524
Dividend received	11,750	18,767	26,315	41,814	115,880	6,492	1,889	-	-	222,907
Meezan Cash Fund										
Purchase of 30,182,062 units - MCPP I	-	-	-	1,536,930	-	-	-	-	-	1,536,930
Purchase of 49,329,322 units - MCPP II	-	-	-	-	2,504,395	-	-	-	-	2,504,395
Purchase of 17,878,903 units - MAAP I	-	-	-	-	-	906,714	-	-	-	906,714
Sale of 31,726,676 units - MCPP I	-	-	-	1,623,991	-	-	-	-	-	1,623,991
Sale of 70,402,296 units - MCPP II	-	-	-	-	3,594,445	-	-	-	-	3,594,445
Sale of 17,878,903 units - MAAP I	-	-	-	-	-	909,257	-	-	-	909,257
Dividend received	-	-	-	101	-	-	-	-	-	101
Al Meezan Mutual Fund										
Purchase of 6,325,869 units - MCPP I	-	-	-	103,000	-	-	-	-	-	103,000
Purchase of 6,731,130 units - MCPP II	-	-	-	-	108,852	-	-	-	-	108,852
Purchase of 3,263,441 units - MAAP I	-	-	-	-	-	53,559	-	-	-	53,559
Purchase of 17,952,133 units - MAAP III	-	-	-	-	-	-	-	284,404	-	284,404
Sale of 6,325,869 units - MCPP I	-	-	-	98,873	-	-	-	-	-	98,873
Sale of 1,818,953 units - MCPP II	-	-	-	-	29,269	-	-	-	-	29,269
Dividend received	-	-	-	-	3,852	2,559	-	14,079	-	20,491
Meezan Islamic Income Fund										
Purchase of 561,167 units - MCPP II	-	-	-	-	30,000	-	-	-	-	30,000
Purchase of 13,269,035 units - MAAP I	-	-	-	-	-	691,257	-	-	-	691,257
Purchase of 19,291,436 units - MAAP II	-	-	-	-	-	-	1,016,005	-	-	1,016,005
Purchase of 53,532,368 units - MAAP III	-	-	-	-	-	-	-	2,839,372	-	2,839,372
Purchase of 7,198,193 units - MAAP IV	-	-	-	-	-	-	-	-	381,627	381,627
Sale of 561,167 units - MCPP II	-	-	-	30,000	-	-	-	-	-	30,000
Sale of 13,269,035 units - MAAP I	-	-	-	-	695,776	-	-	-	-	695,776
Sale of 17,621,433 units - MAAP II	-	-	-	-	-	928,652	-	-	-	928,652
Sale of 45,679,306 units - MAAP III	-	-	-	-	-	-	2,428,825	-	-	2,428,825
Sale of 5,059,062 units - MAAP IV	-	-	-	-	-	-	-	270,488	-	270,488
Dividend received	-	-	-	-	-	3,981	19,372	1,627	-	24,981

	For the year ended June 30, 2015				For the period from September 01, 2014 to June 30, 2015	For the period from December 15, 2014 to June 30, 2015					Total
	Aggressive	Moderate	Conservative	MCPP-I	MCPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV		
Al Meezan Investment Management Limited											
- Management Company											
Remuneration for the year / period	47	64	49	123	236	-	-	-	-	-	519
Sindh Sales Tax and Federal Excise Duty on Management Fee	15	21	17	41	84	-	-	-	-	-	178
Units issued: 2,651,209 units - MCPP I	-	-	-	133,000	-	-	-	-	-	-	133,000
Units redeemed: 2,000,000 units - Conservative Allocation Plan	-	-	122,540	-	-	-	-	-	-	-	122,540
Meezan Bank Limited											
Profit on saving account	227	258	344	1,009	1,526	-	-	-	-	-	3,364
Units issued: 3,964,321 units - MCPP II	-	-	-	-	200,000	-	-	-	-	-	200,000
Central Depository Company of Pakistan Limited											
- Trustee											
Trustee fee	294	275	348	960	942	-	-	-	-	-	917
Directors and Executives of the Management Company											
Units issued: 9,105 units - Aggressive Allocation Plan	621	-	-	-	-	-	-	-	-	-	621
Units issued: 5,343 units - Moderate Allocation Plan	-	310	-	-	-	-	-	-	-	-	310
Units issued: 1,207 units - Conservative Allocation Plan	-	-	70	-	-	-	-	-	-	-	70
Units issued: 21,315 units - MCPP I	-	-	-	1,073	-	-	-	-	-	-	1,073
Units issued: 297,324 units - MCPP II	-	-	-	-	15,000	-	-	-	-	-	15,000
Units redeemed: 8,910 units - Aggressive Allocation Plan	549	-	-	-	-	-	-	-	-	-	549
Units redeemed: 4,592 units - Moderate Allocation Plan	-	276	-	-	-	-	-	-	-	-	276
Units redeemed: 1,207 units - Conservative Allocation Plan	-	-	71	-	-	-	-	-	-	-	71
Meezan Islamic Fund											
Purchase of 1,710,043 units - Aggressive Allocation Plan	93,989	-	-	-	-	-	-	-	-	-	93,989
Purchase of 2,373,939 units - Moderate Allocation Plan	-	133,293	-	-	-	-	-	-	-	-	133,293
Purchase of 1,440,048 units - Conservative Allocation Plan	-	-	76,710	-	-	-	-	-	-	-	76,710
Purchase of 37,483,260 units - MCPP I	-	-	-	2,080,138	-	-	-	-	-	-	2,080,138
Purchase of 64,850,238 units - MCPP II	-	-	-	-	3,815,409	-	-	-	-	-	3,815,409
Sale of 2,276,201 units - Aggressive Allocation Plan	126,002	-	-	-	-	-	-	-	-	-	126,002
Sale of 1,800,180 units - Moderate Allocation Plan	-	102,182	-	-	-	-	-	-	-	-	102,182
Sale of 1,663,589 units - Conservative Allocation Plan	-	-	93,682	-	-	-	-	-	-	-	93,682
Sale of 16,675,637 units - MCPP I	-	-	-	896,500	-	-	-	-	-	-	896,500
Sale of 39,222,826 units - MCPP II	-	-	-	-	2,201,000	-	-	-	-	-	2,201,000
Transaction cost paid - Aggressive Allocation Plan	221	-	-	-	-	-	-	-	-	-	221
Transaction cost paid - Moderate Allocation Plan	-	238	-	-	-	-	-	-	-	-	238
Transaction cost paid - Conservative Allocation Plan	-	-	169	-	-	-	-	-	-	-	169
Transaction cost paid - MCPP I	-	-	-	3,362	-	-	-	-	-	-	3,362
Transaction cost paid - MCPP II	-	-	-	-	3,619	-	-	-	-	-	3,619
Meezan Sovereign Fund											
Purchase of 1,008,898 units - Aggressive Allocation Plan	52,721	-	-	-	-	-	-	-	-	-	52,721
Purchase of 2,746,285 units - Moderate Allocation Plan	-	143,660	-	-	-	-	-	-	-	-	143,660
Purchase of 4,507,010 units - Conservative Allocation Plan	-	-	232,834	-	-	-	-	-	-	-	232,834
Purchase of 20,492,959 units - MCPP I	-	-	-	1,089,010	-	-	-	-	-	-	1,089,010
Purchase of 82,759,037 units - MCPP II	-	-	-	-	4,372,200	-	-	-	-	-	4,372,200
Sale of 1,014,368 units - Aggressive Allocation Plan	53,001	-	-	-	-	-	-	-	-	-	53,001
Sale of 1,750,547 units - Moderate Allocation Plan	-	92,053	-	-	-	-	-	-	-	-	92,053
Sale of 4,567,092 units - Conservative Allocation Plan	-	-	238,694	-	-	-	-	-	-	-	238,694
Sale of 15,962,995 units - MCPP I	-	-	-	849,792	-	-	-	-	-	-	849,792
Sale of 74,069,478 units - MCPP II	-	-	-	-	3,931,032	-	-	-	-	-	3,931,032
Meezan Cash Fund											
Purchase of 44,048,088 units - MCPP I	-	-	-	2,271,204	-	-	-	-	-	-	2,271,204
Purchase of 71,240,338 units - MCPP II	-	-	-	-	3,754,086	-	-	-	-	-	3,754,086
Sale of 42,456,659 units - MCPP I	-	-	-	2,213,310	-	-	-	-	-	-	2,213,310
Sale of 50,167,364 units - MCPP II	-	-	-	-	2,665,900	-	-	-	-	-	2,665,900
Al Meezan Mutual Fund											
Purchase of 22,153,847 units - MCPP II	-	-	-	-	374,460	-	-	-	-	-	374,460
Sale of 22,153,847 units - MCPP II	-	-	-	-	358,228	-	-	-	-	-	358,228

16. 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, interest rate risk and currency 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:

16.1 Credit risk

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

Credit risk arises from deposits with banks and financial institutions, profit receivable on bank deposits, credit exposure arising as a result, dividends receivable on mutual fund units, receivable on conversion and issuance of units and receivable against sale of investments and investment in mutual funds.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. Credit risk on dividend receivable is minimal due to statutory protection. Further, all transactions in fund are executed only in underlying funds, thus the risk of default is considered to be minimal. In accordance with the risk management policy of the Fund, the investment committee monitors the credit position on a daily basis which is reviewed by the Board of Directors 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 June 30, 2016 and 2015 is tabulated below:

	2016									
	Aggressive	Moderate	Conservative	MCPPI-I	MCPPI-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
FINANCIAL ASSETS	(Rupees in '000)									
Balances with banks	1,250	8,622	2,701	11,454	5,398	8,009	21,477	11,225	48,753	118,889
Investment in mutual funds	448,568	366,770	294,927	1,591,746	3,061,757	1,282,841	913,648	2,862,723	443,913	11,266,893
Receivable on issuance and conversion of units	956	351	33,854	-	-	-	-	-	59,215	94,376
Profit receivable on saving accounts	22	18	9	29	16	14	33	80	176	397
	450,796	375,761	331,491	1,603,229	3,067,171	1,290,864	935,158	2,874,028	552,057	11,480,555
	2015									
FINANCIAL ASSETS	(Rupees in '000)									
Balances with banks	4,513	44,016	37,237	2,827	2,605	-	-	-	-	91,198
Investment in mutual funds	348,128	375,871	358,342	1,595,540	3,090,388	-	-	-	-	5,768,269
Receivable on issuance and conversion of units	12,354	23,584	21	-	-	-	-	-	-	35,959
Profit receivable on saving accounts	22	66	42	36	10	-	-	-	-	176
	365,017	443,537	395,642	1,598,403	3,093,003	-	-	-	-	5,895,602

16.1.1 The percentage of bank balances along with credit ratings are tabulated below:

	Rating agency	2016		2015	
		(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
AA+	PACRA	321	0.27	219	0.24
AA	JCR-VIS	118,538	99.70	90,979	99.76
A+	JCR-VIS	30	0.25	-	-
		118,889	100	91,198	100

None of the financial assets were considered to be past due or impaired as on June 30, 2016.

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

16.2 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 investments are considered to be readily realisable as they are all listed on stock exchange of the country. The Fund manages the liquidity risk by investing assets in highly liquid financial assets.

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 of Aggressive Allocation Plan, Moderate Allocation Plan, Conservative Allocation Plan, Meezan Capital Preservation Plan I, Meezan Capital Preservation Plan II, Meezan Asset Allocation Plan I, Meezan Asset Allocation Plan II, Meezan Asset Allocation Plan III and Meezan Asset Allocation Plan IV. However, no such borrowing has been obtained during the year / 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 defer redemption request has been exercised by the Fund during the year.

An analysis of the Fund's liabilities into relevant maturity grouping as at June 30, 2016 and 2015 is tabulated below:

	Maturity upto				2016	2015
	Three months	Six months	One year	More than one year	Total	Total Maturity up to three months
	(Rupees in '000)					
Aggressive						
Payable to AI Meezan - Management Company	468	-	-	-	468	423
Payable to CDC - Trustee	35	-	-	-	35	27
Payable to MBL	3	-	-	-	3	1
Payable on redemption and conversion of units	411	-	-	-	411	5,030
Dividend Payable	25	-	-	-	25	-
Accrued expenses and other liabilities	17	-	-	-	17	72
	959	-	-	-	959	5,553
Moderate						
Payable to AI Meezan - Management Company	539	-	-	-	539	415
Payable to CDC - Trustee	26	-	-	-	26	25
Payable to MBL	-	-	-	-	-	2
Payable on redemption and conversion of units	1,020	-	-	-	1,020	120,556
Dividend Payable	165	-	-	-	165	-
Accrued expenses and other liabilities	15	-	-	-	15	18
	1,765	-	-	-	1,765	121,016
Conservative						
Payable to AI Meezan - Management Company	547	-	-	-	547	423
Payable to CDC - Trustee	29	-	-	-	29	35
Payable on redemption and conversion of units	208	-	-	-	208	156,318
Dividend Payable	53	-	-	-	53	-
Accrued expenses and other liabilities	12	-	-	-	12	16
	849	-	-	-	849	156,792

	Maturity upto				2016	2015
	Three months	Six months	One year	More than one year	Total	Total Maturity up to three months
(Rupees in '000)						
MCPP I						
Payable to Al Meezan - Management Company	4,581	-	-	-	4,581	4,537
Payable to CDC - Trustee	112	-	-	-	112	104
Dividend Payable	142	-	-	-	142	-
Accrued expenses and other liabilities	110	-	-	-	110	55
	4,945	-	-	-	4,945	4,696
MCPP II						
Payable to Al Meezan - Management Company	9,647	-	-	-	9,647	9,530
Payable to CDC - Trustee	205	-	-	-	205	194
Payable on redemption and conversion of units	1	-	-	-	1	1
Dividend Payable	802	-	-	-	802	-
Accrued expenses and other liabilities	142	-	-	-	142	73
	10,797	-	-	-	10,797	9,798
MAAP-I						
Payable to Al Meezan - Management Company	3,386	-	-	-	3,386	-
Payable to CDC - Trustee	92	-	-	-	92	-
Payable on redemption and conversion of units	32	-	-	-	32	-
Dividend Payable	3,788	-	-	-	3,788	-
Accrued expenses and other liabilities	47	-	-	-	47	-
	7,345	-	-	-	7,345	-
MAAP-II						
Payable to Al Meezan - Management Company	1,912	-	-	-	1,912	-
Payable to CDC - Trustee	67	-	-	-	67	-
Payable on redemption and conversion of units	-	-	-	-	-	-
Dividend Payable	2,629	-	-	-	2,629	-
Accrued expenses and other liabilities	24	-	-	-	24	-
	4,632	-	-	-	4,632	-
MAAP-III						
Payable to Al Meezan - Management Company	7,015	-	-	-	7,015	-
Payable to CDC - Trustee	205	-	-	-	205	-
Payable on redemption and conversion of units	-	-	-	-	-	-
Dividend Payable	356	-	-	-	356	-
Accrued expenses and other liabilities	49	-	-	-	49	-
	7,625	-	-	-	7,625	-
MAAP-IV						
Payable to Al Meezan - Management Company	3,888	-	-	-	3,888	-
Payable to CDC - Trustee	21	-	-	-	21	-
Payable on redemption and conversion of units	-	-	-	-	-	-
Dividend Payable	269	-	-	-	269	-
Accrued expenses and other liabilities	13,527	-	-	-	13,527	-
	17,705	-	-	-	17,705	-

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

16.3 Market Risk

16.3.1 Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, industry, environment and / or the economy in general. The 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 from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the investment committee in accordance

with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio.

The market risk is managed by monitoring exposure to marketable securities and by complying with the internal risk management policies and regulations laid down in NBFC Regulations, 2008.

Details of the Fund's investment portfolio exposed to price risk, at the reporting date are disclosed in note 5 to these financial statements. At June 30, 2016 the Fund's overall exposure to price risk is limited to investments in funds.

16.3.2 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 invests in income fund which are exposed to interest rate risk and which indirectly affect the interest rate risk of the Fund.

Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts. During the period ended June 30, 2016, the net income would have increased / (decreased) by Rs. 0.01 million (June 30, 2015: Rs. 0.05 million), Rs. 0.09 million (June 30, 2015: Rs. 0.44 million), Rs. 0.03 million (June 30, 2015: Rs. 0.37 million), Rs. 0.11 million (June 30, 2015: Rs. 0.03 million), Rs. 0.05 (June 30, 2015: Rs. 0.03 million), Rs. 0.08, Rs. 0.21, Rs. 0.11 and Rs. 0.49 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, Meezan Asset Allocation Plan II, Meezan Asset Allocation Plan III and Meezan Asset Allocation Plan IV respectively, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

Fair value interest rate risk

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

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

Effective yield / interest rate	As at 30 June 2016				Total
	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
	Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
On-balance sheet financial instruments					
Financial assets					
Balance with banks	2.5% to 3.59%	118,889	-	-	118,889
Investments		-	-	11,266,893	11,266,893
Receivable on issuance and conversion of units		-	-	94,376	94,376
Profit receivable on saving accounts with banks		-	-	397	397
		118,889	-	11,361,666	11,480,555
Financial liabilities					
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		-	-	31,983	31,983
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		-	-	792	792
Payable to Meezan Bank Limited (MBL)		-	-	1,038	1,038
Payable on redemption and conversion of units		-	-	1,672	1,672
Dividend Payable		-	-	8,229	8,229
Accrued expenses and other liabilities		-	-	417	417
		-	-	44,131	44,131
On-balance sheet gap		118,889	-	11,317,535	11,436,424
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		118,889	-	-	-
Cumulative interest rate sensitivity gap		118,889	118,889	118,889	

As at 30 June 2015

Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
On-balance sheet financial instruments					
Financial assets					
Balance with banks	3.50% to 5.50%	91,198	-	-	91,198
Investments		-	-	5,768,269	5,768,269
Receivable on issuance and conversion of units		-	-	35,959	35,959
Profit receivable on saving accounts with banks		-	-	176	176
		91,198	-	5,804,404	5,895,602
Financial liabilities					
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		-	-	15,328	15,328
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		-	-	385	385
Payable to Meezan Bank Limited (MBL)		-	-	3	3
Payable on redemption and conversion of units		-	-	281,905	281,905
Accrued expenses and other liabilities		-	-	234	234
		-	-	297,855	297,855
On-balance sheet gap		91,198	-	5,506,549	5,597,747
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap					
		-	-	-	-
Total interest rate sensitivity gap		91,198	-	-	-
Cumulative interest rate sensitivity gap		91,198	91,198	91,198	-

16.3.3 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.

17. 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 assets value per unit on the redemption date. The relevant movements are shown in the Statement of Movement in Unitholders' Fund.

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

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

The Fund meets the requirement of sub-regulation 54(3a) of 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.

18. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 or adverse terms.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the year end date.

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

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 financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

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

- Level 1: Quoted market price (unadjusted) in active markets for an identical assets or liabilities.
- Level 2: Inputs other than quoted prices included with in level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

June 30, 2016	Note	Carrying amount				Fair value				
		Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
Financial assets - measured at fair value										
		11,266,893	-	-	-	11,266,893	11,266,893	-	-	11,266,893
Financial assets - not measured at fair value										
	18.1	-	-	118,889	-	118,889	-	-	-	-
	18.1	-	94,376	-	-	94,376	-	-	-	-
	18.1	-	397	-	-	397	-	-	-	-
		<u>11,266,893</u>	<u>94,773</u>	<u>118,889</u>	<u>-</u>	<u>11,480,555</u>	<u>11,266,893</u>	<u>-</u>	<u>-</u>	<u>11,266,893</u>
Financial liabilities - not measured at fair value										
	18.1	-	-	-	31,983	31,983	-	-	-	-
	18.1	-	-	-	792	792	-	-	-	-
	18.1	-	-	-	1,038	1,038	-	-	-	-
	18.1	-	-	-	1,672	1,672	-	-	-	-
	18.1	-	-	-	8,229	8,229	-	-	-	-
	18.1	-	-	-	417	417	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>44,131</u>	<u>44,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

19. 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. 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 has distributed sufficient income of the Fund for the year ended June 30, 2016, as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

20. PERFORMANCE TABLE

	2016								
	Aggressive	Moderate	Conservative	M CPP-I	M CPP-II	MAAP-I	MAAP-II	MAAP-III	MAAP-IV
Net assets (Rs. '000)	442,869	366,601	326,656	1,575,646	3,034,634	1,277,906	925,227	2,851,007	531,933
Net assets value / redemption price per unit as at June 30 (Rs.) (Ex Distribution)	73.37	65.32	60.71	55.64	50.73	54.03	54.75	54.03	48.42
Offer price per unit as at June 30 (Rs.)	75.31	66.62	61.51	-	-	-	-	-	50.34
Highest offer price per unit (Rs.)	82.39	73.72	67.71	-	-	52.40	52.66	54.06	53.18
Lowest offer price per unit (Rs.)	69.40	64.90	61.02	-	-	50.13	51.98	50.68	49.33
Highest redemption price per unit (Rs.)	80.27	72.29	66.83	60.07	53.72	56.50	58.10	57.43	51.15
Lowest redemption price per unit (Rs.)	67.61	63.64	60.22	53.14	49.56	46.30	47.86	48.75	47.45
Distribution (%)	12.00	12.50	11.80	7.80	5.40	3.60	5.30	5.40	3.90
Dates of distribution (Interim)	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016	June 24, 2016
Average return (%)	13.30	11.30	8.70	10.50	6.50	11.70	14.80	13.50	0.70
	2015								
Net assets (Rs. '000)	356,415	320,046	237,421	1,590,238	3,081,799	-	-	-	-
Net assets value / redemption price per unit as at June 30 (Rs.) (Ex Distribution)	70.06	64.29	61.27	53.89	50.17	-	-	-	-
Offer price per unit as at June 30 (Rs.)	71.93	65.59	62.09	-	-	-	-	-	-
Highest offer price per unit (Rs.)	72.80	66.02	62.19	52.57	52.90	-	-	-	-
Lowest offer price per unit (Rs.)	59.41	56.32	55.93	-	-	-	-	-	-
Highest redemption price per unit (Rs.)	70.91	64.72	61.37	55.89	50.86	-	-	-	-
Lowest redemption price per unit (Rs.)	57.87	55.22	55.19	48.46	47.26	-	-	-	-
Distribution (%)	-	-	-	0.04	0.10	-	-	-	-
Dates of distribution (annual)	-	-	-	July 3, 2015	July 3, 2015	-	-	-	-
Average return (%)	16.50	13.60	10.10	7.8	0.4	-	-	-	-
	2014								
Net assets (Rupees in '000)	330,020	255,369	341,276	-	-	-	-	-	-
Net assets value / redemption price per unit as at June 30 (Rupees) (Ex Distribution)	60.16	56.62	55.68	-	-	-	-	-	-
Offer price per unit as at June 30 (Rupees)	61.78	57.76	56.43	-	-	-	-	-	-
Highest offer price per unit (Rupees)	65.66	61.21	58.10	-	-	-	-	-	-
Lowest offer price per unit (Rupees)	53.94	52.80	52.41	-	-	-	-	-	-
Highest redemption price per unit (Rupees)	63.94	60.00	57.33	-	-	-	-	-	-
Lowest redemption price per unit (Rupees)	52.51	51.76	51.71	-	-	-	-	-	-
Distribution (%)	8.50	7.80	4.10	-	-	-	-	-	-
Growth distribution (Rupees in '000)	7,956	4,908	3,301	-	-	-	-	-	-
Dates of distribution (Interim)	May 30, 2014	May 30, 2014	May 30, 2014	-	-	-	-	-	-
Growth distribution (Rupees in '000)	20,628	15,181	12,372	-	-	-	-	-	-
Total return (%)	22.10	17.30	12.60	-	-	-	-	-	-
	2013								
Net assets (Rupees in '000)	255,034	158,438	285,393	-	-	-	-	-	-
Net assets value / redemption price per unit as at June 30 (Rupees) (Ex Distribution)	52.79	51.61	51.28	-	-	-	-	-	-
Offer price per unit as at June 30 (Rupees)	54.22	52.65	51.97	-	-	-	-	-	-
Highest offer price per unit (Rupees)	57.88	55.39	53.08	-	-	-	-	-	-
Lowest offer price per unit (Rupees)	50.39	50.84	50.33	-	-	-	-	-	-
Highest redemption price per unit (Rupees)	56.35	54.29	52.38	-	-	-	-	-	-
Lowest redemption price per unit (Rupees)	49.06	49.83	49.67	-	-	-	-	-	-
Distribution (%)	3.40	3.30	1.20	-	-	-	-	-	-
Dates of distribution (annual)	July 08, 2013	July 08, 2013	July 08, 2013	-	-	-	-	-	-
Growth distribution (Rupees in '000)	7,956	4,908	3,301	-	-	-	-	-	-
Total return (%)	9.00	6.50	3.80	-	-	-	-	-	-

Investment portfolio composition of the Fund is as described in note 5.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may fluctuate as described in note 16.

21. INVESTMENT COMMITTEE MEMBERS

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

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoaib	Chief Executive Officer	CFA / MBA	Twenty six years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty years
Mr. Ahmed Hassan	VP Investments	CFA / MBA	Nine years
Mr. Ali Khan	VP Product development	CFA / FRM / MBA	Six years
Mr. Zain Malik	VP Investments	CFA level II / BBA	Seven years
Mr. Asif Imtiaz	Senior Manager	CFA / MBA - Finance	Eight years
Mr. Asmar Hamoodi	AVP Investments	BBA - Finance / CFA / ACCA	Four years
Mr. Imad Ansari	Head of Risk Management	B.S Actuarial Sciences & Risk Management / MBA - Finance	Eleven years

21.2 The Fund Manager of this Fund is Mr. Ahmed Hasan. Other Funds being managed by the Fund Manager are:

- Al Meezan Mutual Fund
- Meezan Asset Allocation Fund

22. DETAILS OF MEETINGS OF BOARD OF DIRECTORS

Name	Designation	Dates of Board of Directors Meetings and Directors' present therein					
		July 3, 2015	September 8, 2015	October 22, 2015	February 25, 2016	April 20, 2016	June 10, 2016
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P. Ahmed	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Moin M Fudda	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Atif Azim	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Tasnimul Haq Farooqui	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mazhar Sharif	Director	Yes	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali	Director	Yes	Yes	Yes	No	Yes	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Abdullah Ahmed	Director	Yes	Yes	Yes	Yes	Yes	Yes

23. PATTERN OF UNIT HOLDING

	AGGRESSIVE					
	2016			2015		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	335	186,606	42	469	127,005	36
Director	1	871	0	-	-	-
Retirement funds	3	121,452	27	3	107,218	30
Others	1	133,940	30	2	122,192	34
Total	340	442,869	100	474	356,415	100

MODERATE

	2016			2015		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	292	208,683	57	594	224,544	70
Insurance companies	1	41,006	11	-	-	-
Associated company	1	783	-	-	-	-
Retirement funds	3	60,825	17	3	41,829	13
Others	6	55,304	15	7	53,673	17
Total	303	366,601	100	604	320,046	100

CONSERVATIVE

	2016			2015		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	250	258,030	79	499	225,751	95
NBFC	1	6,412	2	-	-	-
Associated company	1	693	0	1	6,031	3
Retirement funds	4	61,239	19	1	5,169	2
Public limited companies	-	-	-	1	194	0
Others	2	283	0	2	276	0
Total	258	326,656	100	504	237,421	100

MCPP I

	2016			2015		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	609	671,104	43	685	745,552	47
NBFC	1	155,321	10	-	-	-
Insurance companies	2	202,177	13	2	186,036	12
Associated company	1	1,175	0	1	142,923	9
Retirement funds	21	190,326	12	21	178,058	11
Public limited companies	-	-	-	7	146,956	9
Others	12	355,544	23	6	190,713	12
Total	646	1,575,646	100	722	1,590,238	100

MCPP II

	2016			2015		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
Individuals	1,209	1,747,295	58	1,320	1,825,816	59
Insurance companies	3	52,240	2	3	49,700	2
Associated company / Director	2	216,912	6	1	199,099	7
Retirement funds	34	455,782	15	34	437,821	14
Public limited companies	-	-	-	4	308,591	10
Others	15	562,404	19	13	260,772	8
Total	1,263	3,034,634	100	1,375	3,081,799	100

Individual
Retirement funds
Director
Insurance
Others
Total

MAAP I		
2016		
Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
504	593,658	46
14	353,326	28
1	217	0
2	16,540	1
8	314,166	25
529	1,277,906	100

Individual
Retirement funds
Insurance
Associated company
Others
Total

MAAP II		
2016		
Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
343	407,266	44
14	282,733	31
2	17,023	2
1	27,050	3
5	191,154	21
365	925,227	100

Individual
Retirement funds
Associated company
Insurance
Others
Total

MAAP III		
2016		
Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
670	1,325,209	46
39	1,025,392	36
1	138,752	5
3	49,583	2
13	312,071	11
726	2,851,007	100

Individual
Retirement funds
Others
Total

MAAP IV		
2016		
Number of investors	Investment amount (Rupees in '000)	Percentage of total investment (Percentage)
168	484,252	91
2	43,659	8
1	4,021	1
171	531,933	100

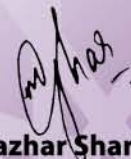
24. DATE OF AUTHORISATION FOR ISSUE / OTHERS

- 24.1** These financial statements were authorised for issue on August 31, 2016 by the Board of Directors of the Management Company.
- 24.2** There are no corresponding figures in Meezan Asset Allocation Plan I, Meezan Asset Allocation Plan II, Meezan Asset Allocation Plan III and Meezan Asset Allocation Plan IV as these plans commenced operations from July 10, 2015, November 27, 2015, January 26, 2016 and May 25, 2016 respectively.

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



**Mohammad Shoaib, CFA
Chief Executive**



**Mazhar Sharif
Director**

PATTERN OF HOLDINGS (UNITS) AS PER THE REQUIREMENT OF CODE OF CORPORATE GOVERNANCE

AS AT JUNE 30, 2016

Aggressive Allocation Plan

UNITS HELD BY	UNITS HELD	%
Directors Mohammad Shoaib	11,873	0.20
Individuals	2,518,160	41.72
Retirement Funds	1,655,448	27.42
Other corporate sector entities	1,851,011	30.66
Total	6,036,493	100.00

Moderate Allocation Plan

UNITS HELD BY	UNITS HELD	%
Directors Mohammad Shoaib	11,985	0.21
Individuals	3,194,841	56.92
Retirement Funds	931,201	16.59
Other corporate sector entities	1,474,471	26.27
Total	5,612,498	100.00

Conservative Allocation Plan

UNITS HELD BY	UNITS HELD	%
Associated Companies Al Meezan Investment Management Limited	105,614	1.96
Directors Mohammad Shoaib	11,410	0.21
Individuals	4,250,212	78.99
Retirement Funds	1,008,708	18.75
Other corporate sector entities	4,661	0.09
Total	5,380,605	100.00

Meezan Capital Preservation Plan - I

UNITS HELD BY	UNITS HELD	%
ASSOCIATED COMPANIES		
Al Meezan Investment Management Limited	2,791,385	9.86
Directors		
Tasnim Ul Haq Farooqui	21,117	0.07
Individuals	12,060,878	42.59
Retirement Funds	3,420,476	12.08
Other corporate sector entities	10,023,181	35.40
Total	28,317,037	100.00

Meezan Capital Preservation Plan - II

UNITS HELD BY	UNITS HELD	%
ASSOCIATED COMPANIES		
Meezan Bank Ltd.	3,964,321	6.63
Directors		
Ariful Islam	311,840	0.52
Individuals	34,445,773	57.58
Retirement Funds	8,985,187	15.02
Other corporate sector entities	12,116,956	20.25
Total	59,824,077	100.00

Meezan Asset Allocation Plan I

UNITS HELD BY	UNITS HELD	%
Directors Mazhar Sharif	4,011	0.02
Individuals	10,986,742	46.46
Retirement Funds	6,538,947	27.65
Other corporate sector entities	6,120,320	25.88
Total	23,650,020	100.00

Meezan Asset Allocation Plan II

UNITS HELD BY	UNITS HELD	%
Associated Companies Al Meezan Investment Management Limited	494,071	2.92
Individuals	7,438,686	44.02
Retirement Funds	5,164,105	30.56
Other corporate sector entities	3,802,344	22.50
Total	16,899,207	100.00

Meezan Asset Allocation Plan III

UNITS HELD BY	UNITS HELD	%
Associated Companies		
Al Meezan Investment Management Limited	2,568,004	4.87
Individuals	24,526,717	46.48
Retirement Funds	18,977,758	35.97
Other corporate sector entities	6,693,426	12.69
Total	52,765,904	100.00

Meezan Asset Allocation Plan IV

UNITS HELD BY	UNITS HELD	%
Individuals	10,000,440	91.04
Retirement Funds	901,624	8.21
Other corporate sector entities	83,048	0.76
Total	10,985,112	100.00





Meezan Capital Preservation Fund II

This fund intends to earn a potentially high return through dynamic asset allocation between Shariah Compliant equities and Shariah compliant income / money market based collective investment schemes.

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

REPORT OF THE FUND MANAGER

FOR THE YEAR ENDED JUNE 30, 2016

Meezan Capital Preservation Fund-II (MCPRF-II) is a capital preservation fund that invests in Shariah compliant fixed income and equity Mutual Funds.

The objective of MCPRF-II 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 fund follows a Constant Proportion Portfolio Insurance (CPPI) methodology which aims at taking advantage of a rising market while exposure is shifted to fixed income funds in order to preserve the principal when the stock market outlook is weak.

Investment Policy and Strategy

The benchmark of MCPRF-II is the rate of return on Bank Deposits for three Islamic Banks and KMI-30 in weight-ages of the Capital Protection and Investment Segments of the Fund respectively. The Fund Manager, Al Meezan Investment Management Limited, manages the fund with an aim to preserve investor's capital and provide them with high returns through investments in equity mutual funds.

During the fiscal year, the fund was scheduled to mature on June 28, 2016 but upon popular demand from almost 50% of the investors for continuation of the fund, SECP was approached with the request and an extension in maturity up till December 31, 2016 was approved by the Commission.

Asset Allocation

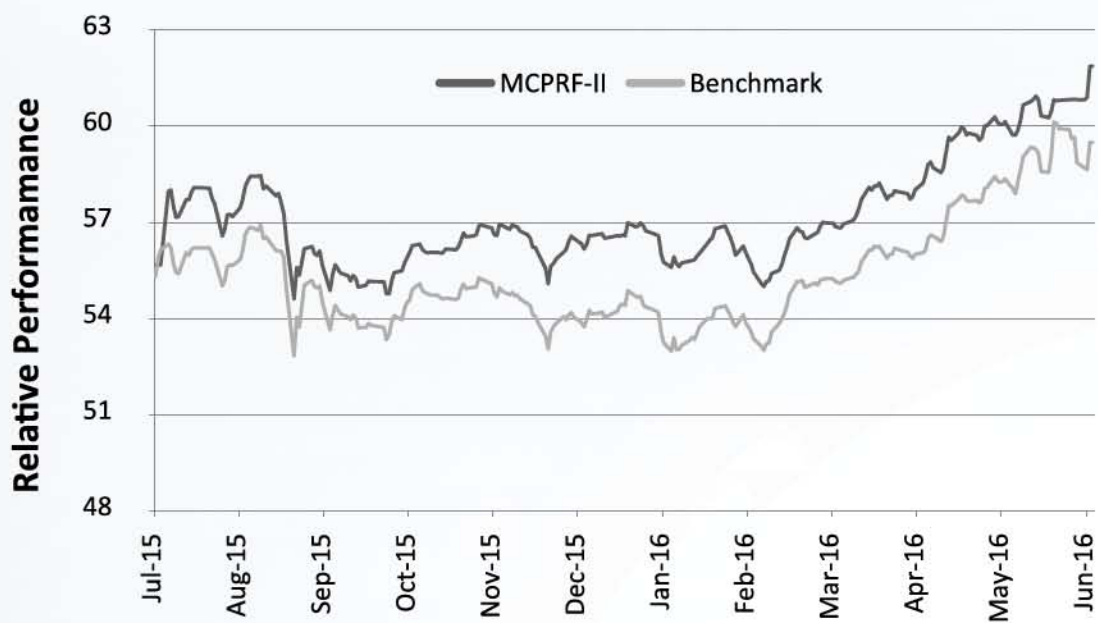
As on June 30, 2016, the fund's equity exposure was 70.51%, while 29.49% of the Net Assets was invested in Fixed Income Funds.

Performance Review

Meezan Capital Preservation Fund-II posted a total income of Rs. 234 million during FY16. Total income comprised of realized and unrealized gain on investments of Rs. 130 million and Rs. 21 million respectively. After accounting for expenses of Rs. 9 million and an element of loss and capital loss included in prices of units issued and less those in units redeemed of Rs. 102 million, the fund posted a net profit of Rs. 123 million. The net assets of the Fund as at June 30, 2016 were Rs. 1,221 million.

During the fiscal year 2016, Meezan Capital Preservation Fund-II (MCPRF-II) provided a return of 11.24% to its investors.

	MCPRF-II
Net Asset Value (NAV) as on June 30, 2015 - Rs	55.17
Net Asset Value (NAV) as on June 30, 2016 - Rs	61.38
Return During the Period (Dividend adjusted)	11.24%



Breakdown of unit holdings by size:

(As on June 30, 2016)

Range (Units)	No. of Investors
1 - 9,999	63
10,000 - 49,999	52
50,000 - 99,999	8
100,000 - 499,999	10
500,000 and above	8
Total	141



Meezan Bank
The Premier Islamic Bank

Report of the *Shari'ah* Advisor – Meezan Capital Preservation Fund-II

August 03, 2016/ Shawwal 28, 1437

In the capacity of *Shari'ah* Advisor, we have prescribed six criteria for *Shari'ah* compliance of equity investments which relate to (i) Nature of business, (ii) Interest bearing debt to total assets, (iii) Illiquid assets to total assets, (iv) Investment in non- *Shari'ah* compliant activities to Total assets (v) *Shari'ah* Non Compliant Income to Gross Revenue and (vi) Net liquid assets per share vs. share price.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure *Shari'ah* compliance in line with the *Shari'ah* guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

- i. We have reviewed and approved the modes of investments of MCPRF-II in light of *Shari'ah* requirements.
- ii. The capital preservation element of the fund is covered through the Constant Portfolio Protection Insurance method. Documents and procedure of this arrangement have been evaluated by us and found to be in compliance with the principles of *Shari'ah*. The capital is preserved through structure and not guaranteed.
- iii. On the basis of information provided by the management, all operations of MCPRF-II for the year ended June 30, 2016 have been in compliance with the *Shari'ah* principles.

In light of the above, we hereby certify that all the provisions of the Scheme and investments made on account of MCPRF-II under management of Al Meezan Investment Management Limited (Al Meezan) are *Shari'ah* compliant and in accordance with the criteria established by us.

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

Dr. Muhammad Imran Ashraf Usmani
For and on behalf of Meezan Bank Limited
Shariah Advisor

Page 1 of 1

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**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) and Clause 9 of Schedule V 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 year ended June 30, 2016 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, September 9, 2016



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19.23 of Rule Book of Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Limited) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Management Company has applied the principles contained in the CCG in the following manner:

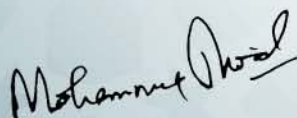
1. The Management Company encourages representation of independent non-executive directors. At present the board includes:

Category	Names
Independent Directors	Mr. P. Ahmed, Mr. Atif Azim Mr. Moin M. Fudda
Executive Director	Mohammad Shoaib, CFA - CEO
Non- Executive Directors	Mr. Ariful Islam Mr. Abdullah Ahmed Muhammad Syed Amir Ali Mr. Tasnimul Haq Farooqui Mr. Mazhar Sharif Syed Amir Ali Zaidi

The independent directors meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by the stock exchange.
4. During the year, no casual vacancy occurred on the Board of the Management Company.
5. The Management Company has prepared a "Code of conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the board.
8. The meetings of the board were presided over by the Chairman, and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Two members of the Board of Director of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to clause 5.19.7 of the CCG, whilst the three Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO of the Management Company before approval of the board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than that disclosed in the pattern of unit holding.
14. The Management Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises of three members, two members are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed a Human Resources and Remuneration Committee. It comprises of four members including CEO. All the other members, including chairman of the committee, are non-executive directors.
18. The board has set up an effective internal audit function.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Management Company / units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the NAV of Fund's units, was determined and intimated to directors, employees and stock exchange(s).
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with.



Mohammad Shoaib, CFA
Chief Executive
Dated: August 31, 2016
Karachi.



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

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Review Report to the Unitholders of Meezan Capital Preservation Fund II (“the Fund”) on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (“the Code”) prepared by the Board of Directors of Al Meezan Investment Management Limited (“Management Company”) of the Fund for the year ended 30 June 2016 to comply with the requirements contained in Clause No. 5.19 of Rule Book of the Pakistan Stock Exchange Limited (formerly Listing Regulation No. 35 of Karachi Stock Exchange Limited) where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund’s compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors’ statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Fund’s corporate governance procedures and risks.

The Code requires the Management Company of the Fund to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm’s length transactions and transactions which are not executed at arm’s length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm’s length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund’s compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2016.

Date: 31 AUG 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

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.



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Independent Auditors' Report to the Unitholders

Report on the Financial Statements

We have audited the accompanying financial statements of **Meezan Capital Preservation Fund – II** ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2016, and the related income statement and statement of comprehensive income, distribution statement, cash flow statement, statement of movement in unitholders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2016, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

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.



KPMG Taseer Hadi & Co.



Emphasis of Matter

We draw attention to note 1.8 to the financial statements, which states that the financial statements of the Fund have not been prepared on going concern basis because the Fund will mature on 31 December 2016. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Date: 31 AUG 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Malik

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2016

	Note	2016 (Rupees in '000)	2015
Assets			
Balance with bank	4	647,463	257
Investments	5	1,196,425	2,245,251
Prepayments and other receivables	6	357	108
Preliminary expenses and floatation costs	7	-	2,479
Total assets		1,844,245	2,248,095
Liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	8	6,886	6,184
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	9	183	158
Payable to Securities and Exchange Commission of Pakistan (SECP)	10	1,687	1,628
Payable on redemption of units		587,750	129
Accrued expenses and other liabilities	11	27,190	4,444
Total liabilities		623,696	12,543
Net assets		1,220,549	2,235,552
Contingencies and Commitments	12		
Unitholders' fund (as per statement attached)		1,220,549	2,235,552
(Number of units)			
Number of units in issue	14	19,886,731	40,519,661
(Rupees)			
Net assets value per unit		61.38	55.17

The annexed notes 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director


INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 (Rupees in '000)	2015
Income			
Net realised gain on sale of investments		130,360	80,154
Profit on saving accounts with banks		427	1,680
Dividend Income		79,447	13,964
Back end load		2,968	2,042
		213,202	97,840
Unrealised appreciation on re-measurement of investments - at 'fair value through profit or loss' (net)	5.1	20,547	130,688
Total income		233,749	228,528
Expenses			
Remuneration to AI Meezan Investment Management Limited (AI Meezan) - Management Company	8.1	412	271
Sindh Sales Tax and Federal Excise Duty on Management Fee	8.2 & 8.3	133	93
Allocated Expenses	8.4	1,217	-
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee	9	1,939	1,880
Sindh Sales Tax on Trustee Fee	9.1	271	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	10	1,687	1,628
Auditors' remuneration	15	256	216
Fees and subscription		279	130
Legal and professional charges		133	-
Amortisation of preliminary expenses and floatation costs	7	2,479	2,521
Transaction cost		-	5,509
Bank and settlement charges		1	7
Provision for Workers' Welfare Fund (WWF)	13	-	4,277
Total expenses		8,807	16,532
Net income from operating activities		224,942	211,996
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		(101,626)	(2,428)
Net income for the year before taxation		123,316	209,568
Taxation	20	-	-
Net income for the year after taxation		123,316	209,568
Other comprehensive income for the year		-	-
Total comprehensive income for the year		123,316	209,568

The annexed notes 1 to 25 form an integral part of these financial statements.

For AI Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 (Rupees in '000)	2015
Undistributed income brought forward			
- Realised		78,880	-
- Unrealised		130,688	-
		209,568	-
Net income for the year		123,316	209,568
Undistributed income carried forward		332,884	209,568
Undistributed income carried forward			
- Realised		312,337	78,880
- Unrealised	5.1	20,547	130,688
		332,884	209,568

The annexed notes 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive



Mazhar Sharif
Director

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2016

Note	2016 (Rupees in '000)	2015
Net assets at beginning of the year	2,235,552	-
Issuance of nil units (2015: 41,295,834 units)	-	2,064,792
Redemption of 20,632,930 units (2015: 776,173 units)	(1,239,945)	(41,236)
	(1,239,945)	2,023,556
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)	101,626	2,428
Net realised gain on sale of investments	130,360	80,154
Unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss' (net)	20,547	130,688
Other net loss for the year	(27,591)	(1,274)
Total comprehensive income for the year	123,316	209,568
Net assets at end of the year	1,220,549	2,235,552
Net assets value per unit at beginning of the year	55.17	-
Net assets value per unit at end of the year	61.38	55.17

The annexed notes 1 to 25 form an integral part of these financial statements.

For Al Meezan Investment Management Limited
(Management Company)


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 (Rupees in '000)	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		123,316	209,568
Adjustments for:			
Unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss' (net)	5.1	(20,547)	(130,688)
Element of loss and capital losses included in prices of units issued less those in units redeemed (net)		101,626	2,428
Amortisation of preliminary expenses and floatation costs		2,479	2,521
		206,874	83,829
Decrease / (Increase) in assets			
Investments (net)		1,069,373	(2,114,563)
Prepayments and other receivables		(249)	(108)
Preliminary expenses and floatation costs		-	(5,000)
		1,069,124	(2,119,671)
Increase in liabilities			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		702	6,184
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		25	158
Payable to Securities and Exchange Commission of Pakistan (SECP)		59	1,628
Accrued expenses and other liabilities		22,746	4,444
		23,532	12,414
Net cash generated from / (used in) operating activities		1,299,530	(2,023,428)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt against issuance of units		-	2,064,792
Payments against redemption of units		(652,324)	(41,107)
Net cash (used in) / generated from financing activities		(652,324)	2,023,685
Net increase in cash and cash equivalents during the year		647,206	257
Cash and cash equivalents at beginning of the year		257	-
Cash and cash equivalents at end of the year	4	647,463	257

The annexed notes 1 to 25 form an integral part of these financial statements.

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



Mohammad Shoaib, CFA
Chief Executive



Mazhar Sharif
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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) and the Non-Banking Finance Companies 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 Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (The NBFC Rules) through a certificate of registration issued by the SECP. The fund commenced its operations from June 28, 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.
- 1.2** 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 ended mutual fund listed on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited). 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 five 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 was two years from the date of commencement of the Fund which has been extended as per the discretion of the Management till December 31, 2016.
- 1.4** The Fund is categorized as Fund of Fund Scheme in accordance with Circular No.7 of 2009 issued by Securities and Exchange Commission of Pakistan.
- 1.5** 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 the Fund.
- 1.6** The Management Company has been given a quality rating of AM2++ by JCR - VIS Credit Rating Company Limited.
- 1.7** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.
- 1.8** According to the offering document of the Fund, the initial maturity of the Fund was June 27, 2016. After the initial maturity, the Management Company announced a subsequent maturity till Decemebtr 31, 2016, to commence from the day following the close of the initial period as discussed in detail in note 1.3 to these financial statements. Accordingly, these financial statements have not been prepared on a going concern basis. Therefore, the assets and liabilities are measured at lower of their carrying amount and fair value less cost to sell.

2. BASIS OF PRESENTATION

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the

aforementioned guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified 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 SECP. Wherever, the requirements of the NBFC Rules, the NBFC Regulations, and the said directives differ with the requirements of these standards, the requirements of the NBFC Rules, the NBFC Regulations and the said directives shall prevail.

2.2 Basis of measurement

These financial statements have not been prepared on a going concern basis. Therefore, the assets and liabilities are measured at lower of their carrying amount and fair value less cost to sell.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of critical accounting estimates. It also requires the Management Company to exercise its judgement in the process of applying the Fund's accounting policies. Estimates and judgements 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 3.1 and 5)
- (b) Impairment of financial instruments (note 3.1.6)
- (c) Amortisation of preliminary expenses and floatation costs (notes 3.2 and 7)
- (d) Recognition of provision for Workers' Welfare Fund (note 13)
- (e) Taxation (note 3.8 & 20)

2.5 New Standard Applicable - Fair value measurement

During the year, 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 effects of IFRS 13 "Fair Value Measurement" are disclosed in note 19 to these financial statements.

2.6 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 01 July 2016:

- Amendments to IAS 38 'Intangible Assets' and IAS 16 'Property, Plant and Equipment' (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization 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 financial statements.
- 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 1 January 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 financial statements.
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 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 financial statements.
- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 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 financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company 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 financial statements.
- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Fund's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based

payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on Fund's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IAS 32 Financial Instruments: Presentation - is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.
- 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 when servicing arrangements on continuing involvement in transferred financial assets in cases 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 IFRS7)' 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 financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

3.1.1 Classification

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

a) Financial instruments as 'at fair value through profit or loss'

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

Financial instruments as 'at fair value through profit or loss' are measured at fair value, and changes therein are recognised in Income Statement.

All derivatives in a net receivable position (positive fair value), are reported as financial assets held for trading. All derivatives in a net payable position (negative fair value), are reported as financial liabilities held for trading.

b) Loans and receivables

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

c) Available for sale

These are non-derivatives financial assets that are either designated in this category or are not classified in any of the other categories mentioned in (a) & (b) above.

3.1.2 Regular way contracts

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

3.1.3 Recognition

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

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

3.1.4 Measurement

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

Subsequent to initial recognition, instruments classified as financial assets 'at fair value through profit or loss' and 'available for sale' are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' are recognised in the Income Statement. The changes in the fair value of instruments classified as 'available for sale' are recognised in other comprehensive income

until derecognised or impaired when the accumulated fair value adjustments recognised in other comprehensive income are transferred to Income Statement through other comprehensive income.

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

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

3.1.5 Fair value measurement principles

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

3.1.6 Impairment

Impairment loss on investment other than 'available for sale' is recognised in the Income Statement whenever the carrying amount of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases the impairment is reversed through the Income Statement.

In case of equity investment classified as 'available for sale', a significant or prolonged decline in the fair value of the equity security below its cost is considered an indicator that the securities are impaired. Impairment loss on investment is recognised in the Income Statement whenever the acquisition cost of investment exceeds its recoverable amount. Impairment losses recognised on equity securities in the income statement are not reversed subsequently in the income statement.

3.1.7 Derecognition

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

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

3.1.8 Offsetting of financial instruments

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

3.2 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs have been amortized over a period of two years which commenced from June 28, 2014 in accordance with the Trust Deed of the Fund and the NBFC regulations, 2008.

3.3 Unitholders' fund

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

3.4 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 of the day when the application is received. The offer price represents the net asset value of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

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

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

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

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

3.6 Provisions

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

3.7 Net assets value per unit

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

3.8 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

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

Deferred

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

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

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

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

3.9 Revenue recognition

- (i) Gains / (losses) arising on sale of investments are included in the Income Statement currently, on the date when the transaction takes place.
- (ii) Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- (iii) Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of book closure of the Fund declaring the dividend.
- (iv) Profit on saving accounts with banks are recorded on effective yield method.

3.10 Expenses

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

3.11 Earnings per unit

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

3.12 Cash and cash equivalents

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

3.13 Distribution

Distribution including bonus units and appropriation to reserves are recognised in the year in which they are approved.

4. BALANCE WITH BANK

	Note	2016 (Rupees in '000)	2015
On saving account	4.1	<u>647,463</u>	<u>257</u>

4.1 The balance in saving account has an expected profit of 2.50% (2015: 5.5% per annum).

5. INVESTMENTS

Investments 'at fair value through profit or loss' - Held for trading	5.1	<u>1,196,425</u>	<u>2,245,251</u>
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5.1 Held for trading - units of mutual funds

Name of the investee fund	As at June 01, 2015	Purchases during the year	Bonus issue	Redemptions during the year	As at June 30, 2016	Carrying value as at June 30, 2016	Market value as at June 30, 2016	Unrealised gain / (loss) as at June 30, 2016	Percentage of market value of total investments
	----- (Number of Units) -----				----- (Rupees in '000) -----				----- % -----
Al Meezan Mutual Fund	-	1,454,545	-	1,454,545	-	-	-	-	-
KSE Meezan Index Fund	1,734,306	44,749	-	1,779,055	-	-	-	-	-
Meezan Cash Fund	5,570,285	50,358,624	-	53,397,889	2,531,020	126,878	126,905	27	10.60
Meezan Islamic Fund	24,168,267	32,059,701	-	43,487,236	12,740,732	823,000	843,564	20,564	70.51
Meezan Islamic Income Fund	1,053,621	46,688,215	-	47,741,836	-	-	-	-	-
Meezan Sovereign Fund	5,647,987	52,370,874	-	53,570,917	4,447,944	226,000	225,956	(44)	18.89
Total						<u>1,175,878</u>	<u>1,196,425</u>	<u>20,547</u>	<u>100</u>
Total cost of investments							<u>1,175,878</u>		

6. PREPAYMENTS AND OTHER RECEIVABLES

	Note	2016 (Rupees in '000)	2015
Prepayments		-	105
Profit receivable on saving account with bank		<u>357</u>	<u>3</u>
		<u>357</u>	<u>108</u>

7. PRELIMINARY EXPENSES AND FLOATATION COSTS

Opening balance		<u>2,479</u>	5,000
Less: Amortisation during the year	7.1	<u>2,479</u>	2,521
Closing balance		<u>-</u>	<u>2,479</u>

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund, restricted to one percent of Pre-IPO Capital, and have been amortized over a period of two years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund.

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

	Note	2016 (Rupees in '000)	2015
Management fee	8.1	387	-
Sindh Sales Tax and Federal Excise Duty on Management Fee	8.2 & 8.3	180	50
Sindh Sales Tax and Federal Excise Duty on sales load	8.2 & 8.3	6,134	6,134
Allocated Expenses	8.4	185	-
		6,886	6,184

8.1 As per regulation 61 of amended Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5 percent of average annual net assets in case of Fund of Funds Scheme. The remuneration of the Management Company has been charged at the rate of 1 percent per annum for the year ended 30 June 2016.

8.2 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 01, 2011. During the year, SST at the rate of 14 percent (till 30 June 2015: 15 percent) was charged on the remuneration of Management Company and sales load.

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 and sales load has been applied effective from June 13, 2013. The Management Company was 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, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

The SHC while disposing the Constitutional Petition No. D-3184 of 2014 relating to levy of (FED) on Mutual Fund has declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the Management Company is of the view that since the Federal Government still reserve the right to appeal against the said order.

As a matter of abundant caution, the Management Company has made a provision of FED on remuneration of the Management Company aggregating to Rs. 0.11 million (2015: Rs. 0.04 million). Had the provision not been made, the Net Asset Value per unit of the Fund as at 30 June 2016 would have been higher by Re. 0.01 per unit.

Furthermore, the mutual funds have been excluded from levy of FED vide Finance Act, 2016, hence, effective from July 01, 2016, no provision of FED has been recognised in the financial statements of the Fund.

8.4 During the year, a statutory notification (S.R.O. No. 1160 (I) / 2015 dated 25 November 2015) was issued by Securities and Exchange Commission of Pakistan (SECP), which introduced amendments in NBFC 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. 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 year ended June 30, 2016 has been calculated as per the following applicable tariff:

Net assets	Tariff
Up to 1 billion	0.10% per annum
Over 1 billion	Rs. 1 million plus 0.075% p.a. of Net Assets exceeding Rs.1 billion

- 9.1 In the current year, 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.

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

This represents annual fee at the rate of 0.095% of the average annual net assets of the fund payable to SECP under regulation 62 read with Schedule II of NBFC Regulation 2008. Provided that for collective Investment Schemes which on quarterly average basis have at least 1,000 retail investors and more than 50% of Net Assets are held by individual investors, provided that the maximum investment by a single retail investor (considered eligible for calculating the threshold of 1,000) does not exceed 1% of the Net Assets shall pay the annual fee at the rate of 0.076% for the next three years from the date of notification of these regulations.

During the year, fees charged at the rate of 0.095%. The fee is payable to the SECP within three months of the close of the financial year.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2016 (Rupees in '000)	2015
Auditors' remuneration		180	160
Zakat Payable		32	7
Shariah Advisor fee		137	-
Capital Gain Tax Payable		22,564	-
Workers' Welfare Fund (WWF) payable	13	4,277	4,277
		<u>27,190</u>	<u>4,444</u>

12. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at June 30, 2016 and June 30, 2015.

13. WORKERS' WELFARE FUND

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

During the year 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 larger 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, SHC has not addressed the other amendments made in WWF Ordinance, 1971 about applicability of WWF to the CISs which is still pending before the SHC.

However, decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. Therefore, the Management Company, as a matter of abundant caution, has recognised WWF charge upto 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 0.22 (0.36%).

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.

14. NUMBER OF UNITS IN ISSUE

14.1 The movement in number of units in issue during the year is as follows:

	2016	2015
	(Number of Units)	
Total units in issue at beginning of the year	40,519,661	-
Units issued during the year	-	41,295,834
Units redeemed during the year	(20,632,930)	(776,173)
Total units in issue at end of the year	19,886,731	40,519,661

14.2 All units carry equal rights and are entitled to dividend and share in the Net Asset Value of the Fund.

15. AUDITORS' REMUNERATION

	2016	2015
	(Rupees in '000)	
Statutory audit fee	120	120
Half yearly review	50	50
Other certification and services	60	40
Out of pocket expenses	26	6
	256	216

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company and Directors and Executives of the Management Company, Meezan Asset Allocation Fund, 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 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 year ended June 30, 2016 and as of that date along with comparatives are as follows:

	2016 (Rupees in '000)	2015
Al Meezan Investment Management Limited (Al Meezan) - Management Company		
Remuneration payable	387	-
Sindh Sales Tax and Federal Excise Duty payable on management fee	180	50
Sindh Sales Tax and Federal Excise Duty payable on sales load	6,134	6,134
Allocated Expense	185	-
Investments as at June 30, 2016: 3,259,889 units (June 30, 2015: 3,259,889 units)	200,092	179,848
Meezan Bank Limited (MBL)		
Balance with bank	647,463	257
Profit receivable on savings account	357	3
Unitholders holding 10 percent or more of the Fund's net assets		
Investments as at June 30, 2016: 6,408,085 units (June 30, 2015: 5,308,575 units)	393,328	292,874
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	160	158
Sindh Sales tax on Trustee fee payable	23	-
KSE Meezan Index Fund		
Investments as at June 30, 2016: nil units (June 30, 2015: 1,734,306 units)	-	127,558
Meezan Cash Fund		
Investments as at June 30, 2016: 2,531,020 units (June 30, 2015: 5,570,285 units)	126,905	279,071

	2016 (Rupees in '000)	2015
Meezan Islamic Fund		
Investments as at June 30, 2016: 12,740,732 units (June 30, 2015: 24,168,267 units)	<u>843,564</u>	<u>1,476,923</u>
Meezan Islamic Income Fund		
Investments as at June 30, 2016: nil units (June 30, 2015: 1,053,622 units)	<u>-</u>	<u>57,159</u>
Meezan Sovereign Fund		
Investments as at June 30, 2016: 4,447,944 units (June 30, 2015: 5,647,987 units)	<u>225,956</u>	<u>304,540</u>
Directors and Executives of the Management Company		
Investments as at June 30, 2016: 200,284 units (June 30, 2015: 200,284 units)	<u>12,293</u>	<u>11,050</u>
	For the year ended June 30,	
	2016	2015
	(Rupees in '000)	
Al Meezan Investment Management Company Limited (Al Meezan) - Management Company		
Remuneration for the year	<u>412</u>	<u>271</u>
Sindh Sales Tax and Federal Excise Duty on management fee	<u>133</u>	<u>93</u>
Allocated Expense	<u>1,217</u>	<u>-</u>
Issuance of nil units (June 30, 2015: 3,259,889 units)	<u>-</u>	<u>162,994</u>
Meezan Bank Limited		
Profit on saving accounts	<u>427</u>	<u>1,680</u>
Central Depository Company of Pakistan Limited (CDC) - Trustee		
Remuneration for the year	<u>1,939</u>	<u>1,880</u>
Sindh Sales Tax on trustee fee	<u>271</u>	<u>-</u>
Al Meezan Mutal Fund		
Purchase of 1,454,545 units (2015: 15,521,243 units)	<u>24,000</u>	<u>217,455</u>
Sale of 1,454,545 units (2015: 15,521,243 units)	<u>22,051</u>	<u>229,426</u>
Transaction cost paid	<u>-</u>	<u>545</u>
KSE Meezan Index Fund		
Purchase of 44,749 units (2015: 4,041,197 units)	<u>3,208</u>	<u>253,937</u>
Sale of 1,779,055 units (2015: 2,306,891 units)	<u>134,364</u>	<u>155,000</u>
Transaction cost paid	<u>-</u>	<u>636</u>
Dividend Received	<u>3,208</u>	<u>-</u>
Meezan Cash Fund		
Purchase of 50,358,624 units (2015: 6,984,502 units)	<u>2,606,422</u>	<u>367,994</u>
Sale of 53,397,889 units (2015: 1,414,217 units)	<u>2,762,448</u>	<u>76,000</u>
Dividend Received	<u>-</u>	<u>13,964</u>

For the year ended
June 30,

2016 2015
(Rupees in '000)

Meezan Islamic Fund

Purchase of 32,059,701 units (2015: 50,625,376 units)
Sale of 43,487,236 units (2015: 26,457,109 units)
Transaction cost paid
Dividend Received

2,021,170	2,761,672
2,761,830	1,410,380
-	4,328
53,170	-

Meezan Islamic Income Fund

Purchase of 46,688,214 units (2015: 64,949,085 units)
Sale of 47,741,836 units (2015: 63,895,464 units)
Dividend Received

2,446,808	3,346,361
2,538,284	3,345,254
3,582	-

Meezan Sovereign Fund

Purchase of 52,370,874 units (2015: 7,058,267 units)
Sale of 53,570,917 units (2015: 1,410,280 units)
Dividend Received

2,736,966	379,085
2,819,332	76,000
19,486	-

Directors and Executives of the Management Company

Issuance of nil units (2015: 200,284 units)

-	10,014
---	--------

17. 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, interest rate risk and currency 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 Securities and Exchange Commission of Pakistan.

Risks managed and measured by the Fund are explained below:

17.1 Credit risk

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

Credit risk arises from deposits with banks and financial institutions, profit receivable on bank deposits, credit exposure arising as a result of dividends receivable on mutual fund units and receivable against sale of investments and investments in mutual funds.

Credit risk arising on financial assets is monitored through a regular analysis of financial position of brokers and other parties. Credit risk on dividend receivable is minimal due to statutory protection. Further, all transactions in fund are executed only in underlying funds, thus the risk of default is considered to be minimal. In accordance with the risk management policy of the Fund, the investment committee monitors the credit position on a daily basis which is reviewed by the Board of Directors 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 June 30, 2016 along with comparative is tabulated below:

Financial assets	2016	2015
	(Rupees in '000)	
Balance with bank	647,463	257
Profit receivable on saving accounts	357	3
Investment in mutual funds	1,196,425	2,245,251
	1,844,245	2,245,511

17.1.1 Credit Rating wise analysis of balance with bank of the Fund are tabulated below:

	Rating agency	2016		2015	
		(Rs. in '000)	(Percentage)	(Rs. in '000)	(Percentage)
AA	JCR-VIS	647,463	100%	257	100%

The Fund does not have any collateral against the aforementioned asset.

None of the financial assets were considered to be past due or impaired as on June 30, 2016.

Due to the Fund's long standing business relationships with the counterparty and after giving due consideration to its strong financial standing, the Fund does not expect non-performance by the counterparty on its obligations to the Fund.

17.2 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 its liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets. The Fund's investments are considered to be readily realisable as they are all listed on stock exchange of the country. 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 year.

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 defer redemption request has been exercised by the Fund during the year.

In addition to unitholders Fund, analysis of the Fund's financial liabilities into relevant maturity grouping as at June 30, 2016 along with comparative is tabulated below:

	2016				Total
	Maturity upto			More than one year	
	Three months	Six months	One year		
	(Rupees in '000)				
Payable to Al Meezan Investment Management Limited - Management Company	6,886	-	-	-	6,886
Payable to Central Depository Company of Pakistan Limited - Trustee	183	-	-	-	183
Payable on redemption of units	587,750	-	-	-	587,750
Accrued expenses and other liabilities	317	-	-	-	317
	595,136	-	-	-	595,136
	2015				
	Maturity upto			More than one year	Total
	Three months	Six months	One year		
	(Rupees in '000)				
Payable to Al Meezan Investment Management Limited - Management Company	6,184	-	-	-	6,184
Payable to Central Depository Company of Pakistan Limited - Trustee	158	-	-	-	158
Payable on redemption of units	129	-	-	-	129
Accrued expenses and other liabilities	160	-	-	-	160
	6,631	-	-	-	6,631

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

17.3 Market Risk

17.3.1 Price risk

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

The 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 from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the investment committee in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio. The market risk is managed by monitoring exposure to marketable securities and by complying with the internal risk management policies and regulations laid down in NBFC Regulations, 2008.

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

Details of the Fund's investment portfolio exposed to price risk, at the reporting date are disclosed in note 5 to these financial statements. At June 30, 2016 the Fund's overall exposure to price risk is limited to investments in funds.

17.3.2 Interest rate risk

The interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates which affect cashflows pertaining to debt instruments and their fair values. However, the Fund invest in Income Fund which are exposed to interest rate risk and which indirectly affect the interest rate risk of the Fund.

Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts. As at June 30, 2016, 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 year would have been higher / (lower) by Rs 6.47 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.

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

	Effective yield / interest rate	As at 30 June 2016			Total
		Exposed to yield / interest rate risk			
		Upto three months	More than three months and upto one year	More than one year	
----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial assets					
Balance with bank	2.50%	647,463	-	-	647,463
Investments		-	-	-	1,196,425
Other receivables		-	-	-	357
		647,463	-	-	1,196,782
					1,844,245
Financial liabilities					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	6,886
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	183
Payable on redemption of units		-	-	-	587,750
Accrued expenses and other liabilities		-	-	-	317
		-	-	-	595,136
					595,136
On-balance sheet gap		647,463	-	-	601,646
					1,249,109
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		647,463	-	-	
Cumulative interest rate sensitivity gap		647,463	647,463	647,463	

As at 30 June 2015					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
On-balance sheet financial instruments					
<i>Financial assets</i>					
Balance with bank	5.50%	257	-	-	257
Investments		-	-	-	2,245,251
Other receivables		-	-	-	3
		257	-	-	2,245,511
<i>Financial liabilities</i>					
Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	6184
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	158
Payable on redemption of units		-	-	-	129
Accrued expenses and other liabilities		-	-	-	160
		-	-	-	6,631
On-balance sheet gap		257	-	-	2,238,880
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		257	-	-	
Cumulative interest rate sensitivity gap		257	257	257	

17.3.3 Currency risk

Currency risk is that the fair value of 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.

18. 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 assets value per unit on the redemption date. The relevant movements are shown in the Statement of Movement in Unitholders' Fund.

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

The issuance of units has been discontinued since June 28, 2014. The Initial Maturity of the Fund was two years from the date of commencement of the Fund which has been extended as per the discretion of the Management till December 31, 2016. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund meets the requirements of sub-regulation 54(3a) of NBFC Regulation, 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 17, 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.

19. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the year end date.

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

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 financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

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

- Level 1: Quoted market price (unadjusted) in active markets for an identical assets or liabilities.
- Level 2: Inputs other than quoted prices included with in level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The following table presents assets that are measured at fair value as at June 30, 2016:

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
June 30, 2016									
Financial assets - measured at fair value									
Investments	1,196,425	-	-	-	1,196,425	1,196,425	-	-	1,196,425
	1,196,425	-	-	-	1,196,425	1,196,425	-	-	1,196,425
Financial assets - not measured at fair value									
Balance with bank	19.1	-	647,463	-	647,463	-	-	-	-
Other receivables	19.1	-	357	-	357	-	-	-	-
		-	357	647,463	647,820	-	-	-	-
Grand Total		1,196,425	357	647,463	-	1,844,245	1,196,425	-	1,196,425
Financial liabilities - not measured at fair value									
Payable to Al Meezan Investment Management Limited - Management Company	19.1	-	-	6,886	6,886	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	19.1	-	-	183	183	-	-	-	-
Payable on redemption of units	19.1	-	-	587,750	587,750	-	-	-	-
Accrued expenses and other liabilities	19.1	-	-	317	317	-	-	-	-
Total		-	-	595,136	595,136	-	-	-	-

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

20. 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. 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 due to the fact that there is no accounting profit as reduced by capital gains, whether realized or unrealized. Accordingly, no distribution was made for the year ended June 30, 2016.

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

21. PERFORMANCE TABLE

	2016	2015
Net assets (Rupees in '000) (ex-distribution)	1,220,549	2,235,552
Net assets value / redemption price per unit as at June 30 (Rupees) (ex-distribution)	61.38	55.17
Offer price per unit as at June 30, (Rs.) (ex-distribution)	N/A	N/A
Highest redemption price per unit (Rs.)	61.38	56.65
Lowest redemption price per unit (Rs.)	54.12	48.43
Distribution (%)		
Interim	N/A	N/A
Final	N/A	N/A
Date of distribution		
Interim	N/A	N/A
Final	N/A	N/A
Income distribution (Rupees in '000)	N/A	N/A
Growth distribution (Rupees in '000)	N/A	N/A
Total return (%)	13.41	10.30
Average annual return as at June 30, 2016	One year 13.41%	Two year 11.84%

Investment portfolio composition of the Fund

Investment portfolio composition of the Fund is as described in note 5.

22. INVESTMENT COMMITTEE MEMBERS

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

Name	Designation	Qualification	Experience in years
Mr. Mohammad Shoailb	Chief Executive Officer	CFA / MBA	Twenty six years
Mr. Muhammad Asad	Chief Investment Officer	CFA level II / MBA	Twenty years
Mr. Ahmed Hassan	VP Investments	CFA / MBA	Nine years
Mr. Ali Khan	VP Product Development	CFA / FRM / MBA	Six years
Mr. Zain Malik	VP Investments	CFA level II / BBA	Seven years
Mr. Asif Imtiaz	Senior Manger	CFA / MBA - Finance	Eight years
Mr. Asmar Hamoodi	AVP Investments	BBA - Finance / CFA / A.C.C.A	Four years
Mr. Imad Ansari	Head of Risk Management	B.S Actuarial Sciences & Risk Management / MBA - Finance	Eleven years

22.2 The Fund Manager of the Fund is Mr. Asif Imtiaz.

23. DETAILS OF MEETINGS OF BOARD OF DIRECTORS

Name	Designation	Dates of Board of Directors Meetings and Directors' present therein					
		July 3, 2015	September 8, 2015	October 22, 2015	February 25, 2016	April 20, 2016	June 10, 2016
Mr. Ariful Islam	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammad Shoaib	Chief Executive	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P. Ahmed	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Moin M. Fudda	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Atif Azim	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Tasnimul Haq Farooqui	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mazhar Sharif	Director	Yes	Yes	Yes	Yes	Yes	Yes
Syed Amir Ali	Director	Yes	Yes	Yes	No	Yes	Yes
Syed Amir Ali Zaidi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Abdullah Ahmed	Director	Yes	Yes	Yes	Yes	Yes	Yes

24. PATTERN OF UNIT HOLDING


	As at June 30, 2016		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individuals	122	164,698	13.49%
Associated companies / directors	3	482,918	39.57%
Retirement funds	10	222,538	18.23%
Others	6	350,395	28.71%
Total	141	1,220,549	100.00%

	As at June 30, 2015		
	Number of investors	Investment amount (Rupees in '000)	Percentage of total investment %
Individuals	648	931,396	41.66%
Associated companies / directors	3	434,010	19.42%
Retirement funds	21	253,811	11.35%
Others	13	616,335	27.57%
Total	685	2,235,552	100.00%

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 31, 2016 by the Board of Directors of the Management Company.

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


Mohammad Shoaib, CFA
Chief Executive


Mazhar Sharif
Director

PATTERN OF HOLDINGS (UNITS) AS PER THE REQUIREMENT OF CODE OF CORPORATE GOVERNANCE

AS AT JUNE 30, 2016

UNITS HELD BY	UNITS HELD	%
Associated Companies		
Al Meezan Investment Management Limited	3,259,889	16.39
Meezan Bank - Staff Provident Fund	4,408,035	22.17
Directors		
Mr. Ariful Islam	200,284	1.01
Individuals	2,683,435	13.49
Retirement Funds	3,625,823	18.23
Other Corporate Sector Entities	2,298,883	11.56
Non-Profit Organisations	3,410,382	17.15
Total	19,886,731	100




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