

IN HARMONY  
WITH GROWTH



QUARTERLY REPORT  
SEPTEMBER 2017



Meezan  
Islamic Fund



Al Meezan  
Mutual Fund



KSE-Meezan  
Index Fund



Meezan  
Energy Fund



Meezan  
Balanced Fund



Meezan  
Asset Allocation Fund



Meezan  
Gold Fund



Meezan  
Islamic Income Fund



Meezan  
Sovereign Fund



Meezan  
Cash Fund



Meezan  
Financial Planning  
Fund of Funds



Meezan  
Strategic Allocation Fund



Meezan  
Tahafuz Pension Fund





**QUARTERLY REPORT**  
SEPTEMBER 30, 2017  
(UNAUDITED)

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# Vision

To make Shariah compliant investing a first choice for investors

# Mission

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

# REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY OF THE FUNDS

The Board of Directors of Al Meezan Investment Management Limited is pleased to present the un-audited financial statements of the following open end funds and a voluntary pension scheme for the quarter ended September 30, 2017.

## **Equity Funds**

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

## **Sector Specific Fund**

- Meezan Energy Fund

## **Income Funds**

- Meezan Islamic Income Fund
- Meezan Sovereign Fund

## **Money Market Fund**

- Meezan Cash Fund

## **Balanced Fund**

- Meezan Balanced Fund

## **Asset Allocation Fund**

- Meezan Asset Allocation Fund

## **Funds of Funds**

- Meezan Financial Planning Fund of Funds
- Meezan Strategic Allocation Fund

## **Commodity Fund**

- Meezan Gold Fund

## **Pension Fund**

- Meezan Tahaffuz Pension Fund

## **Economic Review:**

The economic landscape of the country remained a bit hazy amidst an active political front and other emerging risks especially pertaining to PKR/USD parity and external account. The first half of 1QFY18 saw increased political noise with the announcement of Supreme Court's verdict on the ongoing Panama Case whereby the Prime Minister was disqualified and replaced by another member of his party to serve till the new elections are conducted. While other macro indicators such as CPI inflation, tax collection and interest rates remained reasonable, talks of overvaluation of Pak rupee against the greenback and other regional currencies continued to dictate the overall mood. CPI during the quarter averaged 3.39% YoY as against 3.86% YoY recorded during the same period last year, a positive sign paving the way for continuation of low interest rate environment. This deceleration in CPI remained one of the key reasons for the State Bank of Pakistan (SBP) to keep policy rate unchanged at 5.75% in its September 2017 bi-monthly Monetary Policy.

On the fiscal front as well, provisional revenue collection during first quarter of FY18 was recorded at Rs. 765 billion (up more than 20% YoY). During September 2017 alone, tax collection recorded a jump of 20% YoY to Rs. 315 billion, signifying improvement in efforts by FBR to achieve its revenue targets.

The real challenge was faced on the external front as the current account deficit in the first two months of FY18 expanded to USD 2.6 billion, an increase of 102% YoY, compared to USD 1.3 billion last year. The deficit widened mainly due to a 28% YoY increase in imports which clocked in at USD 8.98 billion while exports increased by 18% YoY totaling USD 3.9 billion.

The bulk of this deficit was recorded in the month of July 2017 as August 2017 current deficit stood at USD 550 million; respite in August 2017 was witnessed on account of (1) 25% MoM reduction in trade deficit mainly due to a 15% MoM increase in exports (USD 2,104 million) and 10% MoM reduction in imports (USD 4,262 million) and (2) 26% MoM improvement in worker's remittances. Due to swelling current account deficit, pressure on FX reserves is mounting and overall balance is down to around USD 20.0 billion from USD 22.2 billion recorded at the start of 2017. Despite mounting pressure on FX reserves and touted overvaluation of PKR against the greenback in the international market, the exchange rate has remained relatively stable with the rupee witnessing a depreciation of just 0.52% during this period as it closed the quarter at Rs. 105.4/USD.

Going forward, ambiguities surrounding the fate of PKR/USD parity will continue to dictate the overall flavor as exports continue to suffer on account of non-competitiveness in the international market and Balance of Payment risks remain unaddressed. However, Pakistan's fundamentals are expected to improve on account of efforts made to facilitate the exporting industrial sectors with the export package of Rs 180 billion already announced. A revision in the textile package is also on the cards which will help in exports' progression. Infrastructure development is also picking up with the addition of more projects, including projects in the transport and power sectors, under the umbrella of the China Pakistan Economic Corridor (CPEC). The government is progressing towards achieving its major targets of 1) keeping inflation below the target of 6 %, 2) achieving GDP growth target of 6% and 3) easing exporter concerns on overvaluation of PKR. Challenges for the external account are expected to remain for the time being since imports may continue increasing due to CPEC related investments. A smooth transition of power in next year elections will be imperative to maintain political stability and pave the way for future economic stability.

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

During the first quarter FY18, the State of Pakistan (SBP) stayed firm on its monetary policy stance of low interest rates as it maintained a status quo in its last bi-monthly Monetary Policy Statements (MPS) announced on September 29, 2017 keeping the policy rate at a record low level of 5.75%. The SBP cited expected growth in LSM, contained inflation, stable commodity prices and challenges on the external front as the reasons for its status quo decision. With inflation averaging 3.39% during the quarter, the trends in international oil and commodity prices are expected to keep the CPI below the SBP's target of under 6.0%.

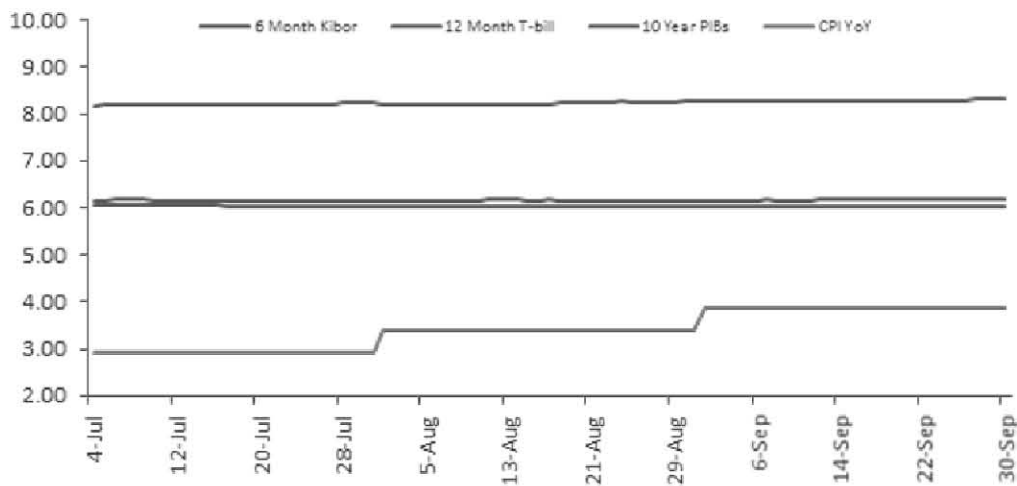
Overall, short term government paper yields and KIBORs remained flat while the long term government paper yields went up during this quarter with PIB yields increasing in the range of 13-56bps due to monetary tightening expectations going forward. On the liquidity front, the Money Market faced a relatively tight liquidity scenario during this period, evidenced by Rs. 18 trillion worth of OMO injections carried out by the SBP coupled with Rs. 86 billion worth of discounting availed by various counters. Alongside, seven T-bill and three PIB auctions were conducted during this period whereby cumulatively, T-bills witnessed a net borrowing of Rs. 1.03 trillion with an acceptance of Rs. 4.29 trillion against a participation of Rs. 4.51 trillion and a maturity of Rs. 3.26 million while PIBs witnessed a debt retirement of Rs. 720.18 billion with an acceptance of Rs. 52.41 billion against a participation of Rs. 104.12 billion and a maturity of Rs. 772.59 billion. It is pertinent to note here that the SBP had rejected the last two PIB auctions during the quarter and the overall debt status of the government has effectively been shifted from long term to short term borrowing.

The Shariah compliant end of the money market has recently witnessed a sharp decline in Ijarah sukuk prices due to a lack in demand caused by relaxed SLR requirement for Islamic banks/windows coupled with the auction of Ijarah XIX right before the close of FY17. Resultantly, mutual funds carrying Ijarah sukuk exposures witnessed an acute decline in returns during this period. A positive development however was that towards the end of the quarter, increased interest from a few corporates was witnessed for raising debt through sukuk issuance which is expected to bode well for deployment of excess liquidity available with Islamic financial institutions.



On the forex front, during the period under review, the rupee lost value; in the interbank market it closed Rs. 0.55 weaker at Rs. 105.43/\$ while in the open market it closed Rs. 0.30 weaker at Rs. 106.30/\$.

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



**Equity Review:**

During first quarter of FY18, the stock market showed a dismal performance whereby the KMI30 Index declined by 9.10% to close at 71,442 pts while KSE 100 Index -declined by 8.93% to close at 42,409 pts. The participation in the market remained lower with the KMI-30 index and KSE 100 index volumes down by 16.3% and 16.9% respectively.

The stock market has taken a heavy beating since its re-entry into the MSCI EM index in May 2017, after which uncertainty over domestic politics has taken its toll on the local bourse; with the Supreme Court's verdict on the Panama Case whereby the Prime Minister was disqualified, the investors remained jittery on account of increased political noise. The recovery in September 2017 can primarily be attributed to value buying by foreign investors as they turned up to be net buyers of USD 28 million worth of equities.

Negatives on the political front were further compounded by the news of a penalty imposition on Habib Bank Limited's (HBL) New York branch amounting to USD 629 million by the New York State Department of Financial Services (DFS) on account of weak internal controls within the bank pertaining to money laundering. This news led to a fresh round of speculation regarding the impact of such a fine on the already weak foreign reserves position of Pakistan and impact on banking relationships between Pakistani banks and their foreign counterparts. However, towards the end of the quarter the issue was amicably settled with HBL agreeing to pay a considerably reduced fine of USD 225 million in return for not pursuing further litigation against the charges. This somewhat alleviated the jittery investors' sentiments but the comfort was short-lived as a contingent liability Rs. 48 billion materialized for National Bank of Pakistan when the Supreme Court maintained a judgment delivered in favor of pensioners by a lower court.

On the international front, global events failed to make a significant impact on the local bourse as the participants remained transfixed with rapid developments in the political arena. However, nervousness increased temporarily as North Korea tested its ability to launch missiles over neighboring countries. This risked inviting undue military

intervention by foreign powers, hence, creating more instability in the region. Crude Oil maintained a bullish tone during the quarter with Brent rising by 20.08% mainly due to deteriorating relationships and escalating tensions amongst South and East Asian countries.

Key sectors such as Oil & Gas Exploration (on improving outlook amidst increasing production and recovering international oil prices), Food & Personal Care and Leasing outperformed the bench market index whereas sectors such as Cement, autos and banking sectors underperformed.

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

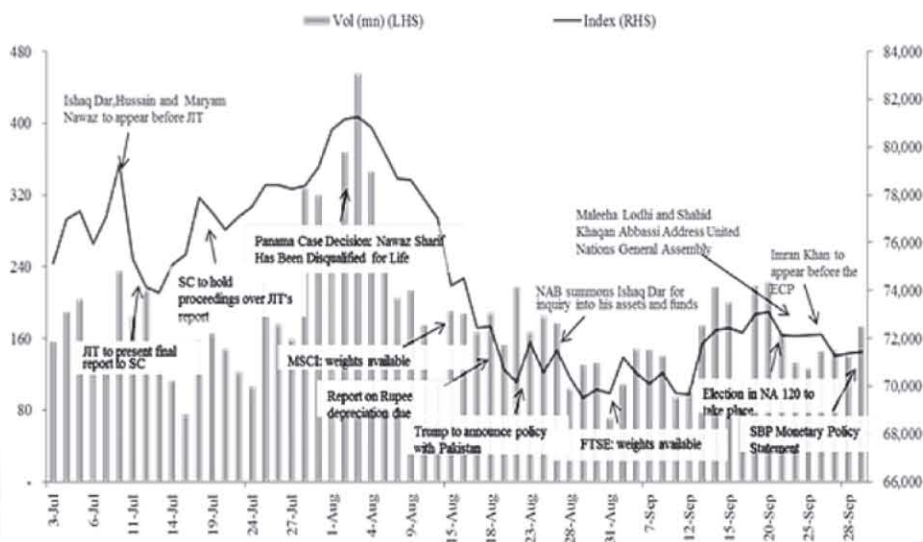
During the quarter, Oil & Gas was amongst the best performing sectors. The top contributing stocks in the KMI-30 index during the period were:

Positive Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Pakistan Petroleum Ltd	869	17.92
Pakistan Oilfields Ltd	644	16.13
Engro Fertilizers Ltd	503	19.00
Oil & Gas Development Co Ltd	165	5.65
Attock Refinery Ltd	68	8.01

On the flip side, Cement, Cable & Electric and Autos were the worst performing sectors. The most laggards in the KMI-30 index during the period were:

Negative Contributors to the Index	Contribution to KMI-30 (Points)	Total Return (%)
Kot Addu Power Company	-144	-4.68
Dawood Hercules Ltd	-116	-4.01
Engro Fertilizer	10.01	-2.82
K-Electric	36.32	1.49
Byco Petroleum	41.65	4.91

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



**Equity Flows:**

Stock market witnessed outflows amounting to USD 90 million by foreign investors during the quarter under review. Highest outflows of USD 16 million each were recorded in banking, cement and other sectors (mainly pharma and PAEL).

Inflows amounting to USD 13.5 million and USD 9.2 million were witnessed in the Fertilizer and Food & Personal Care sectors respectively. During the quarter, mutual Funds remained net sellers worth USD 37 million while Insurance Companies and banks were net buyers worth USD 49 million and USD 33 million respectively. Companies, Individuals, NBFCs, Others and Brokers were net buyers to the tune of USD 44.6 million collectively.

**Mutual Fund Industry Review:**

During the first two months of FY18, AUMs of mutual funds industry decreased by 1.5% to the size of Rs. 607 billion. Shariah Compliant AUMs decreased by 5.4% during the period under review to Rs. 236 billion which brings share of Shariah Compliant funds at 38.8% in the mutual fund industry. Al Meezan's share in the overall Mutual Funds industry stands at 16.5% while among the Shariah Compliant Funds, it has a share of 42.4% as of August 31, 2017.

In terms of net assets, open end sovereign, money market and income funds depicted growth in their sizes during the two months ended August 2017. The combined category showed an increase of 13.9% to reach Rs 244 billion at period end. While conventional funds in this category rose by 15.4%, Shariah Compliant funds grew by 9.8%. Open end Equity funds (including index tracker), decreased by 11.1% to Rs. 278 billion as of August 31, 2017 compared to Rs. 313 billion as on June 30, 2017. Conventional funds in this category went down by 10.3% while Shariah Compliant equity based funds declined by 12.2% in the period under review and stood at Rs. 117 billion.

Net assets of Capital protected, balanced, and asset allocation funds combined decreased by 4.5% to reach Rs 60 billion at period end. Conventional funds in this category declined by 4.6%, while Shariah Compliant funds showed a similar decline of 4.5% in the period under review and stood at Rs. 39 billion. Commodity funds in the industry increased to Rs. 686 million at the end of August 31, 2017 compared to Rs 672 million as on June 2017, reflecting a slight growth of 2.0%.

Voluntary Pension Funds decreased by 6.2% during the period under review with their cumulative fund size clocking in over Rs. 24 billion mark, as on August 31, 2017. Shariah compliant Pension Funds also decreased by 6.6% in the period under review to clock in at Rs 15 billion as of August end. Meezan Tahaffuz Pension Fund (MTPF) continues to lead the pension fund market with a 35.5% market share in the overall segment while in the Shariah Compliant segment, MTPF increased its share to 55.7% compared to 55.5% in the corresponding period last year.

**Performance Review (Funds)****Meezan Islamic Fund**

The net assets of Meezan Islamic Fund (MIF) as at September 30, 2017 stood at Rs. 47,105 million compared to Rs. 54,853 million at the end of June 2017. The net asset value (NAV) per unit as at September 30, 2017 was Rs. 67.94 in comparison to Rs. 76.41 per unit as on June 30, 2017 translating into a negative return of 11% during the quarter compared to the return of benchmark KSE Meezan Index (KMI 30) which declined by 9%.

**Al Meezan Mutual Fund**

The net assets of Al Meezan Mutual Fund (AMMF) as at September 30, 2017 were Rs. 7,977 million compared to Rs. 9,079 million at the end of June 2017. The net asset value per unit as at September 30, 2017 was Rs. 18.80 compared to Rs. 21.14 per unit on June 30, 2017, translating into a negative return of 11% during the quarter compared to the return of benchmark KSE Meezan Index (KMI 30) which declined by 9%.

**KSE Meezan Index Fund**

The net assets of KSE Meezan Index Fund (KMIF) as at September 30, 2017 were Rs. 1,713 million compared to Rs. 1,909 million at June 30, 2017. The net asset value per unit at September 30, 2017 was Rs. 72.01 as compared to Rs. 79.56 per unit on June 30, 2017 translating into a negative return of 9% during the quarter in line with the benchmark KSE Meezan Index (KMI 30) decline of 9%.

#### **Meezan Energy Fund**

The net assets of Meezan Energy Fund (MEF) as at September 30, 2017 were Rs. 1,633 million compared to Rs. 1,139 million in June 2017. The net asset value per unit as at September 30, 2017 was Rs. 49.52 as compared to Rs. 50.23 per unit on June 30, 2017, providing a negative return of 1% during the quarter to its investors as compared to benchmark KSE Meezan Index (KMI 30) which declined by 9%.

#### **Meezan Asset Allocation Fund**

The net assets of Meezan Asset Allocation Fund (MAAF) as at September 30, 2017 were Rs. 3,203 million compared to Rs. 3,251 million at June 30, 2017. The net asset value per unit as at September 30, 2017 was Rs. 46.46 as compared to Rs. 50.89 per unit on June 30, 2017 providing a negative return of 9% to its investors compared to its benchmark return of negative 7%.

#### **Meezan Islamic Income Fund**

The net assets of Meezan Islamic Income Fund (MIIF) as at September 30, 2017 were Rs. 11,829 million compared to Rs. 11,781 million at June 30, 2017 showing a growth of 0.4%. The net asset value per unit as at September 30, 2017 was Rs. 51.79 compared to Rs. 51.39 per unit on June 30, 2017 providing an annualized return of 3.04% compared to the benchmark return of 2.35%. At quarter end, the fund was invested 19% in Islamic Corporate Sukuks, 6% in GoP Ijarah Sukuks while 21% was placed in Term Deposit Receipts and 52% of the net assets were placed with Islamic Banks or Islamic windows of banks.

#### **Meezan Sovereign Fund**

The net assets of Meezan Sovereign Fund (MSF) as at September 30, 2017 were Rs. 4,010 million compared to Rs. 4,334 million at June 30, 2017. The net asset value per unit at September 30, 2017 was Rs. 51.32 as compared to Rs. 51.40 per unit on June 30, 2017, translating into an annualized return of -0.63% to the investors compared to the benchmark return of 4.64%. The loss was attributable to a sharp decline in Ijarah sukuk prices during the first month of the quarter. As at September 30, 2017, the fund was invested 62% in GoP Ijarah Sukuks and 37% of the net assets were placed with Islamic Banks or windows of Islamic banks.

#### **Meezan Cash Fund**

The net assets of Meezan Cash Fund (MCF) at September 30, 2017 were Rs. 6,087 million compared to Rs. 3,350 million at June 30, 2017. The net asset value per unit at September 30, 2017 was Rs. 50.94 as compared to Rs. 50.43 on June 30, 2017 providing an annualized return of 3.99% as compared to the benchmark return of 2.56%. As at September 30, 2017, 7% of the fund was placed in Term Deposit Receipts and 90% of the net assets were placed with Islamic Banks/windows of Islamic banks.

#### **Meezan Balanced Fund**

The net assets of Meezan Balanced Fund (MBF) as at September 30, 2017 were Rs. 8,727 million compared to Rs. 9,516 million at June 30, 2017, a decline of 8%. The net asset value per unit as at September 30, 2017 was Rs. 15.85 compared to Rs. 16.95 per unit on June 30, 2017 translating into a negative return of 7% to its investors compared to the benchmark return of negative 5%.

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

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

The net assets of the plan were Rs. 556 million as at September 30, 2017 compared to Rs. 622 million at June 30, 2017. The plan provided a negative return of 8% during this quarter compared to the benchmark return of negative 7%.

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

The net assets of the plan were Rs. 363 million at September 30, 2017 compared to Rs. 408 million at June 30, 2017. The plan provided a negative return of 5% during this quarter compared to the benchmark return of negative 4%.

**Conservative Allocation Plan**

The net assets of the plan as at September 30, 2017 were Rs. 387 million compared to Rs. 413 million at June 30, 2017. The plan provided a negative return of 2% during this quarter compared to the benchmark return of negative 2%.

**Meezan Asset Allocation Plan-I**

The net assets of the plan as at September 30, 2017 were Rs. 1,120 million compared to Rs. 1,251 million at June 30, 2017. The plan provided a negative return of 5% during this quarter compared to the benchmark return of negative 8%.

**Meezan Asset Allocation Plan-II**

The net assets of the plan as at September 30, 2017 were Rs. 856 million compared to Rs. 978 million at June 30, 2017. The plan provided a negative return of 9% during this quarter compared to the benchmark return of negative 7%.

**Meezan Asset Allocation Plan-III**

The net assets of the plan as at September 30, 2017 were Rs. 2,562 million compared to Rs. 2,923 million at June 30, 2017. The plan provided a negative return of 9% during this quarter compared to the benchmark return of negative 7%.

**Meezan Asset Allocation Plan-IV**

The net assets of the plan as at September 30, 2017 were Rs. 687 million compared to Rs. 860 million at June 30, 2017. The plan provided a negative return of 10% during this quarter compared to the benchmark return of negative 7%.

**Meezan Strategic Allocation Fund****Meezan Strategic Allocation Plan-I**

The net assets of the plan as at September 30, 2017 were Rs. 2,331 million compared to Rs. 2,629 million at June 30, 2017. The plan provided a negative return of 9% during this quarter compared to the benchmark return of negative 7%.

**Meezan Strategic Allocation Plan-II**

The net assets of the plan as at September 30, 2017 were Rs. 1,505 million compared to Rs. 1,662 million at June 30, 2017. The plan provided a negative return of 9% during this quarter compared to the benchmark return of negative 7%.

**Meezan Strategic Allocation Plan-III**

The net assets of the plan as at September 30, 2017 were Rs. 1,601 million compared to Rs. 1,766 million at June 30, 2017. The plan provided a negative return of 9% during this quarter compared to the benchmark return of negative 7%.

**Meezan Strategic Allocation Plan-IV**

The net assets of the plan as at September 30, 2017 were Rs. 1,799 million compared to Rs. 1,973 million at June 30, 2017. The plan provided a negative return of 8% during this quarter compared to the benchmark return of negative 7%.

**Meezan Strategic Allocation Plan-V**

This plan was launched in August 2017 and its net assets clocked in at Rs. 244 million at September 30, 2017. The plan provided a negative return of 1% during the period compared to a benchmark return of 1%.

**Meezan Gold Fund (MGF)**

The net assets of the fund as at September 30, 2017 were 425 million compared to Rs. 459 million at June 30, 2017, a decline of 7%. During the period under review, MGF has provided a positive return of 1% as compared to benchmark return of 2%.

**Meezan Tahaffuz Pension Fund (MTPF)**

MTPF comprises of four sub funds namely Equity sub fund, Debt sub fund, Money Market sub fund and Gold sub fund. For the period ended September 30, 2017, the equity sub-fund provided a negative return of 11.45% and gold sub fund provided a return of 1.64%, while the debt and money market sub-funds provided annualized returns of 1% each respectively. Performance review for each sub fund is given as under:

#### **Equity Sub Fund**

The net assets of this sub fund stood at Rs. 5,379 million at September 30, 2017 compared to Rs. 5,806 million at June 30, 2017 showing a decline of 7% during the quarter. The net asset value per unit decreased from Rs. 592.32 to Rs. 524.49. For the period under review, the equity sub fund earned a gross loss of Rs. 654 million as compared to gross income of Rs. 245 million in corresponding quarter last year.

#### **Debt Sub Fund**

The net assets of this sub fund stood at Rs. 2,450 million at September 30, 2017 compared to Rs. 2,511 million at June 30, 2017 showing a decline of 2% during the quarter. The net asset value increased from Rs. 214.59 to Rs. 215.00. For the period under review, the debt sub fund earned a gross income of Rs. 16 million as compared to Rs. 36 million in corresponding quarter last year.

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

The net assets of this sub fund stood at Rs. 657 million at September 30, 2017 compared to Rs. 663 million at June 30, 2017 showing a decline of 1% during the quarter. The net asset value increased from Rs. 212.18 to Rs. 212.97. For the period under review, the money market sub fund earned a gross income of Rs. 6 million as compared to Rs. 7 million in corresponding quarter last year.

#### **Gold Sub Fund**

The net assets of this sub fund stood at Rs. 44 million at September 30, 2017 compared to Rs. 43 million at June 30, 2017 showing a growth of 3% during the quarter. The net asset value increased from Rs. 90.59 to Rs. 92.07. For the period under review, the gold sub fund earned a gross income of Rs. 1 million as compared to gross loss of Rs. 1 million in corresponding quarter last year.

#### **Outlook**

Despite the recent corrections amid political uncertainty, the stock market has still managed to recover some of the losses during September 2017. The key driver going forward will be the attractive valuation that the stock market now holds after significant correction from its peak attained in May 2017. Moreover, the country's economic activity is expected to improve on the back of various measures taken by the government to enhance exports in its budget announcement for FY18. CPEC projects are also well on course which will further stimulate economic activity. Corporate profitability is also intact with healthy earning expectations forecasted ahead. While some concerns pertaining to the Current account position still remain, the widening deficit will subside once exports pick up and imports on account of CPEC development normalize. With the support of these factors, the government is now targeting a GDP growth of over 6% for FY18 after achieving a near decade-high GDP growth of 5.3% in FY 17.

Despite the prolonged NAB investigation against former Prime Minister that deteriorated market sentiment, we believe that the political uncertainty has been overplayed and investor reaction as a result was largely due to changed perceptions rather than changed fundamentals. As the strong market fundamentals are well intact, the stock market will revert to its normal trading course once the short - term political noise settles. Now that Pakistan has formally entered the Emerging Markets space, interest of foreign investors is expected to pick up which will alleviate the confidence of local investors too and shall consequently bode well for the stock market.

On the commodities front, international oil prices can sometimes take up an uncertain trajectory but in the current scenario, they are expected to continue depicting a range bound behavior. Gold, which depicted favorable movement during the period on account of growing tensions between North Korea and the US, could continue its upward trajectory provided concerns on the Korean peninsula aggravate. Volatility in the global economic landscape could also keep demand for the yellow metal intact.

For the fixed income side, a soft monetary policy is expected to continue in the near term but a monetary tightening stance could take over in the latter half of FY18 in case the real interest rate cushion is impacted by rising inflation.

**Acknowledgement**

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

For and on behalf of the Board.

**Date: October 19, 2017**

**Mohammad Shoaib, CFA**  
Chief Executive Officer

## فنڈز کی مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

المیزان انویسٹمنٹ مینجمنٹ لمیٹڈ کا بورڈ آف ڈائریکٹرز 30 ستمبر 2017ء کو ختم ہونے والے سہ ماہی کیلئے درج ذیل اوپن اینڈ فنڈز اور والنٹری پینشن اسکیم کے غیر آڈٹ شدہ مالیاتی گوشوارہ جات پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

### ایکویٹی فنڈز

- میزان اسلامک فنڈ
- المیزان میوچل فنڈ
- کے ایس ای۔ میزان انڈیکس فنڈ

### سیکٹرا اسپسیفک فنڈ

- میزان انرجی فنڈ

### آکم فنڈز

- میزان اسلامک آکم فنڈ
- میزان سوورن فنڈ

### منی مارکیٹ فنڈ

- میزان کیس فنڈ

### بیلینسڈ فنڈ

- میزان بیلینسڈ فنڈ

### ایسیٹ ایلوکیشن فنڈ

- میزان ایسیٹ ایلوکیشن فنڈ

### فنڈ آف فنڈز

- میزان فنانشل پلاننگ فنڈ آف فنڈز
- میزان اسٹریٹجک ایلوکیشن فنڈ

### کموڈٹی فنڈ

- میزان گولڈ فنڈ

### پنشن فنڈ

- میزان تحفظ پنشن فنڈ

### معاشی جائزہ:

ملک کا معاشی منظر نامہ سیاسی محاذ کی سرگرمی اور دیگر ابھرتے خطرات خاص طور پر روپے، ڈالر کے فرق اور بیرونی حسابات کے بیچوں بیچ رہا۔ مالی سال 2018ء کی پہلی سہ ماہی نے جاری پانامہ مقدمہ پر عدالت عظمیٰ کے فیصلے کے اعلان کے ساتھ ہی سیاسی شور شرابے میں اضافے کا مشاہدہ کیا جس کے ذریعے وزیراعظم نااہل ہو گئے اور ان کی جماعت کے ایک اور رکن کو ان کی جگہ دے دی گئی تاکہ وہ نئے انتخابات کے انعقاد تک اپنی خدمات انجام دیتے رہیں۔ جبکہ دیگر اشاریے ہائے کبیر جیسے صارف قیمت اشاریہ انفراسٹرکچر، ٹیکس وصولی اور سود کی شرحیں معقول رہیں، ڈالر کے مقابلے میں پاکستانی روپے کی قدر زائد کی باتیں اور دیگر علاقائی سکہ ہائے رائج الوقت تسلسل کے ساتھ مجموعی مزاج کو طے کیا۔ اس سہ ماہی کے دوران صارف قیمت اشاریہ (CPI) پچھلے سال کے اسی عرصے کے دوران سال بہ سال 3.86% درج کیے جانے کے مقابلے میں سال بہ سال اوسطاً 3.39% تھا، اس مثبت علامت نے کم شرح سود کے ماحول کے تسلسل کیلئے راہ ہموار کی۔ صارف قیمت اشاریہ (CPI) میں بتدریج کمی ہی بینک دولت پاکستان کیلئے بنیادی وجوہات میں سے ایک تھیں جس کی بنیاد پر دو ماہی مانیٹری (مالیاتی) پالیسی ستمبر 2017ء میں 5.75% کی شرح پر پالیسی کی شرح کو غیر تبدیل شدہ ہی رکھے ہوئے تھی۔



مالی محاذ پر بھی، مالی سال 2018ء کی پہلی سہ ماہی کے دوران عارضی وصولی محصولات 765 ارب روپے (سال بہ سال 20% سے بھی زیادہ) رہے۔ صرف ستمبر 2017ء کے دوران ٹیکس وصولی نے سال بہ سال 20% کے اضافے کے ساتھ 315 ارب روپے رہی، جو ایف بی آر کی جانب سے اس کے محصولات کے اہداف کے حصول کی کوششوں میں بہتری کو ظاہر کرتا ہے۔

حقیقی چیلنج کا سامنا بیرونی محاذ پر تھا کیونکہ مالی سال 2018ء کے پہلے دو مہینوں میں حسابات جاریہ کا خسارہ پھیل کر 2.6 ارب ڈالر پر پہنچ گیا، سال بہ سال 102% کا اضافہ، جو پچھلے سال مقابلتاً 1.3 ارب ڈالر تھا۔ خسارے میں اضافے کی بنیادی وجہ درآمدات میں سال بہ سال 28% کا اضافہ تھا جو کہ 8.98 ارب ڈالر پر پہنچ گئی ہیں جبکہ برآمدات میں سال بہ سال 18% کا اضافہ ہے جو کہ مجموعی طور پر 3.9 ارب ڈالر رہی۔

اس خسارے کا بنیادی حجم جولائی 2017ء میں آیا اور اگست 2017ء میں بہتری کی وجوہات کی بناء پر خسارہ جاریہ 550 ملین ڈالر پر رہا۔ کیونکہ تجارتی خسارے میں (1) 25% ماہ بہ ماہ کی جس کی وجہ برآمدات میں 15% ماہ بہ ماہ اضافہ (2,104 ملین ڈالر)، اور برآمدات میں ماہ بہ ماہ 10% کمی (4,262 ملین ڈالر) اور (2) ملازمین کی ترسیلات زر میں ماہ بہ ماہ 26% اضافہ تھی۔ بڑھتے ہوئے حسابات جاریہ خسارہ کی وجہ سے، غیر ملکی زرمبادلہ کے ذخائر پر دباؤ بڑھتا چلا گیا اور مجموعی توازن 2017ء کے آغاز پر 22.2 ارب ڈالر درج کیا گیا تھا کم ہو کر 20.0 ارب ڈالر کے لگ بھگ ہو گیا ہے۔ غیر ملکی زرمبادلہ کے ذخائر پر بڑھتے دباؤ اور بین الاقوامی منڈی میں ڈالر کے مقابلے میں مہنگا بیچنے کے باوجود، شرح تبادلہ روپے کے ساتھ نسبتاً مستحکم رہی اور اس عرصے کے دوران صرف 0.52% کی کمی کا مشاہدہ کیا گیا جو کہ اس سہ ماہی کے اختتام پر 105.4 روپے فی ڈالر پر بند ہوا۔

آگے بڑھتے ہوئے، پاکستانی روپے/ڈالر کے فرق کے مقدر کا احاطہ کرتے ابہام مجموعی تاثر کو تسلسل کے ساتھ اثر انداز ہوں گے کیونکہ برآمدات بین الاقوامی منڈیوں میں عدم مسابقت کی وجہ سے مسلسل دباؤ میں رہیں گی اور عدم ادائیگیوں کے خطرات کا ازالہ نہیں ہوگا۔ تاہم، پاکستان کی مبادیات پہلے ہی اعلان کردہ 180 ارب روپے کے برآمداتی پینچ کے ساتھ برآمداتی صنعتی شعبہ جات کو سہولیات بہم پہنچانے کی کاوشات کی وجہ سے بہتری کی توقع کی جانی ہے۔ ٹیکسٹائل پینچ میں نظر ثانی بھی زیر غور ہے جس سے برآمدات میں اضافے میں مدد ملے گی۔ انفراسٹرکچر کی ترقی بھی مزید منصوبوں کے اضافے سے مستحکم ہو رہی ہے، بشمول ٹرانسپورٹ اور توانائی کے شعبوں میں منصوبے جو کہ سی پیک کے منصوبے تلے جاری ہیں۔ حکومت اپنے بڑے اہداف کے حصول کی طرف گامزن ہے جس میں (1) افراط زر کو 6% سے کم رکھنا (2) 6% کی شرح نمو کے ہدف کو حاصل کرنا اور (3) پاکستانی روپے کی زیادہ قیمت پر برآمد کنندگان کو سہولت دینا شامل ہیں۔ بیرونی حسابات کے چیلنجز میں فی الحال کوئی تبدیلی متوقع نہیں کیونکہ سی پیک سے متعلق سرمایہ کاریوں کی وجہ سے برآمدات میں مسلسل اضافہ ہو سکتا ہے۔ اگلے سال انتخابات میں اقتدار کی صاف و شفاف منتقلی سیاسی استحکام کو برقرار رکھنے کیلئے لازمی ہوگی اور مستقبل میں معاشی استحکام کیلئے راہ ہموار ہوگی۔

بازار زر کا جائزہ:

مالی سال 2018ء کی پہلی سہ ماہی کے دوران، بینک دولت پاکستان کم شرح ہائے سود کے اپنے مالیاتی پالیسی موقف پر قائم رہا کیونکہ اس نے اپنی گزشتہ دو ماہی مالیاتی پالیسی گوشوارہ جات 29 ستمبر 2017ء کو اعلان کیے گئے تھے میں وضع موجود (Status Quo) کو برقرار رکھا اور شرح پالیسی کو تاریخ سانہ 5.75% کی کم سطح پر ہی رہنے دیا۔ بینک دولت پاکستان نے وسیع پیمانے پر ایشیاء سازی (LSM) میں نمو کی توقع ظاہر کی ہے ساتھ ہی محدود افراط زر، ایشیاء صرف کی مستحکم قیمتوں اور بیرونی محاذ پر چیلنجز کو وضع موجود کے اپنے فیصلے کیلئے وجوہات کے طور پر بیان کیا ہے۔ سہ ماہی کے دوران اوسط 3.39% افراط زر کے ساتھ تیل کی بین القوامی قیمتوں اور ایشیاء صرف کی قیمتوں میں رجحانات کے حوالے سے توقع ہے کہ وہ بینک دولت پاکستان کے 6.0% کے ہدف کے تحت صارف قیمت اشاریے کو کم رکھے گا۔

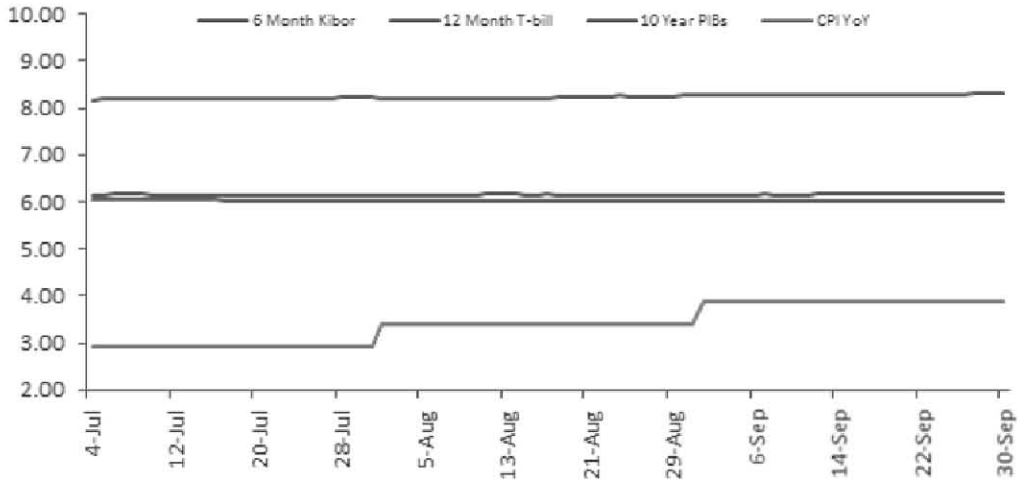
مجموعی طور پر، قلیل المدت حکومتی دستاویزات پر آمدن اور کائی بور ہموار رہے تاہم طویل المدت حکومتی دستاویزات پر آمدن اس سہ ماہی میں پی آئی بی آمدن میں 13.56% پی آئی بی کے اضافے کے ساتھ اوپر کی طرف گامزن رہے جس کی وجہ مالیاتی تنگی کی متوقع پیش ہائے رفت ہیں۔ زریں سال کے محاذ پر، بازار زر نے اس عرصے کے دوران نسبتاً کڑی سیالیت کا سامنا کیا، جس کا ثبوت بینک دولت پاکستان کی جانب سے بروئے کار لائے گئے 18 کھرب روپے مالیت کے ادا ایم او کے ساتھ مختلف کاؤنٹرز کی طرف سے دستیاب کی گئی رعایات جس کی مالیت 86 ارب روپے تھی، بھی ہے۔ اس کے ساتھ ساتھ سات (7) ٹی بلز اور تین (3) پی آئی بی آکشنز کا انعقاد بھی اس عرصے کے دوران کیا گیا جس کے ذریعے مجموعی طور پر ٹی بلز نے 4.51 کھرب روپے کی شرکت کے

مقابلے میں 4.29 کھرب روپے کی قبولیت کے ساتھ 1.03 کھرب روپے کے خالص قرضہ جات کا مشاہدہ کیا اور 3.26 کھرب روپے کی چھٹیگی یعنی میچورٹی ملاحظہ کی جبکہ پی آئی بی نے 104.12 ارب روپے کی شرکت کے مقابلے میں 52.41 ارب روپے کی قبولیت کے ساتھ 720.18 ارب روپے کی ادائیگی قرضہ جات اور 772.59 ارب روپے کی چھٹیگی کا مشاہدہ کیا۔ یہاں یہ بات ذہن نشین رکھنے کے قابل ہے کہ بینک دولت پاکستان نے سہ ماہی کے دوران پچھلے دو پی آئی بی آکشنز مسترد کر دیے تھے اور حکومت کے قرضوں کی صورت حال مؤثر طور پر طویل المدت قرضوں سے قلیل المدت کی جانب منتقل ہو گئی تھی۔

بازار زر کے شریعہ موافق نے حال ہی میں اجارہ صلکوک کی قیمتوں میں تیز گراؤٹ کا مشاہدہ کیا ہے جس کی وجہ اسلامی بینکس / ونڈوز کیلئے ایس ایل آر شرط میں نرمی سے طلب میں کمی تھی اس کے ساتھ ساتھ مالی سال 2017ء کے اختتام سے قبل اجارہ XIX (آئیسواں) کا نیلام بھی اس کا سبب تھا۔ نتیجتاً، میوچل فنڈز جو اجارہ صلکوک میں سرمایہ کاری کرتے ہیں نے اس عرصے کے دوران منافع جات میں شدید کمی کا مشاہدہ کیا۔ تاہم ایک مثبت پیش رفت یہ تھی کہ سہ ماہی کے اختتام پر، چند اداروں کی جانب سے صلکوک اجراء کے ذریعے قرضہ اٹھانے کیلئے دلچسپی میں اضافہ دیکھا گیا جس سے توقع ہے کہ اسلامی مالیاتی اداروں کے پاس دستیاب بکثرت زریعہ کو بروئے کار لایا سکے گا۔

غیر ملکی زرمبادلہ کے محاذ پر، زیر جائزہ عرصے کے دوران روپے نے اپنی قدر کھودی، انٹرنیٹ مارکیٹ میں یہ 0.55 روپے کمزور ہو کر 105.43 فی ڈالر پر بند ہوا جبکہ اوپن مارکیٹ میں یہ 0.30 روپے کمزور ہو کر 106.30 فی ڈالر پر بند ہوا۔

گراف کی مدد سے مجموعی شرح سود، ٹی۔ بلز/ پی آئی بی آمدن اور افراط زر کی شرح کو ذیل میں درج سے مشاہدہ کیا جاسکتا ہے:



حصص کا جائزہ:

مالی سال 2018ء کی پہلی سہ ماہی کے دوران، اسٹاک مارکیٹ نے سست کارکردگی دکھائی جس کے تحت کے ایم آئی 30 انڈیکس 9.10% سے کم ہو کر 71,442 پوائنٹس پر بند ہوا جبکہ کے ایس ای 100 انڈیکس 8.93% کی بعد 42,409 پوائنٹس پر بند ہوا۔ مارکیٹ میں کے ایم آئی 30 انڈیکس اور کے ایس ای 100 انڈیکس کے حجم کی شرکت علی الترتیب 16.3% اور 16.9% کم رہی۔

اسٹاک مارکیٹ مئی 2017ء میں ایم ایس سی آئی ایم انڈیکس میں اُس کے دوبارہ داخلے سے کافی فعال رہی ہے، جس کے بعد ملکی سیاست پر غیر یقینی کیفیت نے مقامی اسٹاک ایکسچینج کو اپنی لپیٹ میں لے لیا، پانامہ مقدمے پر عدالت عظمیٰ کے فیصلے کے ساتھ ہی وزیر اعظم نااہل ہو گئے، سرمایہ کار شدید سیاسی شور شرابے کی وجہ سے بے اعتمادی کا شکار رہے۔ ستمبر 2017ء میں بحالی کو خاص طور پر غیر ملکی سرمایہ کاروں کی جانب سے بلحاظ قیمت خریداری سے منسوب کیا جا سکتا ہے کیونکہ انہوں نے 28 ملین امریکی ڈالر مالیت کے حصص کی خالص خریداری کی۔

سیاسی محاذ پر منفیات میں حبیب بینک لمیٹڈ کی نیویارک برانچ پر بینک کے اندر کمزور انٹرنل کنٹرول کی وجہ سے نیویارک اسٹیٹ ڈپارٹمنٹ آف فنانشل سروسز (ڈی ایف ایس) کی جانب سے 629 ملین امریکی ڈالر جرمانے کی خبروں سے مزید اضافہ ہو گیا۔ یہ خبر پاکستان کی پہلے ہی غیر ملکی زرمبادلہ کے ذخائر کی کمزور صورت حال پر ایسے کسی جرمانے کے اثر کے حوالے سے قیاس آرائیوں کے تازہ دور کے آغاز کا سبب بن گئی اور ساتھ ہی پاکستان پینٹس اور ان کی حلیف غیر ملکی پینٹس کے درمیان بینکاری تعلقات و روابط پر اثر پڑی نئی قیاس آرائیوں پر منتج ہوئی۔ تاہم سہ ماہی کے اختتام پر الزامات کے خلاف مزید قانونی چارہ جوئی نہ کرنے کے نتیجے میں 225 ملین ڈالر کے قابل ذکر کم کی ادائیگی پر رضامندی سے ایچ بی ایل کے ساتھ تنازع خوش اسلوبی سے طے پا گیا۔ اس سے سرمایہ کاروں کی پریشانی میں کچھ کمی واقع ہوئی جو کہ نہایت مختصر عرصے کیلئے تھی کیونکہ پھر نیشنل بینک آف پاکستان کے 48 ارب روپے کے منسلک واجبات کو عدالت عظمیٰ نے پچھلے درجے کی عدالت کی جانب سے پیشتر ز کے حق میں دینے گئے فیصلے کو برقرار رکھا۔

بین الاقوامی محاذ پر، عالمی واقعات مقامی اسٹاک ایکسچینج پر قابل ذکر اثرات مرتب کرنے میں ناکام رہے کیونکہ شرکاء سیاسی میدان میں تیز پیش رفت کے ساتھ تذبذب کا شکار رہے۔ تاہم یہ تناؤ و پریشانی کی کیفیت میں عارضی اضافہ ہوا جیسا کہ شمالی کوریانے اپنے بڑی ممالک کے اوپر اپنی میزائل صلاحیت کو آزمانے کا آغاز کر دیا۔ خطرات کو دعوت دینے والے اس عمل نے غیر ملکی طاقتوں کی طرف سے غیر ضروری عسکری مداخلت پر اُکسایا چنانچہ خطے میں عدم استحکام کو مزید تقویت ملی۔ خام تیل نے 20.08% کے برٹ میں اضافے کے ساتھ دوران سہ ماہی تیزی کے رجحان کو برقرار رکھا جس کی بنیادی وجہ جنوبی اور مشرقی ایشیائی ممالک کے درمیان بگڑتے ہوئے تعلقات اور بڑھتے ہوئے تناؤ ہیں۔

کلیدی شعبہ جات جیسے تیل اور گیس (بڑھتی ہوئی پیداوار اور تیل کی بین الاقوامی قیمتوں کی بحالی میں مستقبل کی بہتر توقع پر)، خوراک اور پرسنل کیئر اور لیونگ نے بیچ مارک انڈیکس سے کہیں زیادہ اچھی کارکردگی کا مظاہرہ کیا جبکہ شعبہ جات جیسے سینٹ، آٹو اور بینکاری کے شعبوں نے اچھی کارکردگی کا مظاہرہ نہیں کیا۔

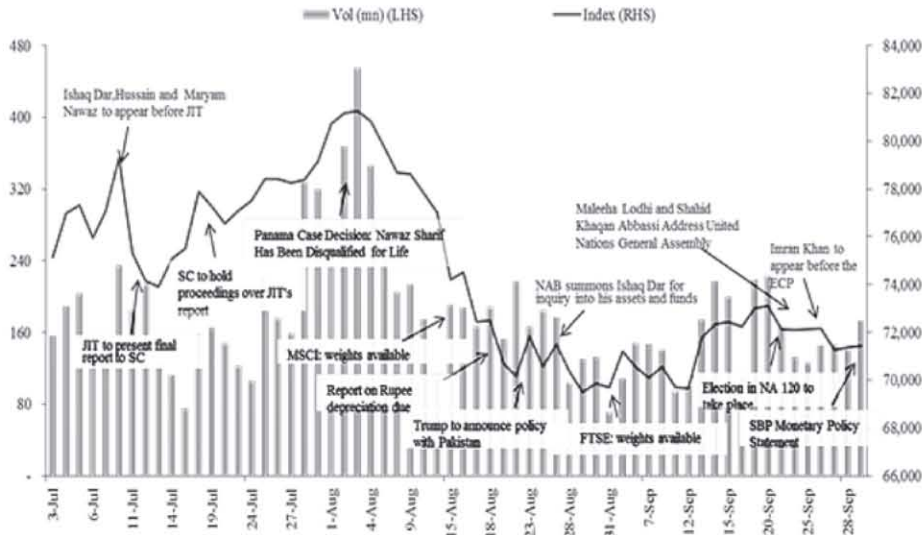
انڈیکس کی طرف ادارہ جاتی منافع جات اور بڑے حصے دار: دوران سہ ماہی، تیل اور گیس بہترین کارکردگی کا مظاہرہ کرنے والوں میں شامل تھے۔ اس سہ ماہی کے دوران، کے ایم آئی-30 انڈیکس میں سب سے اوپر یہ حصص رہے:

انڈیکس کے مثبت حصے دار	کے ایم آئی-30 پوائنٹس کی طرف حصہ	کل منافع اعانات (%)
پاکستان پیٹرولیم لمیٹڈ	869	17.92
پاکستان آئل فیلڈز لمیٹڈ	644	16.13
اینکر و فریٹلائزر لمیٹڈ	503	19.00
آئل اینڈ گیس ڈویلپمنٹ کمپنی لمیٹڈ	165	5.65
انک ریفاؤنڈری لمیٹڈ	68	8.01

دوسری طرف، سیٹ کیبل اینڈ الیکٹرک اور آٹو سب سے بری کارکردگی والے شعبے رہے۔ دورانِ عرصہ، کے ایم آئی-30 انڈیکس میں سب سے ست یہ رہے:

انڈیکس کے منفی حصے دار	کے ایم آئی۔ پی (پوائنٹس) کی طرف حصہ	کل منافع اعانات (%)
کئی سیمنٹ لمیٹڈ	-2,321	-31.02%
ڈی جی خان سیمنٹ کمپنی لمیٹڈ	-1,146	-31.10%
ہنڈا اٹلاس کارز پاکستان لمیٹڈ	-602	-37.44%
پاک الیکٹرون لمیٹڈ	-564	-29.71%
فوجی سیمنٹ کمپنی لمیٹڈ	-511	-20.74%

دورانِ سہ ماہی کے ایم آئی-30 انڈیکس کی مجموعی حرکت درج ذیل گراف میں مشاہدہ کی جاسکتی ہے:



### حصص کا بہاؤ:

زیر جائزہ سہ ماہی کے دوران غیر ملکی سرمایہ کاروں کی جانب سے 90 ملین امریکی ڈالر مالیت کا بیرونی بہاؤ اسٹاک ایکسچینج میں دیکھا گیا۔ 16 ملین ڈالر کا بلند ترین بیرونی بہاؤ بینکاری، سیمنٹ اور دیگر شعبہ جات (زیادہ تر فارما اور پاک الیکٹرون) میں دیکھا گیا۔

13.5 ملین ڈالر اور 9.2 ملین ڈالر مالیت کے اندرونی بہاؤ علی الترتیب فریڈا نوز اور فوڈ اینڈ پراسسنگ کیئرٹیکلز میں دیکھے گئے۔ دورانِ سہ ماہی، میوچل فنڈز خالص فروخت کنندہ رہے جس کی مالیت 37 ملین ڈالر تھی جبکہ انشورنس کمپنیز، اور پینکس خالص خریدار تھے جس کی مالیت 49 ملین ڈالر اور 33 ملین ڈالر علی الترتیب رہی کمپنیز، افراد، این بی ایف سیز، دیگر اور برودرگز خالص خریدار تھے جس کی مجموعی مالیت 44.6 ملین ڈالر تھی۔

### میوچل فنڈ انڈسٹری کا جائزہ:

مالی سال 2018 کے پہلے دو مہینوں کے دوران، میوچل فنڈ انڈسٹری کے زیر انتظام اثاثہ جات %1.5 کی شرح سے کم ہوئے جس کا حجم 607 ارب روپے تھا۔ شریعہ زیر انتظام اثاثہ جات زیر جائزہ عرصے کے دوران %5.4 کی شرح سے کم ہوئے جس کا حجم 236 ارب روپے رہا جس سے میوچل فنڈ انڈسٹری میں شریعہ فنڈز کا حصہ %38.8 پر آ گیا۔

مجموعی طور پر میوچل فنڈ انڈسٹری میں المیز ان کا حصہ %16.5 پر ہے جبکہ شریعہ فنڈز میں اس کا حصہ بمطابق 31 اگست 2017 %42.4 ہے۔

اوپن اینڈ سوورن، مینی مارکیٹ اور انکم فنڈز نے خالص اثاثہ جات کے لحاظ سے اگست 2017 میں ختم ہونے والے دو ماہ کے دوران حجم میں اضافہ ظاہر کیا ہے۔ مشترکہ کیٹیگری %13.9 کا اضافہ ظاہر کرتے ہوئے عرصے کے اختتام پر 244 ارب روپے تک پہنچ گئی۔ جبکہ اس کیٹیگری میں روایتی فنڈز %15.4 کی شرح سے بڑھ گئے، شریعہ فنڈز %9.8 شرح سے بڑھ گئے۔ اوپن اینڈ ایکویٹی فنڈز (بشمول انڈیکس ٹریڈر) %11.1 کی شرح سے کم ہو کر 30 جون، 2017ء کے مطابق 313 ارب روپے کے مقابلے میں 31 اگست 2017ء کو 278 ارب روپے ہو گئے۔ اس کیٹیگری میں روایتی فنڈز %10.3 کی شرح سے کم ہو گئے جبکہ شریعہ ایکویٹی فنڈز زیر جائزہ عرصے میں %12.2 کی شرح سے کم ہو کر 117 ارب روپے پر آ گئے۔

کنیٹیل پروڈیکٹس، بیلسنڈ، اور ایسیٹ ایلوکیشن فنڈز کے خالص اثاثہ جات مجموعی طور پر %4.5 کی کمی کے ساتھ 60 ارب روپے ہو گئے۔ روایتی فنڈز میں اس کیٹیگری میں %4.6 کی کمی دیکھی گئی جبکہ شریعہ فنڈز میں اسی طرح کی %4.5 کمی دیکھی گئی اور خالص اثاثہ جات 39 ارب روپے ہو گئے۔ کموڈٹی فنڈز نے بمطابق جون 2017ء 672 ملین روپے کے مقابلے میں 31 اگست 2017ء کے اختتام پر 686 ملین روپے رہے اور %2.0 معمولی اضافے کو ظاہر کیا۔

والٹری پنشن فنڈز زیر جائزہ عرصے کے دوران %6.2 کی شرح سے کم ہو کر 31 اگست 2017ء کے مطابق 24 ارب روپے سے زائد تک جا پہنچے۔ شریعہ پنشن فنڈز زیر جائزہ عرصے میں %6.6 کی شرح سے کم ہو کر اگست کے اختتام پر 15 ارب روپے پر آ گئے۔ میزان تحفظ پنشن فنڈ (MTPF) %35.5 مارکیٹ شیئر کے ساتھ سرفہرست رہا جبکہ شریعہ شعبے میں، MTPF کا حصہ پچھلے سال کے %55.5 کے مقابلے میں %55.7 ہو گیا۔

### فنڈز کی کارکردگی کا جائزہ:

#### میزان اسلامک فنڈ:

30 ستمبر 2017ء کے مطابق میزان اسلامک فنڈ کے خالص اثاثہ جات جون 2017ء کے 54,853 ملین روپے کے مقابلے میں 47,105 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 76.41 روپے فی یونٹ کے مقابلے میں 67.94 روپے رہی جو کہ زیر جائزہ سہ ماہی کے دوران %11 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) بیچ مارک %9 کم رہا۔

#### المیز ان میوچل فنڈ:

30 ستمبر 2017ء کے مطابق المیز ان میوچل فنڈ کے خالص اثاثہ جات جون 2017ء کے 9,079 ملین روپے کے مقابلے میں 7,977 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 21.14 روپے فی یونٹ کے مقابلے میں 18.80 روپے رہی جو کہ زیر جائزہ سہ ماہی کے دوران %11 کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) بیچ مارک %9 کم رہا۔

#### کے ایس ای میزان انڈیکس فنڈ:

30 ستمبر 2017ء کے مطابق کے ایس ای میزان انڈیکس فنڈ کے خالص اثاثہ جات جون 2017ء کے 1,909 ملین روپے کے مقابلے میں 1,713 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 79.56 روپے فی یونٹ کے مقابلے میں 72.01 روپے رہی جو کہ زیر جائزہ سہ ماہی کے دوران 9% کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) بیچ مارک 9% کم رہا۔

#### میزان انرجی فنڈ:

30 ستمبر 2017ء کے مطابق میزان انرجی فنڈ کے خالص اثاثہ جات جون 2017ء کے 1,139 ملین روپے کے مقابلے میں 1,633 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 50.23 روپے فی یونٹ کے مقابلے میں 49.52 روپے رہی جو کہ زیر جائزہ سہ ماہی کے دوران 1% کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) بیچ مارک 9% کم رہا۔

#### میزان ایسیٹ ایلوکیشن فنڈ:

30 ستمبر 2017ء کے مطابق میزان ایسیٹ ایلوکیشن فنڈ کے خالص اثاثہ جات جون 2017ء کے 3,251 ملین روپے کے مقابلے میں 3,203 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 50.89 روپے فی یونٹ کے مقابلے میں 46.46 روپے رہی جو کہ زیر جائزہ سہ ماہی کے دوران 9% کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں کے ایس ای میزان انڈیکس (کے ایم آئی 30) بیچ مارک 7% کم رہا۔

#### میزان اسلامک آگم فنڈ:

30 ستمبر 2017ء کے مطابق میزان اسلامک آگم فنڈ کے خالص اثاثہ جات جون 2017ء کے 11,781 ملین روپے کے مقابلے میں 11,829 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 51.39 روپے فی یونٹ کے مقابلے میں 51.79 روپے رہی جو کہ زیر جائزہ سہ ماہی کے دوران 3.04% کے منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک 2.35% رہا۔ سہ ماہی کے اختتام پر اسلامی ادارہ جاتی صکوک میں 19% حکومت پاکستان اجارہ صکوک میں 6% کی سرمایہ کاری کی گئی جبکہ 21% ٹرم ڈپازٹ ریپنس رکھے گئے اور خالص اثاثہ جات کے 52% اسلامی بینکس یا بینکس کے اسلامی ونڈوز میں مختص کئے گئے۔

#### میزان سوورن فنڈ:

30 ستمبر 2017ء کے مطابق میزان سوورن فنڈ کے خالص اثاثہ جات جون 2017ء کے 4,334 ملین روپے کے مقابلے میں 4,010 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 51.40 روپے فی یونٹ کے مقابلے میں 51.32 روپے رہی جو کہ زیر جائزہ سہ ماہی کے دوران 0.63% کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک 4.64% رہا۔ اس نقصان کو سہ ماہی کے پہلے ماہ کے دوران اجارہ صکوک کی تیزی سے گرتی ہوئی قیمتوں سے منسوب کیا جاتا ہے۔ سہ ماہی کے اختتام پر حکومت پاکستان اجارہ صکوک میں 62% کی سرمایہ کاری کی اور جبکہ خالص اثاثہ جات کے 37% اسلامی بینکس یا بینکس کے اسلامی ونڈوز میں رکھے گئے۔

#### میزان کیش فنڈ:

30 ستمبر 2017ء کے مطابق میزان کیش فنڈ کے خالص اثاثہ جات جون 2017ء کے 3,350 ملین روپے کے مقابلے میں 6,087 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 50.43 روپے فی یونٹ کے مقابلے میں 50.94 روپے رہی جو کہ زیر جائزہ سہ ماہی کے دوران 3.99% کے منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں بیچ مارک 2.56% رہا۔ سہ ماہی کے اختتام پر 7% ٹرم ڈپازٹ ریپنس (TDR) رکھے گئے اور خالص اثاثہ جات کے 90% اسلامی بینکس یا بینکس کے اسلامی ونڈوز میں رکھے گئے۔

#### میزان ہیلسڈ فنڈ:

30 ستمبر 2017ء کے میزان ہیلسڈ فنڈز کے خالص اثاثہ جات جون 2017ء کے 9,516 ملین روپے کے مقابلے میں 8,727 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 16.95 روپے فی یونٹ کے مقابلے میں 15.85 روپے رہی جو کہ زیر جائزہ سہ ماہی کے دوران 7% کے منفی منافع کو ظاہر کرتی ہے جبکہ اسی عرصے میں شیئنگ مارک 5% کم رہا۔

#### میزان فنانشل پلاننگ فنڈ آف فنڈز:

##### ایگریگٹ ایلوکیشن پلان:

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 622 ملین روپے کے مقابلے میں 556 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 8% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 7% رہا۔

##### موڈیرٹ ایلوکیشن پلان:

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 408 ملین روپے کے مقابلے میں 363 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 5% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 4% رہا۔

##### کنزرویٹو ایلوکیشن پلان:

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 413 ملین روپے کے مقابلے میں 387 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 2% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 2% رہا۔

##### میزان ایسیٹ ایلوکیشن پلان-I:

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,251 ملین روپے کے مقابلے میں 1,120 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 5% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 8% رہا۔

##### میزان ایسیٹ ایلوکیشن پلان-II:

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 978 ملین روپے کے مقابلے میں 856 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 9% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 7% رہا۔

##### میزان ایسیٹ ایلوکیشن پلان-III:

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 2,923 ملین روپے کے مقابلے میں 2,562 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 9% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 7% رہا۔

##### میزان ایسیٹ ایلوکیشن پلان-IV:

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 860 ملین روپے کے مقابلے میں 687 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 10% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 7% رہا۔

## میزان اسٹریٹجک ایلوکیشن فنڈ:

### میزان اسٹریٹجک ایلوکیشن پلان-I

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 2,629 ملین روپے کے مقابلے میں 2,331 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 9% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 7% رہا۔

### میزان اسٹریٹجک ایلوکیشن پلان-II

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,662 ملین روپے کے مقابلے میں 1,505 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 9% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 7% رہا۔

### میزان اسٹریٹجک ایلوکیشن پلان-III

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,766 ملین روپے کے مقابلے میں 1,601 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 9% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 7% رہا۔

### میزان اسٹریٹجک ایلوکیشن پلان-IV

30 ستمبر 2017ء کے مطابق پلان کے خالص اثاثہ جات 30 جون 2017ء کے 1,973 ملین روپے کے مقابلے میں 1,799 ملین روپے رہے۔ پلان نے زیر جائزہ سہ ماہی کے دوران 8% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 7% رہا۔

### میزان اسٹریٹجک ایلوکیشن پلان-V

یہ پلان اگست 2017ء میں شروع کیا گیا اور 30 ستمبر 2017ء پر اس کے خالص اثاثہ جات 244 ملین روپے تھے۔ پلان نے اس عرصے کے دوران 1% منفی منافع فراہم کیا جبکہ شیئنگ مارک منفی 1% رہا۔

## میزان گولڈ فنڈ:

30 ستمبر 2017ء پر میزبان گولڈ فنڈ کے خالص اثاثہ جات 30 جون 2017ء کے 459 ملین روپے کے مقابلے میں 425 ملین روپے رہے۔ زیر جائزہ سہ ماہی کے دوران فنڈ نے 2% کے شیئنگ مارک کے مقابلے میں 1% کا منافع فراہم کیا۔

## میزان تحفظ پنشن فنڈ:

ایم ٹی پی ایف 4 ذیلی فنڈ یعنی ایکویٹی سب فنڈ، ڈیٹ سب فنڈ، منی مارکیٹ سب فنڈ اور گولڈ سب فنڈ پر مشتمل ہے۔ 30 ستمبر 2017ء کو اختتام پذیر ہونے والے عرصے کیلئے ایکویٹی سب فنڈ نے 11.45% کا منفی منافع اور گولڈ سب فنڈ نے 1.64% کا منافع فراہم کیا، جبکہ ڈیٹ اور منی مارکیٹ سب فنڈ نے بالترتیب 1% کا سالانہ منافع فراہم کیا۔ ہر ایک سب فنڈ کی کارکردگی کا جائزہ درج ذیل ہے:

## ایکویٹی سب فنڈ:

30 ستمبر 2017ء کے مطابق ایکویٹی سب فنڈ کے خالص اثاثہ جات 30 جون 2017ء کے 5,806 ملین روپے کے مقابلے میں 5,379 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 592.32 روپے فی یونٹ کے مقابلے میں 524.49 روپے رہی۔ زیر جائزہ سہ ماہی کے دوران ایکویٹی سب فنڈ نے گزشتہ سال کی اسی سہ ماہی کے مطابق 245 ملین روپے کی مجموعی آمدنی کے مقابلے میں 654 ملین روپے کا مجموعی خسارہ کیا۔



### ڈیٹ سب فنڈ:

30 ستمبر 2017ء کے مطابق ڈیٹ سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 2,511 ملین روپے کے مقابلے میں 2,450 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 214.59 روپے فی یونٹ کے مقابلے میں 215.00 روپے رہی۔ زیر جائزہ سہ ماہی کے دوران ڈیٹ سب فنڈ نے گزشتہ سال کی اسی سہ ماہی کے مطابق 36 ملین روپے کے مقابلے میں 16 ملین روپے کا مجموعی منافع کمایا۔

### منی مارکیٹ سب فنڈ:

30 ستمبر 2017ء کے مطابق منی مارکیٹ سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 663 ملین روپے کے مقابلے میں 657 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 212.18 روپے فی یونٹ کے مقابلے میں 212.97 روپے رہی۔ زیر جائزہ سہ ماہی کے دوران منی مارکیٹ سب فنڈ نے گزشتہ سال کی اسی سہ ماہی کے مطابق 7 ملین روپے کے مقابلے میں 6 ملین روپے کا مجموعی منافع کمایا۔

### گولڈ سب فنڈ:

30 ستمبر 2017ء کے مطابق گولڈ سب فنڈ کے خالص اثاثہ جات جون 2017ء کے 43 ملین روپے کے مقابلے میں 44 ملین روپے رہے۔ 30 ستمبر 2017ء کے اختتام پر مجموعی اثاثہ جات کی فی قدر قیمت 30 جون 2017ء کے 90.59 روپے فی یونٹ کے مقابلے میں 92.07 روپے رہی۔ زیر جائزہ سہ ماہی کے دوران گولڈ سب فنڈ نے گزشتہ سال کی اسی سہ ماہی کے مطابق 1 ملین روپے کے مجموعی خسارے کے مقابلے میں 1 ملین روپے کا مجموعی منافع کمایا۔

### توقع (Out Look):

سیاسی غیر یقینی کیفیت کے درمیان حالیہ تصحیحات کے باوجود، اسٹاک مارکیٹ ستمبر 2017ء میں کچھ نقصانات کا ازالہ کر چکی ہے۔ اسٹاک مارکیٹ مئی 2017ء میں اس کی بلند ترین سطح حاصل کرنے سے لے کر اب بھی نمایاں تصحیح حاصل کر چکی ہے۔ اس کے علاوہ توقع کی جاتی ہے کہ ملک کی معاشی سرگرمی حکومت کی جانب اٹھائے گئے نئی اقدامات کی مدد سے بہتر ہوگی تاکہ مالی سال 2018ء کیلئے اس کے اعلان کردہ بجٹ میں برآمدات میں اضافہ ہو۔ سی پیک منصوبہ جات بھی صحیح سمت میں رواں دواں ہیں جو کہ معاشی سرگرمیوں کو مزید مستحکم کریں گے۔

ادارہ جاتی منافع جات آئندہ کیلئے پیش گوئی کیے گئے متوقع صحت مند منافعوں کے ساتھ محفوظ ہیں۔ تاہم حسابات جاریہ کی صورتحال سے متعلق تشویش اب بھی باقی ہے، بڑھتا ہوا خسارہ کم ہونے کی توقع اور سی پیک پیش رفت کی وجہ سے درآمدات معمول پر آنے کی توقع ہے۔ ان عوامل کی مدد سے، حکومت اب مالی سال 2018ء کیلئے 6% سے زائد کی مجموعی ملکی پیداواری نمو کو ہدف بنا رہی ہے جو مالی سال 2017ء میں 5.3% کی مجموعی ملکی پیداواری نمو کے دھائی کو تقریباً بلند ترین سطح حاصل کر لینے کے بعد ممکن ہے۔

سابق وزیر اعظم کے خلاف نیب تحقیقات کی طوالت نے مارکیٹ کو منفی جانب گامزن کیا، ہم یقین رکھتے ہیں کہ سیاسی غیر یقینی صورتحال نے ضرورت سے زیادہ اپنا اثر ظاہر کیا جس پر سرمایہ کاروں کا منفی رد عمل دیکھا گیا۔ اب مستحکم مارکیٹ مبادیات اچھی طرح محفوظ ہیں، اور جوں ہی یہ قلیل مدتی سیاسی شور شرابہ اختتام پزیر ہوگا اسٹاک مارکیٹ اپنے معمول کے تجارتی طور طریقے پر پلٹ آئے گی۔ اب پاکستان باقاعدہ ابھرتی مارکیٹس فضا میں داخل ہو چکا ہے، غیر ملکی سرمایہ کاروں کی دلچسپی بڑھنا متوقع ہے اور جس سے مقامی سرمایہ کاروں کا اعتماد بھی بڑھے گا اور یہ بالآخر اسٹاک مارکیٹ کیلئے مثبت ہوگا۔

اشیائے صرف کے مجاز پر، تیل کی بین الاقوامی قیمتوں میں بعض اوقات غیر یقینی آسکتی ہے لیکن موجودہ منظر نامے میں، اُن سے توقع ہے کہ وہ حدود کے اندر ہی تسلسل کا مظاہرہ کرتی رہیں گی۔ سونا، جو کہ اس کے دوران سازگار حرکت ظاہر کرتا ہے جس کی وجہ شمالی کوریا اور امریکہ کے بیچ بڑھتا تناؤ ہے وہ اوپر کی جانب اپنے تسلسل کو برقرار رکھ سکتا ہے بشرطیکہ جزیرہ نما کوریا پرتشویش مزید گھمبیر ہو جاتی ہے۔ عالمی اقتصادی منظر نامے میں طیران پذیری وغیر یقینی بھی اس زرد دھات کو محفوظ رکھنے کیلئے طلب کو برقرار رکھ سکتی ہے۔

حکومت کی نرم مالیاتی پالیسی کے تسلسل کی توقع مستقبل قریب میں کی جا رہی ہے۔ اگر بڑھتے افراط زر سے حقیقی شرح سود متاثر ہو گیا تو مالیاتی سختی کا موقف مالی سال 2018ء کے آخری نصف میں اختیار کیا جاسکتا ہے۔

#### اعتراف:

ہم اس موقع کو غنیمت جانتے ہوئے ہمارے گرانقدر سرمایہ کاروں سے ان کے لمیز ان انویسٹمنٹس پر یقین کیلئے شکریہ ادا کرتے ہیں جس سے یہ پاکستان کے نئی شعبے میں سب سے بڑی ایسیٹ مینجمنٹ کمپنی بن گئی ہے۔ ہم ضابطہ کار، ایس ای سی پی اور ہمارے ٹرسٹی، سینٹرل ڈپازٹری کمپنی آف پاکستان سے بھی ان کی بھرپور اعانت و مدد کیلئے اظہار تشکر کرتے ہیں۔ اس کے علاوہ میزان بینک کے اراکین شریعہ سپروائزری بورڈ کا بھی ان کے مسلسل تعاون اور فنڈ مینجمنٹ کے شریعہ سے متعلق پہلوؤں پر ان کی رہنمائی کے لئے دل کی گہرائیوں سے اظہار تشکر بجالاتے ہیں۔

محمد شعیب، سی ایف اے  
چیف ایگزیکٹو آفیسر

برائے و بجانب بورڈ  
مورخہ 19 اکتوبر 2017ء



# Meezan Islamic Fund

Meezan Islamic Fund (MIF) seeks to optimize total investor returns by participating in Shariah compliant equities which focus on both capital gains and dividend income.

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

Allied Bank Limited	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Bank Limited
Askari Bank Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Al Habib Limited - Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bankislami Pakistan Limited	Samba Bank Limited
Dubai Islamic Bank Pakistan Limited	Sindh Bank Limited
Faysal Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking
Habib Bank Limited - Islamic Banking	

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

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



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>Assets</b>			
Balances with banks		3,234,464	4,188,108
Investments	5	44,281,855	50,448,864
Receivable on issuance and conversion of units		42,905	1,530,182
Receivable against investments - (net)		15,835	-
Dividend receivable		397,414	252,501
Deposits, prepayments and other receivables		26,848	38,484
<b>Total assets</b>		<b>47,999,321</b>	<b>56,458,139</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company		192,306	191,995
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		4,473	5,277
Payable to Meezan Bank Limited (MBL)		2,141	7,780
Payable to Securities and Exchange Commission of Pakistan (SECP)		12,067	42,787
Payable on redemption and conversion of units		50,817	109,957
Dividend payable		-	345,340
Payable against investments - (net)		-	64,953
Accrued expenses and other liabilities	7	632,897	837,341
<b>Total liabilities</b>		<b>894,701</b>	<b>1,605,430</b>
<b>Net assets</b>		<b>47,104,620</b>	<b>54,852,709</b>
<b>Contingencies and commitments</b>	6		
<b>Unitholders' fund (as per statement attached)</b>		<b>47,104,620</b>	<b>54,852,709</b>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>693,374,221</b>	<b>717,906,382</b>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<b>67.94</b>	<b>76.41</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30, 2017	2016
		(Rupees in '000)	
<b>Income</b>			
Dividend income		422,091	285,830
Profit on saving accounts with banks		60,008	27,342
Net realised (loss) / gain on sale of investments		(126,899)	262,947
		355,200	576,119
Unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss' (net)	5.1.1 & 5.1.4	(5,690,989)	1,715,371
<b>Total (loss) / income</b>		<b>(5,335,789)</b>	<b>2,291,490</b>
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		254,049	175,052
Sindh Sales Tax on management fee		33,026	22,757
Allocated expense	9	12,702	8,753
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		12,954	9,005
Sindh Sales Tax on trustee fee		1,684	1,171
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		12,067	8,315
Auditors' remuneration		244	237
Charity expense		2,178	3,254
Fees and subscription		1,924	758
Legal and professional charges		-	85
Brokerage expense		7,179	7,626
Bank and settlement charges		1,208	1,206
Selling and marketing expense	11	50,810	-
Printing expenses		249	249
<b>Total expenses</b>		<b>390,274</b>	<b>238,468</b>
<b>Net (loss) / income for the quarter before taxation</b>		<b>(5,726,063)</b>	<b>2,053,022</b>
Taxation	12	-	-
<b>Net (loss) / income for the quarter after taxation</b>		<b>(5,726,063)</b>	<b>2,053,022</b>
Other comprehensive income		(378,304)	216,301
<b>Total comprehensive income for the quarter</b>		<b>(6,104,367)</b>	<b>2,269,323</b>
<b>Allocation of net income for the quarter</b>			
Net (loss) / income for the quarter after taxation		(5,726,063)	2,269,323
Loss on units redeemed		484,980	-
		(5,241,083)	2,269,323
Accounting income available for distribution		-	2,269,323

The annexed notes 1 to 14 form an integral part of this condensed interim financial information

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

**Chief Executive**

**Director**



CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30, 2017	2016
	(Rupees in '000)	
Net assets at beginning of the quarter	54,852,709	32,554,406
Issue of 114,690,383 units (September 30, 2016: 82,562,014 units)	8,328,490	5,787,224
Redemption of 139,222,544 units (September 30, 2016: 77,173,436 units)	(9,972,212)	(5,414,274)
	(1,643,722)	372,950
Loss on units redeemed	(484,980)	-
Total comprehensive income for the quarter including loss on units redeemed	(5,619,387)	2,269,323
Distribution	-	-
Net (loss) / income for the quarter less distribution	(5,619,387)	2,269,323
Net assets at end of the quarter	47,104,620	35,196,679
<b>Distribution for the quarter</b>		
Undistributed income brought forward		
-Realised	9,682,347	4,499,430
-Unrealised	5,172,820	3,398,433
	14,855,167	7,897,863
Distribution	-	-
Total comprehensive income for the quarter including loss on units redeemed	(5,241,083)	2,269,323
Undistributed income carried forward	9,614,084	10,167,186
Undistributed income carried forward		
-Realised	15,305,073	8,451,815
-Unrealised	(5,690,989)	1,715,371
	9,614,084	10,167,186
	(Rupees)	
Net assets value per unit at beginning of the quarter	76.41	66.21
Net assets value per unit at end of the quarter	67.94	70.81

The annexed notes 1 to 14 form an integral part of this condensed interim financial information

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30, 2017	September 30, 2016
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (loss) / income for the quarter before taxation		(5,726,063)	2,053,022
<b>Adjustments for:</b>			
Unrealised diminution / (appreciation) on re-measurement of investments - 'at fair value through profit or loss' (net)	5.1.1 & 5.1.4	5,690,989	(1,715,371)
		(35,074)	337,651
<b>Decrease / (increase) in assets</b>			
Investments (net)		97,716	(1,735,215)
Receivable against investments - (net)		(15,835)	(184,497)
Dividend receivable		(144,913)	(194,820)
Deposits, prepayments and other receivables		11,636	(7,926)
		(51,396)	(2,122,458)
<b>Increase / (decrease) in liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company		311	7,150
Payable to Central Depository Company of Pakistan Limited - Trustee		(804)	399
Payable to Meezan Bank Limited		(5,639)	(1,913)
Payable to Securities and Exchange Commission of Pakistan		(30,720)	(18,226)
Payable against investments - (net)		(64,953)	(529,926)
Accrued expenses and other liabilities		(204,444)	(63,616)
		(306,249)	(606,132)
<b>Net cash used in operating activities</b>		<b>(392,719)</b>	<b>(2,390,939)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		9,815,767	7,080,809
Dividend paid		(345,340)	-
Payments against redemption and conversion of units		(10,031,352)	(5,457,628)
<b>Net cash (used in) / generated from financing activities</b>		<b>(560,925)</b>	<b>1,623,181</b>
Net decrease in cash and cash equivalents during the quarter		(953,644)	(767,758)
Cash and cash equivalents at beginning of the quarter		4,188,108	1,928,938
Cash and cash equivalents at end of the quarter		3,234,464	1,161,180

The annexed notes 1 to 14 form an integral part of this condensed interim financial information

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

**Chief Executive**

**Director**





## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Islamic Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 16, 2003 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 4, 2003 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (NBFC Regulations, 2008). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as Equity Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 1.4** The Management Company of the Fund has been given a quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

### 2. BASIS OF PRESENTATION

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

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP have been followed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unitholders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

5. INVESTMENTS	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
Investments - 'at fair value through profit or loss'	5.1	<b>40,661,703</b>	46,448,966
Investments - 'available for sale'	5.2.1	<b>3,620,152</b>	3,999,898
		<b>44,281,855</b>	50,448,864
<b>5.1 Investments - 'at fair value through profit or loss'</b>			
Held for trading	5.1.1	<b>40,467,321</b>	46,147,660
Investments - 'at fair value through profit or loss upon initial recognition'	5.1.4	<b>194,382</b>	301,306
		<b>40,661,703</b>	46,448,966



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

Name of the investee company	As at July 01, 2017	Purchases during the year	Bonus / Rights issue	Sales during the year	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)
	(Number of shares)				(Rupees in '000)			%			
<b>Sector / companies</b>											
<b>Automobile assembler</b>											
Honda Atlas Cars (Pakistan) Limited	2,763,200	-	-	54,800	2,708,400	2,350,052	1,461,155	(888,897)	3.10	3.30	1.90
Indus Motor Company Limited	203,842	-	-	53,360	150,482	269,905	258,952	(10,953)	0.55	0.58	0.19
Millat Tractors Limited	116,900	-	-	-	116,900	160,672	145,925	(14,747)	0.31	0.33	0.26
Pakistan Suzuki Motor Company Limited	-	135,700	-	25,000	110,700	58,905	50,664	(8,241)	0.11	0.11	0.13
									<b>4.07</b>	<b>4.32</b>	<b>2.48</b>
<b>Automobile parts and accessories</b>											
General Tyre & Rubber Co. of Pak Thal Limited (note 5.1.2)	-	82,200	-	-	82,200	16,636	16,547	(89)	0.04	0.04	0.14
	102,307	-	-	5,000	97,307	58,971	53,626	(5,345)	0.11	0.12	0.12
									<b>0.15</b>	<b>0.16</b>	<b>0.26</b>
<b>Chemicals</b>											
Engro Polymer & Chemicals Limited	11,019,500	3,460,000	-	2,045,000	12,434,500	443,736	415,437	(28,299)	0.88	0.94	1.87
ICI Pakistan Limited	1,017,700	31,760	-	-	1,049,460	1,144,735	958,808	(185,927)	2.04	2.17	1.14
Sitara Chemicals Industries Limited	30,500	-	-	-	30,500	13,561	11,331	(2,230)	0.02	0.03	0.14
									<b>2.94</b>	<b>3.14</b>	<b>3.15</b>
<b>Cement</b>											
Cherat Cement Company Limited	7,093,212	-	-	-	7,093,212	1,268,124	851,044	(417,080)	1.81	1.92	4.02
D.G. Khan Cement Company Limited	8,889,922	1,025,000	-	975,000	8,939,922	1,861,576	1,312,917	(548,659)	2.79	2.96	2.04
Fauji Cement Company Limited	20,185,500	1,152,500	-	225,000	21,113,000	864,803	686,595	(178,208)	1.46	1.55	1.53
Kohat Cement Company Limited	3,102,500	250,000	-	-	3,352,500	761,279	502,741	(258,538)	1.07	1.14	2.17
Lucky Cement Limited	5,144,329	232,200	-	81,250	5,295,279	4,399,430	2,992,786	(1,406,644)	6.35	6.76	1.64
Maple Leaf Cement Factory Limited	5,455,600	225,000	-	5,680,600	-	-	-	-	-	-	-
Pioneer Cement Limited	10,897,800	-	-	-	10,897,800	1,416,714	980,148	(436,566)	2.08	2.21	4.80
									<b>15.56</b>	<b>16.54</b>	<b>16.20</b>
<b>Paper and board</b>											
Cherat Packaging Limited	303,800	-	-	-	303,800	72,238	60,760	(11,478)	0.13	0.14	1.03
Century Paper & Board Mills Ltd	-	500	-	-	500	34	33	(1)	-	-	-
Packages Limited	2,163,379	-	-	50,000	2,113,379	1,470,024	1,219,441	(250,583)	2.59	2.75	2.36
									<b>2.72</b>	<b>2.89</b>	<b>3.39</b>
<b>Technology and communication</b>											
Pakistan Telecommunication Company Limited "A"	250,000	-	-	200,000	50,000	781	737	(44)	-	-	-
<b>Refinery</b>											
Attock Refinery Limited	1,142,900	77,500	-	327,500	892,900	341,327	368,955	27,628	0.78	0.83	1.05
National Refinery Limited	153,955	65,000	-	89,800	129,155	90,470	85,747	(4,723)	0.18	0.19	0.16
									<b>0.96</b>	<b>1.02</b>	<b>1.21</b>
<b>Miscellaneous</b>											
Shifa International Hospitals Limited	40,988	-	-	40,000	988	326	252	(74)	-	-	-
<b>Commercial banks</b>											
Meezan Bank Limited (an associate of the Fund)	567,081	538,500	302,410	1,054,000	353,991	19,059	26,348	7,289	0.06	0.06	0.04
<b>Oil and gas marketing companies</b>											
Attock Petroleum Limited	327,579	-	-	-	327,579	205,205	204,976	(229)	0.44	0.46	0.39
Hascol Petroleum Limited	379,048	24,700	-	50,000	353,748	120,521	99,435	(21,086)	0.21	0.22	0.29
Hi-Tech Lubricants Limited	2,236,700	-	-	-	2,236,700	243,823	220,404	(23,419)	0.47	0.50	1.93
Pakistan State Oil Company Limited	3,029,723	1,191,800	-	175,000	4,046,523	1,606,422	1,787,592	181,170	3.79	4.04	1.49
Shell (Pakistan) Limited	20,000	-	-	-	20,000	11,507	8,317	(3,190)	0.02	0.02	0.02
Sui Southern Gas Company Limited	4,532,500	500,000	-	4,283,000	749,500	27,673	27,154	(519)	0.06	0.06	0.09
Sui Northern Gas Pipelines Limited	14,986,000	1,547,300	-	2,147,000	14,386,300	2,133,050	1,925,750	(207,300)	4.09	4.35	2.27
									<b>9.08</b>	<b>9.65</b>	<b>6.48</b>
<b>Oil and gas Exploration Companies</b>											
Oil and Gas Development Company Limited	25,998,300	2,216,200	-	945,100	27,269,400	3,854,612	4,053,324	198,712	8.60	9.15	0.63
Pakistan Oilfields Limited	2,380,497	-	-	63,950	2,316,547	1,061,326	1,232,496	171,170	2.62	2.78	0.98
Pakistan Petroleum Limited	3,443,550	949,300	-	100,000	4,292,850	660,040	749,918	89,878	1.59	1.69	0.22
Mari Petroleum Company Limited	2,056,240	15,760	-	-	2,072,000	3,263,641	3,118,381	(145,260)	6.62	7.04	1.88
									<b>19.43</b>	<b>20.66</b>	<b>3.71</b>
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	1,169,850	-	-	-	1,169,850	1,093,342	923,012	(170,330)	1.96	2.08	1.19
Ferozsons Laboratories Limited	19,650	-	-	19,650	-	-	-	-	-	-	-
Glaxo Smithkline Pakistan Limited	816	-	-	-	816	161	150	(11)	-	-	-
Glaxo Smithkline Consumer Healthcare Products Limited	486,556	25,000	-	80,000	431,556	90,522	120,167	29,645	0.26	0.27	0.45
Hightnoon Laboratories Limited	649	-	-	-	649	406	327	(79)	-	-	-
The Searle Company Limited	2,500,941	113,500	-	2,500	2,611,941	1,333,247	1,055,015	(278,232)	2.24	2.38	1.70
									<b>4.46</b>	<b>4.73</b>	<b>3.34</b>

Name of the investee company	As at July 01, 2017	Purchases during the year	Bonus / Rights issue	Sales during the year	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)
----- (Number of shares) -----						----- (Rupees in '000) -----			----- % -----		
<b>Power generation and distribution</b>											
Hub Power Company Limited	11,989,216	-	-	1,597,700	10,391,516	1,220,275	1,161,871	(58,404)	2.47	2.62	0.90
K - Electric Limited (note 5.1.2)	214,723,000	1,700,000	-	8,405,500	208,017,500	1,435,101	1,464,443	29,342	3.11	3.31	0.75
Kohinoor Energy Limited	510,000	-	-	150,000	360,000	15,505	16,920	1,415	0.04	0.04	0.21
									<b>5.62</b>	<b>5.97</b>	<b>1.86</b>
<b>Cable and electrical goods</b>											
Pak Elektron Limited	14,483,250	1,602,600	-	1,319,000	14,766,850	1,608,689	1,121,542	(487,147)	2.38	2.53	2.97
<b>Fertilizer</b>											
Dawood Hercules Corporation Limited	5,254,500	112,000	-	-	5,366,500	730,482	662,011	(68,471)	1.41	1.49	1.12
Engro Corporation Limited (note 5.1.3)	14,597,900	715,967	-	473,600	14,840,267	4,834,758	4,497,937	(336,821)	9.55	10.16	2.83
Engro Fertilizers Limited	32,220,200	1,822,500	-	500,000	33,542,700	1,855,617	2,110,171	254,554	4.48	4.77	2.51
									<b>15.44</b>	<b>16.42</b>	<b>6.46</b>
<b>Engineering</b>											
Amreli Steels Limited	372,500	225,000	-	100,000	497,500	58,183	50,730	(7,453)	0.11	0.11	0.17
Crescent Steel & Allied Products Limited	641,900	-	-	-	641,900	153,138	101,542	(51,596)	0.22	0.23	0.83
International Industries Limited	454,700	318,500	-	-	773,200	274,407	224,383	(50,024)	0.48	0.51	0.64
International Steel Limited	3,198,000	960,000	-	670,000	3,488,000	441,438	422,501	(18,937)	0.90	0.95	0.80
K.S.B. Pumps Company Limited	89,900	-	-	-	89,900	28,319	26,970	(1,349)	0.06	0.06	0.68
									<b>1.77</b>	<b>1.86</b>	<b>3.12</b>
<b>Food and personal care products</b>											
Al-Shaheer Corporation Limited	3,094,241	-	-	-	3,094,241	124,110	97,840	(26,270)	0.21	0.22	2.18
Engro Foods Limited	894,521	270,500	-	380,000	785,021	93,496	74,601	(18,895)	0.16	0.17	0.10
									<b>0.37</b>	<b>0.39</b>	<b>2.28</b>
<b>Textile composite</b>											
Kohinoor Textile Mills Limited	2,000	-	-	-	2,000	210	177	(33)	-	-	-
Nishat Mills Limited	2,979,700	125,000	-	50,000	3,054,700	483,760	443,237	(40,523)	0.94	1.00	0.87
									<b>0.94</b>	<b>1.00</b>	<b>0.87</b>
<b>Rights Shares</b>											
Kohinoor Textile Mills Limited Rights	-	14	-	-	14	-	-	-	0.01	0.01	0.14
Cherat Packaging Limited Rights	-	41,013	-	-	41,013	-	3,078	3,078	0.01	0.01	0.14
									<b>0.01</b>	<b>0.01</b>	<b>0.14</b>
<b>Total</b>						<b>46,146,344</b>	<b>40,467,321</b>	<b>(5,679,023)</b>			

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

**5.1.3** 1,000,000 shares of Engro Corporation Limited having market value of Rs. 303.09 million (June 30, 2017: Rs. 325.91 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

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

##### **Ordinary shares - listed**

Name of the investee company	As at July 01, 2017	Purchases during the year	Bonus / Rights issue	Sales during the year	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised loss as at September 30, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)
----- (Number of shares) -----						----- (Rupees in '000) -----			----- % -----		
<b>Sectors / companies</b>											
<b>Commercial banks</b>											
Meezan Bank Limited (an associate of the Fund)	3,810,706	-	-	1,202,000	2,608,706	206,088	194,166	(11,922)	0.41	0.44	0.26
<b>Paper and Board</b>											
Packages Limited	374	-	-	-	374	260	216	(44)	-	-	-
<b>Total</b>						<b>206,348</b>	<b>194,382</b>	<b>(11,966)</b>			



## 5.2 Investments categorised as 'available for sale'

### 5.2.1 Shares of listed companies

Name of the investee company	As at July 01, 2017	Purchases during the year	Bonus / Rights issue	Sales during the year	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)
						(Number of shares)	(Rupees in '000)	%			
<b>Sectors / companies</b>											
<b>Automobile assembler</b>											
Honda Atlas Cars (Pakistan) Limited	233,700	-	-	-	233,700	80,064	126,079	46,015	0.27	0.28	0.16
<b>Commercial Banks</b>											
Meezan Bank Limited (an associate of the Fund)	124,880	-	-	116,000	8,880	110	661	551	-	-	-
BankIslami Pakistan Limited	875	-	-	-	875	5	11	6	-	-	-
<b>Chemicals</b>											
ICI Pakistan Limited	75	-	-	-	75	10	69	59	-	-	-
<b>Cement</b>											
D.G. Khan Cement Company Limited	60,900	-	-	-	60,900	11,164	8,944	(2,220)	0.02	0.02	0.01
Lucky Cement Limited	279,000	-	-	-	279,000	171,162	157,685	(13,477)	0.33	0.36	0.09
									0.35	0.38	0.10
<b>Power Generation and Distribution</b>											
Hub Power Company Limited	10,377,900	-	-	-	10,377,900	656,997	1,160,353	503,356	2.46	2.62	0.90
<b>Paper and Board</b>											
Packages Limited	2,027,850	-	-	-	2,027,850	965,943	1,170,090	204,147	2.48	2.64	2.29
<b>Oil and gas Marketing Companies</b>											
Pakistan State Oil Company Limited	1,489,500	-	-	-	1,489,500	403,815	658,002	254,187	1.40	1.49	0.55
<b>Oil and gas Exploration Companies</b>											
Mari Petroleum Company Limited	3,800	-	-	-	3,800	3,340	5,719	2,379	0.01	0.01	-
Pakistan Oilfields Limited	415,600	-	-	-	415,600	111,389	221,116	109,727	0.47	0.50	0.18
									0.48	0.51	0.18
<b>Refinery</b>											
National Refinery Limited	151	-	-	-	151	28	100	72	-	-	-
<b>Pharmaceuticals</b>											
The Searle Company Limited (note 11)	234,498	-	-	-	234,498	100,765	94,718	(6,047)	0.20	0.21	0.15
<b>Fertilizers</b>											
Engro Corporation Limited	5,000	-	-	-	5,000	1,652	1,515	(137)	-	-	-
<b>Textile Composite</b>											
Nishat Mills Limited	104,000	-	-	-	104,000	11,015	15,090	4,075	0.03	0.03	0.03
<b>Total</b>						<b>2,517,459</b>	<b>3,620,152</b>	<b>1,102,693</b>			
<b>Total cost of investments</b>							<b>2,517,459</b>				

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

	(Unaudited) September 30, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
Market value of investment	3,620,152	3,999,898
Less: Cost of investments	2,517,459	2,518,901
	<u>1,102,693</u>	<u>1,480,997</u>
Less: Net unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the quarter	1,480,997	1,073,339
Less: Impairment loss on listed equity securities classified as 'available for sale' at beginning of the quarter	-	46,273
	<u>(378,304)</u>	<u>361,385</u>
Impairment loss on listed equity securities classified as 'available for sale' - transferred to income statement	-	-
	<u>(378,304)</u>	<u>361,385</u>

## 6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2017 other than as disclosed in the annual financial statements for the year ended June 30, 2017

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs. 340.48 million (June 30, 2017: Rs. 340.48 million). Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Rs. 0.49 / 0.72% (June 30, 2017: Rs. 0.47 / 0.62%). The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

## 8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and executives of the Management Company, Meezan Asset Allocation Fund, KSE Meezan Index Fund, Al Meezan Mutual Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Gold Fund, Meezan Energy Fund, Meezan Strategic 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 are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, 2003, NBFC Regulations, 2008, and the Trust Deed respectively.

Details of transactions with connected persons and balances with them for the quarter ended September 30, 2017 and as of that date along with comparatives are as follows:

	(Unaudited) September 30, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited</b>		
<b>- Management Company</b>		
Remuneration payable	<u>77,662</u>	<u>91,878</u>
Sindh Sales Tax on management fee	<u>10,096</u>	<u>11,944</u>
Sales load payable	<u>1,405</u>	<u>8,631</u>
Sindh Sales Tax on sales load	<u>183</u>	<u>1,122</u>
Allocated expense	<u>3,883</u>	<u>4,594</u>
Selling and marketing expense payable	<u>99,077</u>	<u>73,826</u>
Investment as at September 30, 2017: 11,770,909 units (June 30, 2017: 11,769,797 units)	<u>799,716</u>	<u>899,330</u>
<b>Meezan Bank Limited</b>		
Bank balance	<u>127,639</u>	<u>480,022</u>
Sales load payable	<u>1,895</u>	<u>6,885</u>
Sindh Sales Tax on sales load	<u>246</u>	<u>895</u>
Investment as at September 30, 2017: 2,971,577 shares (June 30, 2017: 13,068,167 shares)	<u>221,174</u>	<u>355,711</u>
Investment as at September 30, 2017: 12,475,049 units (June 30, 2017: 12,475,049 units)	<u>847,555</u>	<u>953,218</u>



	(Unaudited) September 30, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	3,958	4,669
Sindh Sales Tax on trustee fee payable	515	608
Deposit	100	100
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investment as at September 30, 2017: 180,189 units (June 30, 2017: 180,189 units)	12,242	13,768
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Investment as at September 30, 2017: 6,121,010 units (June 30, 2017: 5,755,580 units)	415,861	439,784
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Investment as at September 30, 2017: 2,667,036 units (June 30, 2017: 2,676,971 units)	181,198	204,547
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Investment as at September 30, 2017: 1,405,759 units (June 30, 2017: 1,335,169 units)	95,507	102,020
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Investment as at September 30, 2017: Nil (June 30, 2017: 13,417,797 units)	-	1,025,254
<b>Meezan Financial Planning Fund of Funds - MAAP - II</b>		
Investment as at September 30, 2017: 10,198,087 units (June 30, 2017: 10,859,058 units)	692,858	829,741
<b>Meezan Financial Planning Fund of Funds - MAAP - III</b>		
Investment as at September 30, 2017: 25,188,201 units (June 30, 2017: 28,489,889 units)	1,711,286	2,176,912
<b>Meezan Financial Planning Fund of Funds - MAAP - IV</b>		
Investment as at September 30, 2017: 7,077,693 units (June 30, 2017: 9,021,808 units)	480,858	689,356
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Investment as at September 30, 2017: 23,620,616 units (June 30, 2017: 24,362,251 units)	1,604,785	1,861,520
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Investment as at September 30, 2017: 10,550,760 units (June 30, 2017: 10,307,902 units)	716,819	787,627
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Investment as at September 30, 2017: 18,869,268 units (June 30, 2017: 18,334,830 units)	1,281,978	1,400,963
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Investment as at September 30, 2017: 19,091,250 units (June 30, 2017: 16,203,703 units)	1,297,060	1,238,125
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Investment as at September 30, 2017: 1,336,287 units (June 30, 2017: Nil)	90,787	-
<b>Directors and Executives of the Management Company</b>		
Investment as at September 30, 2017: 5,982,270 units (June 30, 2017: 5,987,885 units)	406,435	457,534

	For the quarter ended September 30,	
	2017	2016
<b>AI Meezan Investment Management Limited</b>		
<b>- Management Company</b>		
Remuneration for the quarter	254,049	175,052
Sindh Sales Tax on management fee	33,026	22,757
Allocated expense	12,702	8,753
Selling and marketing expense	50,810	-
Units issued: 681,385 units (September 30, 2016: 70,761 units)	50,000	5,000
Units redeemed: 680,272 units (September 30, 2016: 3,604,703 units)	50,000	251,000
<b>Meezan Bank Limited</b>		
Profit on saving accounts	5,119	653
Shares purchased: 840,910 shares (September 30, 2016: Nil)	54,730	-
Shares disposed off: 2,372,000 shares (September 30, 2016: 2,594,500 shares)	170,191	140,284
Units redeemed: Nil (September 30, 2016: 3,200,000 units)	-	225,888
Dividend income	8,820	21,775
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee	12,954	9,005
Sindh Sales Tax on trustee fee	1,684	1,171
CDS charges	392	383
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Units issued: 748,041 units (September 30, 2016: 145,239 units)	53,783	10,220
Units redeemed: 382,610 units (September 30, 2016: 212,806 units)	27,420	14,982
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Units issued: 174,873 units (September 30, 2016: 417,114 units)	11,881	29,200
Units redeemed: 184,807 units (September 30, 2016: 218,247 units)	13,200	15,370
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Units issued: 181,255 units (September 30, 2016: 369,494 units)	12,319	25,625
Units redeemed: 110,665 units (September 30, 2016: 73,885 units)	8,100	5,215
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Units issued: 5,743,872 units (September 30, 2016: Nil)	396,000	-
Units redeemed: 19,161,670 units (September 30, 2016: 3,665,403 units)	1,358,884	253,000
<b>Meezan Financial Planning Fund of Funds - MAAP - II</b>		
Units issued: 339,033 units (September 30, 2016: Nil)	23,000	-
Units redeemed: 1,000,023 units (September 30, 2016: 2,278,948 units)	72,000	158,000
<b>Meezan Financial Planning Fund of Funds - MAAP - III</b>		
Units issued: 1,120,283 units (September 30, 2016: Nil)	76,000	-
Units redeemed: 4,421,971 units (September 30, 2016: 7,208,146 units)	325,000	499,500
<b>Meezan Financial Planning Fund of Funds - MAAP - IV</b>		
Units redeemed: 1,944,116 units (September 30, 2016: 3,467,084 units)	144,000	245,000
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Units issued: 884,434 units (September 30, 2016: Nil)	60,000	-
Units redeemed: 1,626,069 units (September 30, 2016: Nil)	117,000	-





**For the quarter ended  
September 30,**

	2017	2016
	(Rupees in '000)	
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Units issued: 604,363 units (September 30, 2016: Nil)	<b>41,000</b>	-
Units redeemed: 361,505 units (September 30, 2016: Nil)	<b>26,000</b>	-
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Units issued: 633,830 units (September 30, 2016: Nil)	<b>43,000</b>	-
Units redeemed: 99,389 units (September 30, 2016: Nil)	<b>7,000</b>	-
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Units issued: 3,260,831 units (September 30, 2016: Nil)	<b>239,000</b>	-
Units redeemed: 373,284 units (September 30, 2016: Nil)	<b>28,000</b>	-
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Units issued: 1,336,287 units (September 30, 2016: Nil)	<b>91,838</b>	-
<b>Directors and Executives of the Management Company</b>		
Units issued: 111,944 units (September 30, 2016: 88,344 units)	<b>8,266</b>	6,174
Units redeemed: 117,559 units (September 30, 2016: 60,431 units)	<b>8,479</b>	4,249

**9. ALLOCATED EXPENSES**

During the quarter, the fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC Regulations, 2008.

**10. EXPENSE RATIO**

In 2016, Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/ Direction/18/2016 dated July 20, 2016, requires that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the quarter ended Sep 30, 2017 is 3.07% which include 0.38% representing government levy, Worker Welfare Fund and SECP fee.

**11. SELLING AND MARKETING EXPENSE**

Securities and Exchange Commission of Pakistan (SECP) vide a circular no. 40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 01, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of fund or actual expenses whichever lower. Accordingly, such expenses have been charged effective from February 27, 2017 at the rate of 0.4% of net assets of the Fund.

**12. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the Unitholders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distributed sufficient income of the Fund for the year ending June 30, 2018 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).

### 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
September 30, 2017									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments	44,281,855	-	-	-	44,281,855	44,281,855	-	-	44,281,855
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Balances with banks	13.1	-	3,234,464	-	3,234,464				
Receivable on issuance and conversion of units	13.1	42,905	-	-	42,905				
Receivable against investments - (net)	13.1	15,835	-	-	15,835				
Dividend receivable	13.1	397,414	-	-	397,414				
Deposits and other receivables	13.1	26,771	-	-	26,771				
		44,281,855	482,925	3,234,464	-	47,999,244			
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	192,306	192,306				
Payable to Central Depository Company of Pakistan Limited - Trustee	13.1	-	-	4,473	4,473				
Payable to Meezan Bank Limited	13.1	-	-	2,141	2,141				
Payable on redemption and conversion of units	13.1	-	-	50,817	50,817				
Accrued expenses and other liabilities	13.1	-	-	26,218	26,218				
		-	-	275,955	275,955				

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
June 30, 2017									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments	50,448,864	-	-	-	50,448,864	50,448,864	-	-	30,554,409
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Balances with banks	13.1	-	4,188,108	-	4,188,108				
Receivable on issuance and conversion of units	13.1	1,530,182	-	-	1,530,182				
Dividend receivable	13.1	252,501	-	-	252,501				
Deposits and other receivables	13.1	38,407	-	-	38,407				
		50,448,864	1,821,090	4,188,108	-	56,458,062			
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	191,995	191,995				
Payable to Central Depository Company of Pakistan Limited - Trustee	13.1	-	-	5,277	5,277				
Payable to Meezan Bank Limited	13.1	-	-	7,780	7,780				
Payable on redemption and conversion of units	13.1	-	-	109,957	109,957				
Dividend Payable	13.1	-	-	345,340	345,340				
Payable against investments - (net)	13.1	-	-	64,953	64,953				
Accrued expenses and other liabilities	13.1	-	-	285,466	285,466				
		-	-	1,010,768	1,010,768				



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

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

This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**





# Al Meezan Mutual Fund

Al Meezan Mutual Fund (AMMF) aims to optimize the total investment returns in the form of capital gains and dividend income by prudent management of investments.

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

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

Habib Metropolitan Bank Limited - Islamic Banking  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
UBL Ameen - Islamic Banking

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2017

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>Assets</b>			
Balances with banks		512,746	798,436
Investments	5	7,543,564	8,435,017
Receivable against investments (net)		10,485	-
Receivable on issuance and conversion of units		5,957	17,373
Dividend receivable		66,869	40,481
Deposits, prepayments and other receivables		13,902	14,896
<b>Total assets</b>		<b>8,153,523</b>	<b>9,306,203</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		33,155	31,425
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		835	961
Payable to Securities and Exchange Commission of Pakistan (SECP)		2,029	7,353
Payable to Meezan Bank Limited (MBL)		516	784
Payable on redemption and conversion of units		13,100	6,830
Accrued expenses and other liabilities	7	104,201	122,120
Payable against investments (net)		17,490	15,116
Dividend payable		5,261	42,149
<b>Total liabilities</b>		<b>176,587</b>	<b>226,738</b>
<b>Net assets</b>		<b>7,976,936</b>	<b>9,079,465</b>
<b>Contingencies and commitments</b>	6		
<b>Unitholders' fund (as per statement attached)</b>		<b>7,976,936</b>	<b>9,079,465</b>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>424,393,199</b>	<b>429,471,241</b>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<b>18.80</b>	<b>21.14</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30,	
		2017	2016
		(Rupees in '000)	
<b>Income</b>			
Net realised gain on sale of investments		5,641	41,009
Dividend income		66,702	46,609
Profit on saving accounts with banks		7,695	3,507
		80,038	91,125
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	5.1	(822,698)	195,901
<b>Total (loss) / income</b>		<b>(742,660)</b>	<b>287,026</b>
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		42,713	29,699
Sindh Sales Tax and Federal Excise Duty on Management Fee		5,553	3,861
Allocated expenses	9	2,136	1,484
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		2,388	1,737
Sindh Sales Tax on trustee fee		310	226
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		2,029	1,411
Auditors' remuneration		279	202
Fees and subscription		295	139
Legal and professional charges		-	33
Charity expense		316	571
Brokerage expense		1,004	1,440
Selling and marketing expenses	10	8,543	-
Bank and settlement charges		273	320
<b>Total expenses</b>		<b>65,839</b>	<b>41,123</b>
<b>Net (loss) / income for the quarter before taxation</b>		<b>(808,499)</b>	<b>245,903</b>
Taxation	8	-	-
<b>Net (loss) / income for the quarter after taxation</b>		<b>(808,499)</b>	<b>245,903</b>
<b>Other comprehensive income for the quarter</b>			
<b>Items that may be reclassified to income statements in subsequent periods</b>			
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale' (net)		(210,839)	92,423
<b>Total comprehensive income for the quarter</b>		<b>(1,019,338)</b>	<b>338,326</b>
<b>Allocation of net income for the quarter</b>			
Net (loss) / income for the quarter after taxation		(1,019,338)	245,903
Loss on units redeemed		27,679	-
		(991,659)	245,903
Accounting income available for distribution		-	245,903

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**





**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)**

	<b>September 30,</b>	
	<b>2017</b>	<b>2016</b>
	<b>(Rupees in '000)</b>	
Net assets at beginning of the quarter	<b>9,079,465</b>	5,418,397
Issue of 22,480,485 units (September 30, 2016 : 36,212,674 units)	<b>549,589</b>	688,352
Redemption of 27,558,527 units (September 30, 2016 : 21,458,471 units)	<b>(632,780)</b>	(408,511)
	<b>(83,191)</b>	279,841
Loss on units redeemed	<b>(27,679)</b>	-
Total comprehensive income for the quarter including loss on units redeemed	<b>(991,659)</b>	338,326
Distribution	<b>-</b>	-
Net loss / (income) for the quarter less distribution	<b>(991,659)</b>	338,326
Net assets at end of the quarter	<b>7,976,936</b>	6,036,564
<b>Distribution for the quarter</b>		
Undistributed income brought forward		
- Realised	<b>1,760,181</b>	898,957
- Unrealised	<b>766,521</b>	494,807
	<b>2,526,702</b>	1,393,764
Total comprehensive income for the quarter including loss on units redeemed	<b>(991,659)</b>	249,398
Distribution	<b>-</b>	-
Undistributed income / (accumulated loss) carried forward		
- Realised	<b>2,357,741</b>	1,447,261
- Unrealised	<b>(822,698)</b>	195,901
	<b>1,535,043</b>	1,643,162
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the quarter	<b>21.14</b>	17.99
Net assets value per unit at end of the quarter	<b>18.80</b>	19.11

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30,	
	2017	2016
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the quarter before taxation	(808,499)	245,903
<b>Adjustments for:</b>		
Unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss' (net)	822,698	(195,901)
	14,199	50,002
<b>(Increase) / decrease in assets</b>		
Investments (net)	(142,084)	(331,594)
Receivable against investments (net)	(10,485)	(34,243)
Dividend receivable	(26,388)	(21,177)
Deposits, prepayments and other receivables	994	(2,619)
	(177,963)	(389,633)
<b>(Decrease) / increase in liabilities</b>		
Payable to AI Meezan Investment Management (AI Meezan) Limited - Management Company	1,730	1,434
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	(126)	723
Payable to Securities and Exchange Commission of Pakistan (SECP)	(5,324)	(2,834)
Payable to Meezan Bank Limited (MBL)	(268)	(866)
Accrued expenses and other liabilities	(17,919)	(5,797)
Payable against investments (net)	2,374	27,089
	(19,533)	19,749
<b>Net cash used in operating activities</b>	(183,297)	(319,882)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	561,005	743,604
Payment against redemption and conversion of units	(626,510)	(414,675)
Dividend paid	(36,888)	-
<b>Net cash (used in) / generated from financing activities</b>	(102,393)	328,929
Net (decrease) / increase in cash and cash equivalents during the quarter	(285,690)	9,047
Cash and cash equivalents at beginning of the quarter	798,436	218,236
Cash and cash equivalents at end of the quarter	512,746	227,283

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION** FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

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

**1.1** Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 17, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

**1.2** The Fund has been formed to provide the unitholders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. The objective of the Fund is to provide the maximum total return to the unitholders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by the regulations and any other prevailing rules and regulations. At least seventy percent of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining net assets shall be invested in cash and near cash instruments. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

**1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Equity Scheme.

**1.4** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.

**1.5** Title of the assets of the Fund is held in the name of CDC as a Trustee of the Fund.

### **2. BASIS OF PRESENTATION**

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

### **3. STATEMENT OF COMPLIANCE**

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued

under the Companies Ordinance, 1984, the NBFC Rules, 2003, the NBFC Regulations, 2008 and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Act, 2017, the NBFC Rules, 2003, the NBFC Regulations, 2008 and directives issued by the SECP shall prevail.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

#### 5. INVESTMENTS

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
Investment 'at fair value through profit or loss'	5.1	<b>6,590,912</b>	7,270,303
Investment - 'available for sale'	5.2	<b>952,652</b>	1,164,714
		<b><u>7,543,564</u></b>	<u>8,435,017</u>



**5.1 Ordinary Shares- held for trading**

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Bonus shares	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (note 5.1.3)	Market value of investments	Paid-up capital of investee company (with face value of investment)
						(Rupees in '000)	%				
<b>Sector / Companies</b>											
<b>Cement</b>											
D.G. Khan Cement Company Limited	1,559,905	75,000	-	75,000	1,559,905	328,168	229,088	(99,080)	2.87	3.04	0.36
Fauji Cement Company Limited	3,646,000	800,000	-	-	4,446,000	181,469	144,584	(36,885)	1.81	1.92	0.32
Kohat Cement Company Limited	560,400	50,000	-	-	610,400	138,477	91,536	(46,941)	1.15	1.21	0.40
Cherat Cement Company Limited	1,585,940	-	-	-	1,585,940	283,534	190,281	(93,253)	2.39	2.52	0.90
Lucky Cement Company Limited	439,590	-	-	-	439,590	367,612	248,447	(119,165)	3.11	3.29	0.14
Maple Leaf Cement Company Limited	901,500	-	-	901,000	500	56	42	(14)	-	-	-
Pioneer Cement Limited	1,759,300	-	-	-	1,759,300	228,709	158,231	(70,478)	1.98	2.10	0.77
									<b>13.31</b>	<b>14.08</b>	<b>2.89</b>
<b>Oil and gas exploration companies</b>											
Pakistan Oilfields Limited	606,951	-	-	-	606,951	278,075	322,922	44,847	4.05	4.28	0.26
Oil and Gas Development Company Limited	3,109,400	723,000	-	50,000	3,782,400	535,962	562,216	26,254	7.05	7.45	0.09
Pakistan Petroleum Limited	723,233	-	-	-	723,233	107,140	126,342	19,202	1.58	1.67	0.04
Mari Petroleum Company Limited	342,100	-	-	-	342,100	539,026	514,864	(24,162)	6.45	6.83	0.31
									<b>19.13</b>	<b>20.23</b>	<b>0.70</b>
<b>Oil and gas marketing companies</b>											
Attock Petroleum Limited	71,500	-	-	-	71,500	44,790	44,740	(50)	0.56	0.59	0.09
Pakistan State Oil Company Limited	393,920	78,800	-	-	472,720	185,851	208,829	22,978	2.62	2.77	0.17
Sui Southern Gas Company Limited	2,025,000	-	-	1,198,500	826,500	30,093	29,944	(149)	0.38	0.40	0.09
Hascol Petroleum Limited	89,460	-	-	10,000	79,460	27,104	22,335	(4,769)	0.28	0.30	0.07
Hi-Tech Lubricant Limited	225,000	-	-	-	225,000	24,527	22,172	(2,355)	0.28	0.29	0.19
Shell Pakistan Limited	2,000	-	-	-	2,000	1,151	832	(319)	0.01	0.01	-
Sui Northern Gas Pipeline Limited	2,841,500	220,000.00	-	210,000.00	2,851,500	422,913	381,702	(41,211)	4.79	5.06	0.45
									<b>8.92</b>	<b>9.42</b>	<b>1.06</b>
<b>Engineering</b>											
Crescent Steel and Allied Product Limited	174,200	-	-	-	174,200	41,559	27,557	(14,002)	0.35	0.37	0.22
Amreli Steels Limited	464,000	-	-	-	464,000	57,049	47,314	(9,735)	0.59	0.63	0.16
K.S.B. Pumps Company Limited	65,400	-	-	30,300	35,100	11,057	10,530	(527)	0.13	0.14	0.27
International Industries Limited	32,700	20,000	-	-	52,700	18,668	15,294	(3,374)	0.19	0.20	0.04
International Steel Limited	223,000	100,000	-	140,900	182,100	22,840	22,058	(782)	0.28	0.29	0.04
									<b>1.54</b>	<b>1.63</b>	<b>0.73</b>
<b>Automobile assembler</b>											
Indus Motor Company Limited	894	-	-	-	894	1,603	1,538	(65)	0.02	0.02	-
Honda Atlas Cars Pakistan Limited	296,800	-	-	-	296,800	257,530	160,121	(97,409)	2.01	2.12	0.21
Millat Tractors Limited	60,750	25,000	-	-	85,750	117,247	107,041	(10,206)	1.34	1.42	0.19
Pak Suzuki Motor Company Limited	-	110,000	-	-	110,000	65,568	50,344	(15,224)	0.63	0.67	0.13
									<b>4.00</b>	<b>4.23</b>	<b>0.53</b>
<b>Automobile parts and accessories</b>											
Thal Limited (note 5.1.1)	213	-	-	-	213	129	117	(12)	-	-	-
<b>Technology and communication</b>											
Pakistan Telecommunication Company Limited "A"	100,000	-	-	-	100,000	1,561	1,473	(88)	0.02	0.02	-
<b>Chemicals</b>											
Sitara Chemical Industries Limited	57,000	-	-	-	57,000	25,343	21,176	(4,167)	0.27	0.28	0.27
ICI Pakistan Limited	119,122	-	-	-	119,122	130,385	108,832	(21,553)	1.36	1.44	0.13
Dynea Pakistan Limited (note 5.1.1)	1,000	-	-	-	1,000	101	74	(27)	-	-	0.01
Engro Polymer and Chemicals Limited	2,690,500	861,500.00	-	200,000.00	3,352,000	120,315	111,990	(8,325)	1.40	1.48	0.51
Ghani Gases Limited	-	-	-	-	-	-	-	-	<b>3.03</b>	<b>3.20</b>	<b>0.92</b>
<b>Fertilizer</b>											
Engro Fertilizers Limited	5,232,000	575,000	-	100,000	5,707,000	314,923	359,027	44,104	4.50	4.76	0.43
Engro Corporation Limited	2,177,900	85,000	-	-	2,262,900	737,691	685,862	(51,829)	8.60	9.09	0.43
Dawood Hercules Corporation Limited	1,019,200	-	-	-	1,019,200	138,978	125,729	(13,249)	1.58	1.67	0.21
									<b>14.68</b>	<b>15.52</b>	<b>1.07</b>
<b>Paper and board</b>											
Packages Limited	309,850	-	-	-	309,850	215,525	178,787	(36,738)	2.24	2.37	0.35
Cherat Packaging Limited	128,900	-	-	-	128,900	30,650	25,780	(4,870)	0.32	0.34	0.44
Century Paper	-	500	-	-	500	34	33	(1)	-	-	-
									<b>2.56</b>	<b>2.71</b>	<b>0.79</b>
<b>Food and personal care products</b>											
Engro Foods Limited	106,900	125,000	-	70,000	161,900	18,332	15,385	(2,947)	0.19	0.20	0.02
Al-Shaheer Corporation Limited	231,230	-	-	-	231,230	9,275	7,311	(1,964)	0.09	0.10	0.16
									<b>0.28</b>	<b>0.30</b>	<b>0.18</b>
<b>Power Generation and Distribution</b>											
The Hub Power Company Limited	2,417,000	-	-	450,000	1,967,000	230,985	219,930	(11,055)	2.76	2.92	0.17
K-Electric Limited (note 5.1.1)	34,078,000	698,500	-	2,165,000	32,611,500	224,884	229,585	4,701	2.88	3.04	0.34
									<b>5.64</b>	<b>5.96</b>	<b>0.51</b>
<b>Cable and electrical goods</b>											
Pak Elektron Limited	2,598,500	127,600	-	50,000	2,676,100	290,631	203,250	(87,381)	2.55	2.69	0.54

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Bonus shares	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to			
									Net assets of the Fund on the basis of market value (note 5.1.3)	Market value of investments	Paid-up capital of investee company (with face value of investment)	
					(Number of shares)	(Rupees in '000)			%			
<b>Pharmaceuticals</b>												
Abbott Laboratories Pakistan Limited	184,200	-	-	-	184,200	172,153	145,334	(26,819)	1.82	1.93	0.19	
The Searle Company Limited	386,673	10,000	-	-	396,673	202,069	160,224	(41,845)	2.01	2.12	0.26	
Ferozsons Laboratories Limited	650	-	-	650	-	-	-	-	-	-	-	
Highnoon Laboratories Limited	32,493	-	-	-	32,493	20,348	16,367	(3,981)	0.21	0.22	0.13	
GlaxoSmithKline Consumer Health Care Limited	285,000	10,000	-	-	295,000	61,830	82,142	20,312	1.03	1.09	0.31	
									<b>5.07</b>	<b>5.36</b>	<b>0.89</b>	
<b>Textile composite</b>												
Nishat Mills Limited	439,300	25,000	-	-	464,300	73,495	67,370	(6,125)	0.84	0.89	0.13	
<b>Refinery</b>												
Attock Refinery Limited	196,600	70,000	-	70,000	196,600	74,086	81,237	7,151	1.02	1.08	0.23	
<b>Miscellaneous</b>												
Shifa International Hospitals Limited	6,390	-	-	-	6,390	2,109	1,629	(480)	0.02	0.02	0.01	
<b>Right Shares</b>												
Maple Leaf Cement Company Limited	-	-	3,312	-	3,312	-	59	59	-	-	0.01	
Cherat Packaging Limited	-	-	17,401	-	17,401	-	1,305	1,305	0.02	0.02	0.06	
<b>Total</b>					<b>7,413,610</b>	<b>6,590,912</b>	<b>(822,698)</b>					

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

5.1.2 150,000 shares (June 30, 2017: 150,000 shares) of Engro Corporation Limited, having market value of Rs. 45.46 million (June 30, 2017 : 48.89 million) as at September 30, 2017 , have been pledged as collateral in favour of National Clearing Company Pakistan Limited against exposure margins and mark to market losses.

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

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Bonus shares	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to			
									Net assets of the Fund on the basis of market value (note 5.1.3)	Market value of investments	Paid-up capital of investee company (with face value of investment)	
					(Number of shares)	(Rupees in '000)			%			
<b>Sector / Companies</b>												
<b>Commercial banks</b>												
BankIslami Pakistan Limited	875	-	-	-	875	5	11	6	-	-	-	
<b>Cement</b>												
Lucky Cement Company Limited	465,027	-	-	-	465,027	162,848	262,824	99,976	3.29	3.48	0.14	
D.G. Khan Cement Company Limited	3,500	-	-	-	3,500	289	514	225	0.01	0.01	-	
									<b>3.30</b>	<b>3.49</b>	<b>0.14</b>	
<b>Power generation and distribution</b>												
The Hub Power Company Limited	1,445,600	-	-	-	1,445,600	88,457	161,633	73,176	2.03	2.14	0.12	
<b>Oil and gas exploration companies</b>												
Pakistan Oilfields Limited	31,340	-	-	-	31,340	8,043	16,674	8,631	0.21	0.22	0.01	
<b>Oil and gas marketing companies</b>												
Attock Petroleum Limited	240	-	-	-	240	83	150	67	-	-	-	
Pakistan State Oil Company Limited	371,147	-	-	-	371,147	101,125	163,958	62,833	2.06	2.17	0.14	
<b>Automobile assembler</b>												
Honda Atlas Cars Pakistan Limited	96,000	-	-	-	96,000	32,982	51,791	18,809	0.65	0.69	0.07	
Indus Motor Company Limited	6,200	-	-	5,000	1,200	293	2,065	1,772	0.03	0.03	-	
									<b>0.68</b>	<b>0.72</b>	<b>0.07</b>	
<b>Chemical</b>												
ICI Pakistan Limited	91,557	-	-	-	91,557	34,618	83,648	49,030	1.05	1.11	0.10	
<b>Paper and board</b>												
Packages Limited	362,878	-	-	-	362,878	186,266	209,384	23,118	2.62	2.78	0.41	
<b>Total</b>					<b>615,009</b>	<b>952,652</b>	<b>337,643</b>					



**5.2.1 Net unrealised appreciation on re-measurement of investment classified as 'available for sale'**

	<b>(Unaudited) September 30, 2017 (Rupees in '000)</b>	<b>(Audited) June 30, 2017</b>
Market value of investments	<b>952,652</b>	1,164,714
Less: Cost of investments	<b>615,009</b>	616,232
Less: Net unrealised appreciation on re-measurement of investments classified as 'available for sale' at beginning of the year	<b>337,643</b> <b>548,482</b> <b>(210,839)</b>	 548,482 328,803 219,679

**6. CONTINGENCIES AND COMMITMENTS**

**6.1** There were no contingencies and commitments outstanding as at September 30, 2017 and June 30, 2017.

**7. ACCRUED EXPENSES AND OTHER LIABILITIES**

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs. 50.07 million (June 30, 2017: Rs. 50.07 million). Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Rs. 0.12 /0.64% (June 30, 2017: Rs. 0.11 / 0.52%). The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

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

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Asset Allocation Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Gold Fund, Meezan Strategic Allocation Fund, Meezan Energy 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 Regulations and the Trust Deed.

Detail of transactions with connected persons and balance with them are as follows:

	(Unaudited) September 30, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	13,144	15,367
Sales load payable	30	483
Sindh Sales Tax on management fee payable	1,709	1,998
Sindh Sales Tax on sales load payable	4	63
Allocated expense payable	1,392	768
Selling and marketing expense payable	16,876	12,746
Investments of 49,744,595 units (June 30, 2017: 49,744,595 units)	935,198	1,051,601
<b>Meezan Bank Limited (MBL)</b>		
Balances with bank	35,679	51,108
Sales load payable	457	694
Sindh Sales Tax on sales load payable	59	90
Profit receivable on saving accounts	577	459
Investments of 22,232,227 units (June 30, 2017 : 23,363,301 units)	417,966	493,900
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Investments of units: nil (June 30, 2017: 3,416,582 units)	-	72,227
<b>Meezan Financial Planning Fund of Funds - MAAP - III</b>		
Investments of 18,794,560 units (June 30, 2017: 18,794,560 units)	353,338	397,317
<b>Meezan Financial Planning Fund of Funds - MAAP - IV</b>		
Investments of 3,941,239 units (June 30, 2017: 3,941,239)	74,095	83,318
<b>Meezan Strategic Allocation Plan - I</b>		
Investments of 13,489,277 units (June 30, 2017: 13,489,277)	253,598	285,163
<b>Meezan Strategic Allocation Plan - II</b>		
Investments of 26,045,712 units (June 30, 2017: 26,045,712)	489,659	550,606
<b>Meezan Strategic Allocation Plan - IV</b>		
Investments of 2,151,219 units (June 30, 2017: 2,151,219)	40,443	45,477
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	740	851
Sindh Sales tax on Trustee fee payable	95	110
Deposit	238	238
<b>Pakistan Kuwait Investment Company (Private) Limited</b>		
Investments of 16,895,690 units (June 30, 2017: 16,895,690 units)	317,639	357,175
<b>Directors and executives of the Management Company</b>		
Investments of 18,747,002 units (June 30, 2017 : 18,715,854 units)	352,444	395,653





## Al Meezan Mutual Fund

### For the quarter ended September 30,

2017 2016  
(Rupees in '000)

#### Al Meezan Investment Management Limited -Management Company

Remuneration for the quarter	42,713	29,699
Sindh Sales Tax and Federal Excise Duty on management fee for the quarter	5,553	3,861
Units redeemed : nil (September 30, 2016: 2,226,081)	-	42,000
Allocated expenses	2,136	1,484
Selling and marketing expense	8,543	-

#### Meezan Bank Limited

Profit on saving accounts with bank	118	182
Units issued: nil (September 30, 2016: 6,043,089)	-	115,000
Units redeemed : 1,131,073 units (September 30, 2016: nil)	22,316	-

#### Meezan Capital Preservation Fund - II

Units issued: 5,186,722 units (September 30, 2016 : 5,186,722)	100,000	100,000
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#### Meezan Financial Planning Fund of Funds

Units issued : nil (September 30, 2016 : 3,499,470)-MCPP I	-	66,000
Units issued : nil (September 30, 2016 : 3,764,581 )-MAAP IV	-	71,000
Units redeemed : 3,416,582 units (September 30, 2016: nil) - MAAP 1	72,227	-
Units redeemed : nil (September 30, 2016 : 1,169,217) - MCPP I	-	22,000

#### Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable	2,388	1,737
Sindh Sales tax on Trustee payable	310	226
CDS Charges	57	49

#### Directors and officers of the Management Company

Units issued: 57,893 units (September 30, 2016 : 20,092 units)	1,148	378
Redemptions : 26,745 units (September 30, 2016 : 22,096 units)	509	419

### 9. ALLOCATED EXPENSES

During the period, fund was charged 0.1% of average annual net assets as allocated expenses according to Regulation 60 of NBFC regulations,

### 10. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended September 30, 2017 is 3.08% which include 0.37% representing government levy, Workers Welfare Fund and SECP fee.

### 11. SELLING AND MARKETING EXPENSE

Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 40 of 2016 dated December 30, 2016 allowed asset management companies to charge selling and marketing expense upto 0.4% per annum of net assets of fund initially for three years (from January 1, 2017 till December 31, 2019) to open end equity, asset allocation and index funds only. Accordingly such expenses have been charged in the fund effective from February 27, 2017

## 12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that for the purpose of determining distribution of at least 90 percent of accounting income, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2018 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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).

## 13. FINANCIAL INSTRUMENTS - FAIR VALUES

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value				
	Investments	Trade and Other receivables	Cash and cash equivalents	Trade and Other payables	Total	Level 1	Level 2	Level 3	Total
<b>September 30, 2017</b>									
(Rupees in '000)									
<b>Financial assets</b>									
- measured at fair value									
Investments	7,543,564	-	-	-	7,543,564	7,543,564	-	-	7,543,564
<b>Financial assets</b>									
- not measured at fair value									
Balances with banks	-	-	512,746	-	512,746				
Receivable on issuance and conversion of units	-	5,957	-	-	5,957				
Dividend receivable	-	66,869	-	-	66,869				
Deposits and other receivables	-	13,902	-	-	13,902				
	<b>7,543,564</b>	<b>86,728</b>	<b>512,746</b>	<b>-</b>	<b>8,143,038</b>				
<b>Financial liabilities</b>									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	-	-	-	33,155	33,155				
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	-	-	-	835	835				
Payable to Meezan Bank Limited (MBL)	-	-	-	516	516				
Payable on redemption and conversion of units	-	-	-	13,100	13,100				
Accrued expenses and other liabilities	-	-	-	6,213	6,213				
Payable against investments - net	-	-	-	17,490	17,490				
Dividend payable	-	-	-	5,261	5,261				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,570</b>	<b>76,570</b>				



June 30, 2017

	Carrying amount				Fair value				
	Investments	Trade and Other receivables	Cash and cash equivalents	Trade and Other payables	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
<b>Financial assets - measured at fair value</b>									
Investments	8,435,017	-	-	-	8,435,017	8,435,017	-	-	8,435,017
<b>Financial assets - not measured at fair value</b>									
Balances with banks	-	-	798,436	-	798,436				
Receivable against investments (net)	-	-	-	-	-				
Receivable on issuance and conversion of units	-	17,373	-	-	17,373				
Dividend receivable	-	40,481	-	-	40,481				
Deposits and other receivables	-	14,845	-	-	14,845				
	<u>8,435,017</u>	<u>72,699</u>	<u>798,436</u>	<u>-</u>	<u>9,306,152</u>				
<b>Financial liabilities - not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	-	-	-	31,425	31,425				
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	-	-	-	961	961				
Payable to Meezan Bank Limited (MBL)	-	-	-	784	784				
Payable on redemption and conversion of units	-	-	-	6,830	6,830				
Accrued expenses and other liabilities	-	-	-	47,624	47,624				
Payable against investments - net	-	-	-	15,116	15,116				
Dividend payable	-	-	-	42,149	42,149				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,889</u>	<u>144,889</u>				

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

This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**





# KSE-Meezan Index Fund

KSE Meezan Index Fund (KMIF) is a Shariah compliant index fund that strives to present investors with an opportunity to closely track the performance of the KSE-Meezan Index 30(KMI 30) by investing in companies of the Index in relation to their weightages.

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

Dubai Islamic Bank  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



## KSE-Meezan Index Fund

### CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2017

	Note	(Unaudited) September 30, 2017	(Audited) June 30, 2017
(Rupees in '000)			
<b>Assets</b>			
Balances with banks		4,433	10,585
Investments	5	1,713,082	1,916,081
Receivable against investments - (net)		-	155,028
Receivable on issuance and conversion of units		435	845
Dividend receivable		14,399	6,944
Deposits and other receivable		2,805	2,855
<b>Total assets</b>		<b>1,735,154</b>	<b>2,092,338</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		1,798	2,176
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		253	286
Payable to Securities and Exchange Commission of Pakistan (SECP)		436	1,092
Payable to Meezan Bank Limited (MBL)		83	47
Payable on redemption and conversion of units		1,041	1,725
Accrued expenses and other liabilities	7	18,590	31,712
Dividend payable		-	146,426
<b>Total liabilities</b>		<b>22,201</b>	<b>183,464</b>
<b>Net assets</b>		<b>1,712,953</b>	<b>1,908,874</b>
<b>Contingencies and commitments</b>	6		
<b>Unitholders' fund (as per statement attached)</b>		<b>1,712,953</b>	<b>1,908,874</b>
(Number of units)			
<b>Number of units in issue</b>		<b>23,786,878</b>	<b>23,992,784</b>
(Rupees)			
<b>Net assets value per unit</b>		<b>72.01</b>	<b>79.56</b>

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

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30,	
		2017	2016
		(Rupees in '000)	
<b>Income</b>			
Net realised (loss) / gain on sale of investments		(10,597)	1,610
Dividend income		14,567	10,264
Profit on saving accounts with banks		153	182
Other income		306	101
		<u>4,429</u>	<u>12,157</u>
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	5.1	(178,749)	25,662
<b>Total income</b>		<u>(174,320)</u>	<u>37,819</u>
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited (Al Meezan)- Management Company		4,588	2,316
Sindh Sales Tax on Management Fee		596	301
Allocated expense	9	459	232
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		709	463
Sindh Sales Tax on Trustee Fee		92	60
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		436	220
Auditors' remuneration		138	97
Brokerage		238	76
Charity expense		68	128
Bank and settlement charges		262	117
Amortisation of preliminary expenses and floatation costs		-	99
Fees and subscription		189	177
Legal and professional charges		-	33
Printing expenses		10	10
<b>Total expenses</b>		<u>7,785</u>	<u>4,329</u>
<b>Net (loss) / income for the quarter before taxation</b>		<u>(182,105)</u>	<u>33,490</u>
<b>Taxation</b>	11	-	-
<b>Net (loss) / income for the quarter after taxation</b>		<u>(182,105)</u>	<u>33,490</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the quarter</b>		<u>(182,105)</u>	<u>33,490</u>
<b>Allocation of net income for the quarter</b>			
Net (loss)/ income for the quarter after taxation		(182,105)	33,490
Loss on units redeemed		6,965	-
		<u>(175,140)</u>	<u>33,490</u>
Accounting income available for distribution		-	33,490

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

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

**Chief Executive**

**Director**





## KSE-Meezan Index Fund

### CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30,	
	2017	2016
	(Rupees in '000)	
Net assets at beginning of the quarter	<b>1,908,874</b>	881,629
Issuance of 1,667,959 units (September 30, 2016: 498,306 units)	<b>151,245</b>	40,754
Redemption of 1,873,865 units (September 30, 2016: 511,933 units)	<b>(165,061)</b>	(42,159)
	<b>(13,816)</b>	(1,405)
Loss on units redeemed	<b>(6,965)</b>	-
Total comprehensive income for the quarter with loss on units redeemed	<b>(175,140)</b>	33,490
Distribution	-	-
Net Income for the quarter less distribution	<b>(175,140)</b>	33,490
Net assets at end of the quarter	<b>1,712,953</b>	913,714
Distribution for the quarter		
Undistributed income brought forward		
- Realised	<b>485,214</b>	326,799
- Unrealised	<b>(49,847)</b>	92,968
	<b>435,367</b>	419,767
Total comprehensive income for the quarter with loss on units redeemed	<b>(175,140)</b>	33,490
Distribution	-	-
Undistributed income carried forward	<b>260,227</b>	453,257
Undistributed income carried forward		
- Realised	<b>438,976</b>	427,595
- Unrealised	<b>(178,749)</b>	25,662
	<b>260,227</b>	453,257
	(Rupees)	
Net asset value per unit as at the beginning of the quarter	<b>79.56</b>	78.91
Net asset value per unit as at the end of the quarter	<b>72.01</b>	81.88

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

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30,	
	2017	2016
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the quarter before taxation	(182,105)	33,490
<b>Adjustments for</b>		
Amortisation of preliminary expenses and floatation costs	-	99
Unrealised diminution / (appreciation) on re-measurement of investments at fair value through profit or loss (net)	178,749	(25,662)
	(3,356)	7,927
<b>(increase) / decrease in assets</b>		
Investments (net)	24,250	(6,078)
Receivable against investments - (net)	155,028	5,237
Dividend receivable	(7,455)	(7,286)
Deposits and other receivable	50	(66)
	171,873	(8,193)
<b>(decrease) / increase in assets</b>		
Payable to Al Meezan Investment Management Limited - Management Company	(378)	61
Payable to Central Depository Company of Pakistan Limited (CDC)- Trustee	(33)	207
Payable to Securities and Exchange Commission of Pakistan (SECP)	(656)	(612)
Payable to Meezan Bank Limited (MBL)	36	(265)
Accrued expenses and other liabilities	(13,122)	(42)
	(14,153)	(651)
<b>Net cash generated from / (used in) operating activities</b>	<b>154,364</b>	<b>(917)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	151,655	42,287
Payment against redemption and conversion of units	(165,745)	(41,589)
Dividend paid	(146,426)	(45)
<b>Net cash (used in) / generated from financing activities</b>	<b>(160,516)</b>	<b>653</b>
Net decrease in cash and cash equivalents during the quarter	(6,152)	(264)
Cash and cash equivalents at beginning of the quarter	10,585	12,896
Cash and cash equivalents at end of the quarter	4,433	12,632

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

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

**Chief Executive**

**Director**



### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

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

- 1.1** KSE Meezan Index Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Company (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on March 13, 2012 and was approved by Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is a Shariah Compliant Index Fund that aims to provide investors an opportunity to track closely the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the index in proportion to their weightages. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end fund listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as a Shariah Compliant Index Fund.
- 1.4** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

#### 2. BASIS OF PRESENTATION

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

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.

#### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued under the Companies Act 2017, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) (the NBFC Rules), Rules, 2003 the Non-Banking Finance Companies and Notified Entities

Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of / or directives issued under the Companies Act 2017, the NBFC Rules, 2003, the NBFC Regulations, 2008 and directives issued by the SECP have been followed

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

#### 5. INVESTMENTS

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
Investments at 'fair value through profit or loss'			
Ordinary shares - Held for trading	5.1	<u>1,713,082</u>	<u>1,916,081</u>
		<u>1,713,082</u>	<u>1,916,081</u>



## 5.1 Held for trading - shares of listed companies

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Right issue	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 5.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
						(Rupees in '000)	%				
<b>Sectors/ Companies</b>											
<b>Automobile Assembler</b>											
Honda Atlas Cars (Pakistan) Limited	50,667	53,867	-	54,167	50,367	42,865	27,172	(15,693)	1.59	0.04	1.59
Millat Tractors Limited	39,800	42,280	-	42,980	39,100	53,489	48,808	(4,681)	2.85	0.09	2.85
Gandhara Industries Limited	7,509	8,809	-	8,709	7,609	4,868	3,794	(1,074)	0.22	0.04	0.22
									<b>4.66</b>	<b>0.17</b>	<b>4.66</b>
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	443,003	470,103	-	472,903	440,203	47,864	33,433	(14,431)	<b>1.95</b>	<b>0.09</b>	<b>1.95</b>
<b>Cement</b>											
Cherat Cement Company Limited	188,101	200,101	-	201,201	187,001	33,013	22,436	(10,577)	1.31	0.11	1.31
D.G. Khan Cement Company Limited	428,200	453,200	-	455,500	425,900	89,640	62,548	(27,092)	3.65	0.10	3.65
Fauji Cement Company Limited	1,347,375	1,429,875	-	1,434,375	1,342,875	54,695	43,670	(11,025)	2.55	0.10	2.55
Lucky Cement Limited	229,730	243,480	-	244,580	228,630	188,564	129,217	(59,347)	7.54	0.07	7.54
Maple Leaf Cement Factory Limited	422,116	448,116	-	450,316	419,916	46,316	35,260	(11,056)	2.06	0.08	2.06
Pioneer Cement Limited	221,621	235,521	-	235,421	221,721	28,488	19,942	(8,546)	1.16	0.10	1.16
									<b>18.27</b>	<b>0.56</b>	<b>18.27</b>
<b>Fertilizer</b>											
Dawood Hercules Corporation Limited	599,275	635,275	-	638,675	595,875	80,786	73,507	(7,279)	4.29	0.12	4.29
Engro Corporation Limited	511,919	541,519	-	543,919	509,519	165,339	154,430	(10,909)	9.02	0.10	9.01
Engro Fertilizers Limited	1,068,636	1,135,136	-	1,139,636	1,064,136	58,894	66,945	8,051	3.91	0.08	3.91
									<b>17.22</b>	<b>0.30</b>	<b>17.21</b>
<b>Food and personal care products</b>											
Engro Foods Limited	135,511	145,511	-	145,611	135,411	16,277	12,868	(3,409)	<b>0.75</b>	<b>0.02</b>	<b>0.75</b>
<b>Oil and gas exploration companies</b>											
Mari Petroleum Company Limited	39,151	41,611	-	41,811	38,951	61,653	58,622	(3,031)	3.42	0.04	3.42
Pakistan Oilfields Limited	192,317	203,617	-	204,317	191,617	87,873	101,948	14,075	5.95	0.08	5.95
Pakistan Petroleum Limited (note 5.1.2)	855,426	905,226	-	909,326	851,326	127,200	148,720	21,520	8.68	0.04	8.68
Oil and Gas Development Company Limited	1,146,218	1,213,818	-	1,218,618	1,141,418	161,003	169,660	8,657	9.90	0.03	9.90
									<b>27.95</b>	<b>0.19</b>	<b>27.95</b>
<b>Oil and gas marketing companies</b>											
Hascol Petroleum Limited (note 15)	107,318	114,118	-	114,918	106,518	36,181	29,941	(6,240)	1.75	0.09	1.75
Hi-Tech Lubricant Limited	55,600	61,700	-	66,400	50,900	5,537	5,016	(521)	0.29	0.04	0.29
Sui Northern Gas Pipeline Limited	507,433	538,133	-	540,833	504,733	74,951	67,564	(7,387)	3.94	0.08	3.94
Sui Southern Gas Company Limited	577,231	614,231	-	618,731	572,731	20,875	20,750	(125)	1.21	0.07	1.21
									<b>7.19</b>	<b>0.28</b>	<b>7.19</b>
<b>Paper and board</b>											
Packages Limited	55,662	59,262	-	59,562	55,362	38,325	31,944	(6,381)	<b>1.86</b>	<b>0.06</b>	<b>1.86</b>
<b>Pharmaceuticals</b>											
GlaxoSmithKline Pakistan Limited	91,534	98,634	-	99,734	90,434	17,689	16,639	(1,050)	0.97	0.03	0.97
The Searle Company Limited	109,563	116,763	-	117,413	108,913	55,101	43,992	(11,109)	2.57	0.07	2.57
									<b>3.54</b>	<b>0.10</b>	<b>3.54</b>
<b>Power generation and distribution</b>											
K-Electric Limited (note 5.1.2)	4,906,040	4,996,540	-	5,024,040	4,878,540	33,641	34,345	704	2.01	0.05	2.00
The Hub Power Company Limited	1,336,132	1,415,332	-	1,421,832	1,329,632	155,861	148,666	(7,195)	8.68	0.11	8.68
									<b>10.69</b>	<b>0.16</b>	<b>10.68</b>
<b>Refinery</b>											
Attock Refinery Limited	60,433	65,233	-	65,333	60,333	22,915	24,930	2,015	1.46	0.07	1.46
National Refinery Limited	45,898	48,798	-	49,048	45,648	32,933	30,306	(2,627)	1.77	0.06	1.77
									<b>3.23</b>	<b>0.13</b>	<b>3.23</b>
<b>Textile composite</b>											
Nishat Mills Limited	343,000	361,800	-	394,400	310,400	48,995	45,039	(3,956)	<b>2.63</b>	<b>0.09</b>	<b>2.63</b>
<b>Rights Share</b>											
Maple Leaf Cement Factory Limited	-	-	54,439	-	54,439	-	970	970	<b>0.06</b>	<b>0.08</b>	<b>0.06</b>
<b>Total</b>						<b>1,891,831</b>	<b>1,713,082</b>	<b>(178,749)</b>			

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

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

5.1.3 682,000 shares (June 30, 2017: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs. 119.14 million as at September 30, 2016 (June 30, 2017: Rs. 101.031 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

## 6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2017 other than as disclosed in the annual financial statements for the year ended June 30, 2017

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs. 9.27 million (June 30, 2017: Rs. 9.27 million). Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Rs. 0.39/0.54% (June 30, 2017: Rs. 0.39 / 0.49%). The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

## 8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Balanced Fund, Meezan Gold Fund, Meezan Asset Allocation Fund, Meezan Strategic Allocation Fund, Meezan Energy Fund and Meezan Tahaffuz Pension Fund, being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and Unitholders holding 10 percent or more of the Fund's net assets.

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

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

Details of transactions with connected persons and balances with them for the quarter ended September 30, 2016 are as follows:

	(Unaudited) September 30, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited</b>		
<b>-Management Company</b>		
Remuneration payable	1,427	1,715
Sindh Sales Tax on management fee payable	186	223
Sales load payable	37	58
Sindh sales tax and Federal Excise Duty on sales load payable	5	8
Allocated expenses payable	143	172
Investments as at September 30, 2017: 3,959,470 units (June 30, 2017: 3,932,212 units)	285,121	312,847
<b>Meezan Bank Limited</b>		
Sales load payable	74	42
Sindh sales tax on sales load payable	9	5
Bank balance	4,068	4,178
Profit receivable on saving accounts	26	-
Investments as at September 30, 2017: 2,113,224 units (June 30, 2017: 2,113,224 units)	152,173	168,128



## KSE-Meezan Index Fund

	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	204	233
Sindh Sales Tax on Trustee Fee payable	49	53
Deposits	103	103
<b>Meezan Financial Planning Fund of Funds MAAP I</b>		
Investments as at September 30, 2017: nil units (June 30, 2017: 348,329 units)	-	27,713
<b>Directors and executives of the Management Company</b>		
Investments as at September 30, 2017: 384,376 units (June 30, 2017: 384,376 units)	27,679	30,581
<b>For the quarter ended September 30,</b>		
	2017	2016
	(Rupees in '000)	
<b>Al Meezan Investment Management Company Limited -Management Company</b>		
Remuneration for the quarter	4,588	2,316
Sindh Sales Tax on management fee for the quarter	596	301
Allocation Expense	459	232
Units issued: 27,258 units (September 30, 2016: nil )	2,000	-
Redemption: nil units (September 30, 2016: 63,382 units)	-	5,000
<b>Meezan Bank Limited</b>		
Profit on saving account	39	40
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the quarter	709	463
Sindh Sales Tax on Trustee Fee for the quarter	92	60
CDS charges	59	21
<b>Meezan Financial Planning Fund of Funds MAAP I</b>		
Units issued: 911,031 units (September 30, 2016: nil units)	64,736	-
Redemption: 1,259,360 units (September 30, 2016: nil units)	91,118	-
<b>Directors and executives of the Management Company</b>		
Units issued: 2,749 units (September 30, 2016: nil units)	200	-
Redemption: 2,749 units (September 30, 2016: nil units)	200	-

### 9. ALLOCATED EXPENSES

During the period, fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC regulations, 2008.

### 10. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the year ended June 30, 2017 is 1.72% which include 0.25 % representing government levy, Worker Welfare Fund and SECP fee.

## 11. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that for the purpose of determining distribution of at least 90 percent of accounting income, the income distributed through bonus units shall not be taken into accounts. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current year as the Management Company has distributed sufficient income of the Fund for the year ending June 30, 2018, as reduced by capital gains (whether realised or unrealised) to its unitholders.

The Fund is also exempt from the provision 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)

## 12. FINANCIAL INSTRUMENTS

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

Note	Carrying amount				Fair value				
	Investments	Trade and Other receivables	Cash and cash equivalents	Trade and Other payables	Total	Level 1	Level 2	Level 3	Total
September 30, 2017									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments - Held for trading	1,713,082	-	-	-	1,713,082	1,713,082	-	-	1,713,082
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Balances with banks	12.1	-	4,433	-	4,433				
Receivable on issuance and conversion of units	12.1	-	435	-	435				
Dividend receivable	12.1	-	14,399	-	14,399				
Deposits and other receivables	12.1	-	2,805	-	2,805				
		<b>1,713,082</b>	<b>17,639</b>	<b>4,433</b>	<b>-</b>				<b>1,735,154</b>
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	12.1	-	-	1,798	1,798				
Payable to Central Depository Company of Pakistan Limited - Trustee	12.1	-	-	253	253				
Payable to Meezan Bank Limited	12.1	-	-	83	83				
Payable on redemption and conversion of units	12.1	-	-	1,041	1,041				
Accrued expenses and other liabilities	12.1	-	-	3,420	3,420				
		<b>-</b>	<b>-</b>	<b>-</b>	<b>6,595</b>				<b>6,595</b>





## KSE-Meezan Index Fund

June 30, 2017

Note	Carrying amount				Fair value				
	Investments	Trade and Other receivables	Cash and cash equivalents	Trade and Other payables	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)								
<b>Financial assets - measured at fair value</b>									
Investments - Held for trading	1,916,081	-	-	-	1,916,081	1,916,081	-	-	1,916,081
<b>Financial assets - not measured at fair value</b>									
Balances with banks	12.1	-	-	10,585	-	10,585			
Receivable against sale of investments - (net)	12.1	-	155,028	-	-	155,028			
Receivable on Issuance and conversion of units	12.1	-	845	-	-	845			
Dividend receivable	12.1	-	6,944	-	-	6,944			
Deposits and other receivables	12.1	-	2,855	-	-	2,855			
		<u>1,916,081</u>	<u>165,672</u>	<u>10,585</u>	<u>-</u>	<u>2,092,338</u>			
<b>Financial liabilities - not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	12.1	-	-	-	2,176	2,176			
Payable to Central Depository Company of Pakistan Limited - Trustee	12.1	-	-	-	286	286			
Payable to Meezan Bank Limited	12.1	-	-	-	47	47			
Payable on redemption and conversion of units	12.1	-	-	-	1,725	1,725			
Accrued expenses and other liabilities	12.1	-	-	-	10,854	10,854			
Dividend payable		-	-	-	146,426	146,426			
		<u>-</u>	<u>-</u>	<u>-</u>	<u>161,514</u>	<u>161,514</u>			

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

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

This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**





# Meezan Energy Fund

Meezan Energy Fund (MEF) is a Shariah Compliant Energy Sector (Equity) Scheme. It is an actively managed fund offering a simple way to take exposure to Shariah compliant energy sector stocks available at Pakistan Stock Exchange (PSX).

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.,  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

Meezan Bank Limited  
Habib Metropolitan Bank - Islamic Banking  
Bank Al Habib Limited - Islamic Banking

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2017

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>Assets</b>			
Balances with banks		153,539	91,575
Investments	5	1,478,554	1,059,994
Receivable on issuance and conversion of units		2,040	5,326
Dividend receivable		3,557	3,192
Receivable against investments - (net)		2,977	-
Deposit, prepayment and other receivables		2,314	2,022
Preliminary expenses and floatation costs		833	883
<b>Total assets</b>		<b>1,643,814</b>	<b>1,162,992</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company		5,244	4,785
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		225	203
Payable to Securities and Exchange Commission of Pakistan (SECP)		312	514
Payable against investments - (net)		-	116
Payable to Meezan Bank Limited (MBL)		114	920
Payable on redemption and conversion of units		2,733	2,598
Dividend payable		-	4,028
Accrued expenses and other liabilities	7	2,024	10,564
<b>Total liabilities</b>		<b>10,652</b>	<b>23,728</b>
<b>Net assets</b>		<b>1,633,162</b>	<b>1,139,264</b>
<b>Contingencies and commitments</b>	6		
<b>Unitholders' fund (as per statement attached)</b>		<b>1,633,162</b>	<b>1,139,264</b>
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>32,979,604</b>	<b>22,680,163</b>
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>49.52</b>	<b>50.23</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30, 2017 (Rupees in '000)
<b>Income</b>		
Net realised gain on sale of investments		1,553
Dividend income		3,557
Profit on saving accounts with banks		686
		<u>5,796</u>
Unrealised diminution on re-measurement of investments "at fair value through profit or loss" (net)	5.1	<u>(29,115)</u>
<b>Total loss</b>		<b>(23,319)</b>
<b>Expenses</b>		
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		6,572
Sindh Sales Tax on management fee		854
Allocated expense	9	329
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		581
Sindh Sales Tax on Trustee fee		75
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		312
Auditors' remuneration		118
Brokerage expense		1,109
Charity expense		14
Bank and settlement charges		106
Legal and Professional Charges		8
Amortisation of preliminary expenses and floatation costs		50
Fees and subscription		145
Selling and marketing expense	11	<u>1,314</u>
<b>Total expenses</b>		<b>11,587</b>
<b>Net loss for the quarter before taxation</b>		<b>(34,906)</b>
Taxation	12	-
<b>Net loss for the quarter after taxation</b>		<b>(34,906)</b>
Other comprehensive income for the quarter		-
<b>Total comprehensive income for the quarter</b>		<b>(34,906)</b>
<b>Allocation of net income for the quarter</b>		
Net loss for the quarter after taxation		(34,906)
Loss on units redeemed		3,705
		<u>(31,201)</u>
Accounting income available for distribution		-

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	<b>September 30, 2017 (Rupees in '000)</b>
Net assets at beginning of the quarter	1,139,264
Issuance of 21,368,092 units	1,087,017
Redemption of 11,068,651 units	(558,213)
	<u>528,804</u>
Loss on units redeemed	(3,705)
Total comprehensive income for the quarter including loss on units redeemed	(31,201)
Distribution	-
Net loss for the quarter less distribution	(31,201)
Net assets at end of the quarter	<u><u>1,633,162</u></u>
<b>Distribution for the quarter</b>	
Undistributed income brought forward	
- Realised	21,241
- Unrealised	(15,986)
	<u>5,255</u>
Distribution	-
Total comprehensive income for the quarter including loss on units redeemed	(31,201)
Undistributed income carried forward	<u><u>(25,946)</u></u>
Undistributed income carried forward	
- Realised	3,169
- Unrealised	(29,115)
	<u><u>(25,946)</u></u>
	<b>(Rupees)</b>
Net asset value per unit as at beginning of the quarter	<u><u>50.23</u></u>
Net asset value per unit as at end of the quarter	<u><u>49.52</u></u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

September 30,  
2017  
(Rupees in '000)

### CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the quarter before taxation (34,906)

#### Adjustments for:

Amortisation of preliminary expenses and floatation costs 50

Unrealised diminution on re-measurement of investments

'at fair value through profit or loss' (net) 29,115

(5,741)

#### Increase in assets

Investments (net) (447,675)

Dividend receivable (365)

Receivable against investments - (net) (2,977)

Deposit, prepayment and other receivables (292)

(451,309)

#### Increase / (decrease) in liabilities

Payable to Al Meezan Investment Management Limited (Al Meezan)  
- Management Company 459

Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee 22

Payable to Securities and Exchange Commission of Pakistan (SECP) (202)

Payable against investments - (net) (116)

Payable to Meezan Bank Limited (MBL) (806)

Accrued expenses and other liabilities (8,540)

(9,183)

#### Net cash used in operating activities

(466,233)

### CASH FLOWS FROM FINANCING ACTIVITIES

Receipts against issuance and conversion of units 1,090,303

Dividend paid (4,028)

Payment against redemption and conversion of units (558,078)

#### Net cash generated from financing activities

528,197

Net increase in cash and cash equivalents during the quarter 61,964

Cash and cash equivalents at beginning of the quarter 91,575

Cash and cash equivalents at end of the quarter 153,539

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Director





## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Energy Fund (the Fund) was established under a trust deed executed between AI Meezan Investment Management Company Limited (AI Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 09, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The objective of the Fund is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on Pakistan Stock Exchange Limited. The Fund is categorized as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 1.4** The Management Company of the Fund has been given a quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

### 2. BASIS OF PRESENTATION

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

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP have been followed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the period ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unitholders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the period ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the period ended June 30, 2017.

#### 5. INVESTMENTS

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>Investments at 'fair value through profit or loss'</b>			
Ordinary shares - Held for trading	5.1	<u>1,478,554</u>	<u>1,059,994</u>



## 5.1 Ordinary shares - Held for trading

Name of the investee company	As at July 01, 2017	Purchases during the period	Bonus / right issue	Sales during the period	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised appreciation / (diminution) as at September 30, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value	Total Market value of investments	Paid-up capital of the investee company (with face value of investments)
					(Number of shares)	(Rupees in '000)			%		
<b>Sectors / companies</b>											
<b>Oil and gas exploration companies</b>											
Mari Petroleum Company Limited	61,550	34,620	-	6,160	90,010	138,985	135,466	(3,519)	8.29	9.16	0.08
Oil and Gas Development Company Limited	1,043,000	726,100	-	310,000	1,459,100	213,326	216,881	3,555	13.28	14.67	0.03
Pakistan Oilfields Limited	155,000	15,000	-	-	170,000	78,147	90,447	12,300	5.54	6.12	0.07
Pakistan Petroleum Limited	277,000	1,066,100	-	-	1,343,100	227,608	234,626	7,018	14.37	15.87	0.07
									<b>41.48</b>	<b>45.82</b>	<b>0.25</b>
<b>Oil and gas marketing companies</b>											
Attock Petroleum Limited	5,000	-	-	-	5,000	3,132	3,129	(3)	0.19	0.21	0.01
Hascol Petroleum Limited	368,600	58,400	-	92,900	334,100	111,343	93,912	(17,431)	5.75	6.35	0.28
Hi-Tech Lubricants Limited	600,200	-	-	-	600,200	65,428	59,144	(6,284)	3.62	4.00	0.52
Pakistan State Oil Company Limited	85,000	373,000	-	53,000	405,000	171,788	178,913	7,125	10.96	12.10	0.15
Shell Pakistan Limited	68,000	-	-	-	68,000	39,125	28,278	(10,847)	1.73	1.91	0.06
Sui Northern Gas Pipelines Limited	1,176,000	500,400	-	146,900	1,529,500	227,029	204,739	(22,290)	12.54	13.85	0.24
Sui Southern Gas Company Limited	1,672,000	1,027,000	-	1,999,000	700,000	26,594	25,361	(1,233)	1.55	1.72	0.08
									<b>36.34</b>	<b>40.14</b>	<b>1.34</b>
<b>Power generation and distribution</b>											
The Hub Power Company Limited	389,000	-	-	129,000	260,000	30,532	29,071	(1,461)	1.78	1.97	0.02
K-Electric Limited (note 5.1.1)	12,716,500	-	-	1,098,500	11,618,000	80,164	81,791	1,627	5.01	5.53	0.04
									<b>6.79</b>	<b>7.50</b>	<b>0.06</b>
<b>Refinery</b>											
Attock Refinery Limited	122,000	25,000	-	46,100	100,900	37,903	41,693	3,790	2.55	2.82	0.12
National Refinery Limited	30,000	53,000	-	-	83,000	56,565	55,103	(1,462)	3.37	3.73	0.10
									<b>5.92</b>	<b>6.55</b>	<b>0.22</b>
<b>Total</b>						<b>1,507,669</b>	<b>1,478,554</b>	<b>(29,115)</b>			

5.1.1 All shares have a nominal value of Rs.10 each except for the shares of K-Electric Limited which has a nominal value of Rs. 3.50 each.

## 6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2017 and June 30, 2017.

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs. 1.53 million (June 30, 2017: Rs. 1.53 million). Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Rs. 0.05 / 0.09% (June 30, 2017: Rs. 0.07 / 0.14%). The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

## 8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and executives of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Asset Allocation Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Strategic Allocation Fund, Meezan Gold Fund and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules, 2003, NBFC Regulations, 2008, and the Trust Deed.

Details of transactions with connected persons and balances with them for the quarter ended September 30, 2017 are as follows:

	<b>(Unaudited) September 30, 2017</b>	<b>(Audited) June 30, 2017</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	<u>2,327</u>	<u>1,950</u>
Sindh Sales Tax on management fee payable	<u>302</u>	<u>254</u>
Sales load payable	<u>175</u>	<u>862</u>
Sindh Sales Tax on sales load payable	<u>23</u>	<u>112</u>
Selling and marketing expense payable	<u>2,301</u>	<u>1,509</u>
Allocated expense payable	<u>116</u>	<u>98</u>
Investment as at September 30, 2017: 7,654,390 units (June 30, 2017: 4,225,813 units)	<u>379,045</u>	<u>212,263</u>
<b>Meezan Bank Limited</b>		
Bank balance	<u>125,768</u>	<u>65,088</u>
Profit receivable on saving accounts	<u>140</u>	<u>237</u>
Sales load payable	<u>101</u>	<u>814</u>
Sindh sales tax on sales load payable	<u>13</u>	<u>106</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	<u>199</u>	<u>180</u>
Sindh Sales Tax on Trustee fee payable	<u>26</u>	<u>23</u>
Deposit	<u>100</u>	<u>100</u>
<b>Directors and Executives of the Management Company</b>		
Investment as at September 30, 2017: 35,036 units (June 30, 2017: 13,264 units)	<u>1,735</u>	<u>666</u>
<b>Unitholders holding 10 percent or more of the Fund</b>		
Investment as at September 30, 2017: 3,798,598 (June 30, 2017: 6,563,534 units)	<u>188,107</u>	<u>329,686</u>



**For the quarter  
ended  
September  
30, 2017  
(Rupees in '000)**

**Al Meezan Investment Management Company Limited  
- Management Company**

Remuneration for the quarter	<u>6,572</u>
Sindh Sales Tax on management fee for the quarter	<u>854</u>
Allocated expenses	<u>329</u>
Selling and marketing expense	<u>1,314</u>
Units issued: 3,968,254 units	<u>200,000</u>
Units Redeemed: 539,676 units	<u>27,000</u>

**Meezan Bank Limited**

Profit on saving accounts	<u>541</u>
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**Central Depository Company of Pakistan Limited - Trustee**

Remuneration fee for the quarter	<u>581</u>
Sindh Sales Tax on trustee fee for the quarter	<u>75</u>
CDS charges	<u>23</u>

**Directors and Executives of the Management Company**

Units issued: 25,987 units	<u>1,319</u>
Units redeemed: 4,216 units	<u>209</u>

**9. ALLOCATED EXPENSES**

During the quarter, the fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC Regulations, 2008.

**10. EXPENSE RATIO**

In 2016, Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/ Direction/18/2016 dated July 20, 2016, requires that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the quarter ended September 30, 2017 is 3.58% which include 0.44% representing government levy, Worker Welfare Fund and SECP fee.

**11. SELLING AND MARKETING EXPENSE**

Securities and Exchange Commission of Pakistan (SECP) vide a circular no. 40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 01, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of fund or actual expenses whichever lower. Accordingly, such expenses have been charged effective from February 27, 2017 at the rate of 0.4% of net assets of the Fund.

## 12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2018 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).

## 13. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>September 30, 2017</b>									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments	1,478,554	-	-	-	1,478,554	1,478,554	-	-	1,478,554
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Balances with banks	13.1	-	153,539	-	153,539				
Receivable on issuance and conversion of units	13.1	2,040	-	-	2,040				
Dividend receivable	13.1	3,557	-	-	3,557				
Receivable against investments - (net)	13.1	2,977	-	-	-				
Deposits and other receivables	13.1	606	-	-	606				
		<u>1,478,554</u>	<u>9,180</u>	<u>153,539</u>	<u>-</u>				<u>1,638,296</u>
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	13.1	-	-	5,244	5,244				
Payable to Central Depository Company of Pakistan Limited - Trustee	13.1	-	-	225	225				
Payable to Meezan Bank Limited	13.1	-	-	114	114				
Payable on redemption and conversion of units	13.1	-	-	2,733	2,733				
Accrued expenses and other liabilities	13.1	-	-	479	479				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>8,795</u>				<u>8,795</u>



	Note	Carrying amount				Fair value				
		Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
June 30, 2017										
(Rupees in '000)										
<b>Financial assets - measured at fair value</b>										
		1,059,994	-	-	-	1,059,994	1,059,994	-	-	1,059,994
<b>Financial assets - not measured at fair value</b>										
	13.1	-	-	91,575	-	91,575				
	13.1	-	5,326	-	-	5,326				
	13.1	-	3,192	-	-	3,192				
	13.1	-	743	-	-	743				
		1,059,994	9,261	91,575	-	1,160,830				
<b>Financial liabilities - not measured at fair value</b>										
	13.1	-	-	-	4,785	4,785				
	13.1	-	-	-	203	203				
	13.1	-	-	-	116	116				
	13.1	-	-	-	920	920				
	13.1	-	-	-	2,598	2,598				
	13.1	-	-	-	4,028	4,028				
	13.1	-	-	-	702	702				
		-	-	-	13,352	13,352				

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

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

This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**







## **Meezan** **Balanced Fund**

Meezan Balanced Fund (MBF) is Pakistan's first Shariah compliant balanced scheme. It seeks to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested in both high quality Shariah compliant Equity and Income Instruments.

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)	MCB Islamic Bank Limited
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Islami Pakistan Limited	National Bank of Pakistan - Islamic Banking
Bank Alfalah - Islamic Banking Branch	UBL Ameen - Islamic Banking
Dubai Islamic Bank	Samba Bank Limited
Habib Metropolitan Bank Limited - Islamic Banking	Sindh Bank

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2017

	Note	(Unaudited) September 30, 2017	(Audited) June 30, 2017
(Rupees in '000)			
<b>Assets</b>			
Balances with banks		1,348,683	1,842,313
Investments	5	7,386,332	7,504,175
Receivables on issuance and conversion of units		927	444,069
Dividend receivable		44,428	19,039
Receivables against investments (net)		-	1,851
Advances, deposit and other receivable		72,601	74,354
<b>Total assets</b>		<b>8,852,971</b>	<b>9,885,801</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company		17,895	29,352
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		906	993
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,951	6,210
Payable to Meezan Bank Limited (MBL)		2,990	3,050
Payable on redemption and conversion of units		10,553	87,821
Payable against investments (net)		2,743	-
Accrued expenses and other liabilities		80,932	154,900
Dividend payable		8,437	87,370
<b>Total liabilities</b>		<b>126,407</b>	<b>369,696</b>
<b>Net assets</b>		<b>8,726,564</b>	<b>9,516,105</b>
<b>Contingencies and commitments</b>	6		
<b>Unitholders' fund (as per statement attached)</b>		<b>8,726,564</b>	<b>9,516,105</b>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>550,645,199</b>	<b>561,280,121</b>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<b>15.85</b>	<b>16.95</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30,	
		2017	2016
		(Rupees in '000)	
<b>Income</b>			
Net realised (loss) / gain on sale of investments		(7,176)	19,523
Dividend income		45,820	29,603
Profit on saving accounts with banks		23,987	15,303
Profit on term deposit receipts		14,227	-
Profit on sukuk certificates		24,064	22,649
		<u>100,922</u>	<u>87,078</u>
Unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss' (net)	5.1.1.1, 5.1.1.5, 5.1.2.1 & 5.1.2.2	(638,672)	127,313
<b>Total income</b>		<u>(537,750)</u>	<u>214,391</u>
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		45,902	26,440
Sindh Sales Tax on management fee		5,967	3,437
Allocated expenses		2,295	1,322
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		2,547	1,574
Sindh Sales Tax on trustee fee		331	205
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		1,951	1,124
Auditors' remuneration		177	148
Charity expense		208	331
Fees and subscription		163	166
Legal and professional charges		-	33
Brokerage expense		558	844
Bank and settlement charges		360	286
Printing expense		16	5
<b>Total expenses</b>		<u>60,475</u>	<u>35,915</u>
<b>Net (loss)/income for the quarter before taxation</b>		<u>(598,225)</u>	<u>178,476</u>
<b>Taxation</b>	12	-	-
<b>Net (loss)/income for the quarter after taxation</b>		<u>(598,225)</u>	<u>178,476</u>
Other comprehensive income for the quarter			
<b>Items that can be reclassified to income statements in subsequent periods</b>			
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	5.2.1	(26,260)	5,368
<b>Total comprehensive income for the quarter</b>		<u>(624,485)</u>	<u>183,844</u>
<b>Allocation of net income for the quarter</b>			
Net (loss) / income for the quarter after taxation		(598,225)	178,476
Loss on units redeemed		48,393	-
		<u>(549,832)</u>	<u>178,476</u>
Accounting income available for distribution		-	178,476

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30,	
	2017	2016
	(Rupees in '000)	
Net assets at the beginning of the quarter	9,516,105	4,707,687
Issuance of 65,465,431 units (September 30, 2016: 81,613,752 units)	<b>1,188,729</b>	1,340,474
Redemption of 76,100,353 units (September 30, 2016: 28,149,010 units)	<b>(1,353,785)</b>	(462,297)
	<b>(165,056)</b>	878,178
Loss on units redeemed	<b>(48,393)</b>	-
Total comprehensive income for the quarter including loss on units redeemed	<b>(576,092)</b>	183,844
Distribution	-	-
Net (loss) / income for the quarter less distribution	<b>(576,092)</b>	183,844
Net assets at end of the quarter	<b>8,726,564</b>	5,769,709
<b>Distribution for the quarter</b>		
Undistributed income brought forward		
- Realised	<b>1,087,733</b>	607,343
- Unrealised	<b>472,090</b>	336,134
	<b>1,559,823</b>	943,477
Total comprehensive income for the quarter including loss on units redeemed	<b>(576,092)</b>	181,490
Distribution	-	-
Undistributed income carried forward	<b>983,731</b>	1,124,967
Undistributed income carried forward		
- Realised	<b>1,622,403</b>	997,654
- Unrealised	<b>(638,672)</b>	127,313
	<b>983,731</b>	1,124,967
	(Rupees)	
Net assets value per unit at beginning of the quarter	<b>16.95</b>	15.84
Net assets value per unit at end of the quarter	<b>15.85</b>	16.45

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30,	
	2017	2016
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss)/income for the quarter after taxation	(598,225)	178,476
<b>Adjustments for</b>		
Unrealised diminution / (appreciation) on re-measurement of investments - 'at fair value through profit or loss' (net)	638,672	(127,313)
	<u>40,447</u>	<u>51,163</u>
<b>(Increase) / decrease in assets</b>		
Investments - (net)	(547,089)	(372,645)
Dividend receivable	(25,389)	(16,508)
Receivables against investments (net)	1,851	4,020
Deposits, prepayments and other receivables	1,753	(21,439)
	<u>(568,875)</u>	<u>(406,572)</u>
<b>(decrease) / Increase in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	(11,457)	3,585
Payable to Central Depository Company of Pakistan Limited -Trustee	(87)	681
Payable to Securities and Exchange Commission of Pakistan (SECP)	(4,259)	(2,644)
Payable to Meezan Bank Limited (MBL)	(60)	-
Payable against investments (net)	2,743	48,640
Accrued expenses and other liabilities	(73,968)	(20,679)
	<u>(87,088)</u>	<u>29,583</u>
<b>Net cash used in operating activities</b>	<u>(615,516)</u>	<u>(325,826)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	1,631,871	1,422,173
Payment against redemption and conversion of units	(1,431,053)	(466,519)
Dividend paid	(78,933)	(11,662)
<b>Net cash generated from financing activities</b>	<u>121,885</u>	<u>943,992</u>
Net (decrease) / increase in cash and cash equivalents during the quarter	<u>(493,630)</u>	<u>618,167</u>
Cash and cash equivalents at beginning of the quarter	<u>1,842,313</u>	<u>660,332</u>
Cash and cash equivalents at end of the quarter	<u>1,348,683</u>	<u>1,278,499</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.1** Meezan Balanced Fund (the Fund) was initially established as a closed-end scheme under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 15, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 8, 2004 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

Subsequently, on May 3, 2013, SECP vide its letter No. SCD/AMCW/MBF /512/2013 has approved the conversion of the closed end structure into an open end scheme through the establishment of the Unit Trust Scheme under the name of Meezan Balanced Fund (MBF). On June 27, 2013, SECP vide its letter No SCD/AMCW/MBF/613/2013 registered MBF (the open-end scheme) as a notified entity and has withdrawn the registration of MBF as close end scheme with effect from the effective date i.e. July 01, 2013 and therefore from July 1, 2013, the Fund has been converted into an open end scheme and accordingly the certificate holders of closed end scheme at June 30, 2013, were converted to unitholders of open end scheme from July 01, 2013.

**1.2** The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP.

**1.3** The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested in both high quality Shariah Compliant equity securities and Islamic income instruments such as Term Finance Certificates, Islamic Sukuks (certificates of Islamic investment), musharaka certificates, Government Securities, Cash in bank accounts, Money Market Placements, Deposits, Certificates of Deposits, Term Deposit Receipts, Commercial Papers, Reverse Repos, Spread Transactions, and other Shariah compliant instruments as indicated by the Commission. Under the Trust Deed all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Islamic Shariah.

**1.4** Units of the fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Management Company has been given a quality rating of AM1 by JCR - VIS Credit Rating Company Limited.

**1.5** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. The Fund is categorized as Shariah Compliant Balanced Fund in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).

**1.6** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

## **2. BASIS OF PRESENTATION**

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

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.

## **3. STATEMENT OF COMPLIANCE**

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued under the Companies Ordinance, 1984, the NBFC Rules, 2003, the NBFC Regulations, 2008 and the directives issued by the SECP. In case where requirements differ, the provisions of /or directives issued under the Companies Ordinance, 1984, the NBFC Rules, 2003, and the NBFC Regulations, 2008, and directives issued by the SECP shall prevail.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.





	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>5. INVESTMENTS (net)</b>			
Investments - 'at fair value through profit or loss'	5.1	<b>6,084,259</b>	6,505,842
Investments - 'available for sale'	5.2	<b>222,073</b>	248,333
Investments - 'Loans and receivables'	5.3	<b>1,080,000</b>	750,000
		<b>7,386,332</b>	<b>7,504,175</b>
<b>5.1 Investments - 'at fair value through profit or loss'</b>			
Held for trading	5.1.1	<b>5,161,397</b>	5,642,673
Investments at fair value through profit or loss upon initial recognition	5.1.2	<b>922,862</b>	863,169
		<b>6,084,259</b>	<b>6,505,842</b>
<b>5.1.1 Held for trading</b>			
Shares of listed companies 'Ordinary shares'	5.1.1.1	<b>4,631,900</b>	5,059,526
Sukuk certificates	5.1.1.5	<b>529,497</b>	583,147
		<b>5,161,397</b>	<b>5,642,673</b>
<b>5.1.1.1 Shares of listed companies 'Ordinary shares'</b>			

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Right issue	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 5.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
	(Number of shares)				(Rupees in '000)			%			
<b>Sector / Companies</b>											
<b>Commercial Banks</b>											
Meezan Bank Limited (an associate company of the Fund)	-	75,000	4,518	-	79,518	5,682	5,919	236	0.07	0.01	0.08
<b>Automobile assemblers</b>											
Millat Tractors Company Limited	800	28,000	-	-	28,800	38,899	35,951	(2,948)	0.41	0.07	0.49
Indus Motors Company Limited	1,100	-	-	-	1,100	1,973	1,893	(80)	0.02	0.00	0.03
Pakistan Suzuki Motor Company Limited	60	-	-	-	60	47	27	(20)	0.00	0.00	0.00
Honda Atlas Cars	218,600	-	-	-	218,600	189,677	117,933	(71,744)	1.35	0.15	1.60
									<b>1.79</b>	<b>0.22</b>	<b>2.11</b>
<b>Automobile parts and accessories</b>											
Thal Limited (note 5.1.1.2)	15,000	-	-	-	15,000	9,090	8,266	(824)	0.09	0.02	0.11
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron	1,885,250	235,000	-	-	2,120,250	229,508	161,033	(68,475)	1.85	0.43	2.18
<b>Chemicals</b>											
Engro Polymer & Chemicals Limited	1,500,000	345,000	-	100,000	1,745,000	63,018	58,300	(4,718)	0.67	0.26	0.79
ICI Pakistan Limited	120,095	-	-	-	120,095	131,450	109,721	(21,729)	1.26	0.13	1.49
Sitara Chemical Industries Limited	2,100	-	-	-	2,100	934	780	(154)	0.01	0.01	0.01
									<b>1.93</b>	<b>0.40</b>	<b>2.29</b>
<b>Cement</b>											
Attock Cement Pakistan Limited	402	-	-	-	402	122	81	(41)	0.00	0.00	0.00
Cherat Cement Company Limited	819,000	-	-	-	819,000	146,421	98,264	(48,157)	1.13	0.46	1.33
DG Khan Cement Company Limited	1,269,760	50,000	-	-	1,319,760	279,921	193,820	(86,101)	2.22	0.30	2.62
Fauji Cement Company Limited	2,236,500	-	-	-	2,236,500	91,764	72,731	(19,033)	0.83	0.16	0.98
Kohat Cement Limited	465,400	-	-	-	465,400	106,697	69,791	(36,906)	0.80	0.30	0.94
Lucky Cement Limited	510,400	-	-	-	510,400	426,827	288,468	(138,359)	3.31	0.16	3.91
Maple Leaf Cement Limited	557,000	-	-	557,000	-	-	-	-	-	-	-
Pioneer Cement Limited	1,158,500	-	-	-	1,158,500	150,605	104,195	(46,410)	1.19	0.51	1.41
									<b>9.48</b>	<b>1.90</b>	<b>11.20</b>
<b>Fertilizers</b>											
Dawood Hercules	518,000	-	-	-	518,000	70,634	63,900	(6,734)	0.73	0.11	0.87
Engro Fertilizers Limited	3,140,000	100,000	-	-	3,240,000	179,270	203,828	24,558	2.34	0.24	2.76
Engro Corporation Pakistan Limited (note 5.1.1.4)	1,490,500	25,000	-	-	1,515,500	493,179	459,333	(33,846)	5.26	0.29	6.22
Fatima Fertilizer Limited	6,500	-	-	-	6,500	219	221	2	0.00	0.00	0.00
									<b>8.33</b>	<b>0.64</b>	<b>9.85</b>

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Right issue	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to		
									Net assets of the Fund on the basis of market value (see note 5.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
					(Number of shares)	(Rupees in '000)			%		
<b>Technology &amp; Communication</b>											
Pakistan Telecommunication Company Limited "A"	10	-	-	-	10	0	0	(0)	0.00	0.00	0.00
<b>Paper &amp; Board</b>											
Packages Limited	230,900	-	-	-	230,900	160,610	133,232	(27,378)	1.53	0.26	1.80
<b>Refinery</b>											
Attock Refinery Limited	154,000	-	-	-	154,000	58,917	63,634	4,717	0.73	0.18	0.86
National Refinery Limited	60,000	-	-	-	60,000	43,560	39,835	(3,725)	0.46	0.08	0.54
									<b>1.19</b>	<b>0.00</b>	<b>1.40</b>
<b>Miscellaneous</b>											
Shifa International Hospital Limited	29,584	-	-	20,600	8,984	2,965	2,291	(674)	0.03	0.02	0.03
<b>Oil &amp; Gas Exploration Companies</b>											
Oil and Gas Development Company Limited	2,676,400	420,000	-	50,000	3,046,400	432,506	452,817	20,311	5.19	0.07	6.13
Pakistan Oilfields Limited	380,225	-	-	-	380,225	174,200	202,295	28,095	2.32	0.16	2.74
Pakistan Petroleum Limited	489,396	125,000	-	-	614,396	94,874	107,329	12,455	1.23	0.03	1.45
Mari Petroleum Company Limited	84,250	-	-	-	84,250	132,748	126,797	(5,951)	1.45	0.08	1.72
									<b>10.19</b>	<b>0.34</b>	<b>12.04</b>
<b>Oil and Gas Marketing Companies</b>											
Attock Petroleum Limited	10,000	-	-	-	10,000	6,264	6,257	(7)	0.07	0.01	0.08
Pakistan State Oil Company Limited	395,204	350,000	-	-	745,204	301,574	329,202	27,628	3.77	0.27	4.46
Hascal Petroleum Limited	151,473	-	-	-	151,473	51,668	42,578	(9,090)	0.49	0.13	0.58
Hi-Tech Lubricants	195,400	-	-	-	195,400	21,301	19,255	(2,046)	0.22	0.17	0.26
Shell Pakistan Limited	300	-	-	-	300	173	125	(48)	0.00	0.00	0.00
Sui Southern Gas Company Limited	720,000	-	-	295,000	425,000	15,474	15,398	(76)	0.18	0.05	0.21
Sui Northern Gas Pipeline Limited	2,086,000	110,000	-	160,000	2,036,000	302,861	272,539	(30,322)	3.12	0.32	3.69
									<b>7.85</b>	<b>0.95</b>	<b>9.28</b>
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	110,200	-	-	-	110,200	102,993	86,948	(16,045)	1.00	0.11	1.18
Ferozsons (Lab)	45,750	-	-	45,750	-	-	-	-	-	-	-
GlaxoSmithKline Consumer Health care	205,000	-	-	-	205,000	42,847	57,082	14,235	0.65	0.21	0.77
The Searle Company	349,979	-	-	-	349,979	179,182	141,363	(37,819)	1.62	0.23	1.91
Highnoon (Lab)	13,798	-	-	-	13,798	8,641	6,950	(1,691)	0.08	0.05	0.09
									<b>3.35</b>	<b>0.61</b>	<b>3.96</b>
<b>Food &amp; Personal Care Products</b>											
Engro Foods Limited	113,300	50,000	-	50,000	113,300	13,928	10,767	(3,161)	0.12	0.01	0.15
Al-Shaheer Corporation Limited	332,225	100,000	-	-	432,225	16,488	13,667	(2,821)	0.16	0.30	0.19
									<b>0.28</b>	<b>0.32</b>	<b>0.33</b>
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	1,311,097	-	-	125,000	1,186,097	139,283	132,618	(6,665)	1.52	0.10	1.80
K-Electric Limited (note 5.1.1.2)	27,885,500	-	-	1,000,000	26,885,500	185,510	189,274	3,764	2.17	0.10	2.56
									<b>3.69</b>	<b>0.20</b>	<b>4.35</b>
<b>Real Estate Investment Trust</b>											
Dolmen City REIT	2,728,000	-	-	-	2,728,000	32,272	29,817	(2,455)	0.34	0.12	0.40
<b>Textile composite</b>											
Nishat Mills Limited	94,000	16,100	-	-	110,100	17,355	15,976	(1,380)	0.18	0.03	0.22
<b>Engineering</b>											
Crescent Steel & Allied Products Limited	258,950	-	-	-	258,950	61,777	40,963	(20,814)	0.47	0.33	0.55
International Industries Limited	36,500	6,000	-	-	42,500	15,260	12,334	(2,926)	0.14	0.04	0.17
International Steel Limited	249,500	-	-	34,100	215,400	27,547	26,091	(1,456)	0.30	0.05	0.35
									<b>0.91</b>	<b>0.42</b>	<b>1.07</b>
<b>Right Shares</b>											
Maple Leaf Cement Limited	-	625	-	-	625	-	11	11	0.00	0.00	0.00
<b>Total</b>						<b>5,258,715</b>	<b>4,631,900</b>	<b>(626,817)</b>			

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

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

5.1.1.4 150,000 shares of Engro Corporation Limited, having market value of Rs 45.464 million as at September 30, 2017 (June 30, 2017: Rs. 48.889 million) have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark-to-market losses.



Name of the security	Maturity date	Profit rate	As at July 01, 2017	Purchases during the quarter	Sales / Matured during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised loss as at September 30, 2017	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net Assets of the Fund on the basis of investments (note 5.1.1.3)	Total market value of investments	----- (%) -----
GoP Ijarah Sukuk Certificates - XVII (Note 5.1.1.6)	February 15, 2019	Weighted Average 6 months T-Bills	3,190	-	450	2,740	282,028	277,672	(4,356)	3.18	3.76
GoP Ijarah Sukuk Certificates - XVII (Note 5.1.1.6)	March 29, 2019	Weighted Average 6 months T-Bills	2,500	-	-	2,500	254,800	251,825	(2,975)	2.89	3.41
<b>Total</b>							<b>536,828</b>	<b>529,497</b>	<b>(7,331)</b>		

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

Note	(Unaudited) September 30, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
5.1.2.1	24,753	35,000
5.1.2.2	898,109	828,169
	<b>922,862</b>	<b>863,169</b>

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

Shares of listed companies 'Ordinary shares'  
Sukuk certificates

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

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Bonus issue	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised loss as at September 30, 2017	Percentage in relation to		
	----- (Number of shares) -----					----- (Rupees in '000) -----			Net assets of the Fund on the basis of market value (see note 5.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments
<b>Sector / Companies</b>									----- % -----		
<b>Automobile and parts</b>											
Indus Motor Company Limited	18,555	-	-	5,000	13,555	24,312	23,326	(986)	0.27	0.02	0.32
<b>Paper and Board</b>											
Packages Limited	2,473	-	-	-	2,473	1,720	1,427	(293)	0.02	0.00	0.02
<b>Total</b>						<b>26,032</b>	<b>24,753</b>	<b>(1,279)</b>			

**5.1.2.2 Sukuk certificates**

Name of the investee company	Maturity	Profit rate	As at July 01, 2017	Purchases during the quarter	Redemptions / Matured during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017*	Market value as at September 30, 2017*	Unrealised loss as at September 30, 2017	Percentage in relation to		
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the fund on the basis of market value (note 5.1.1.3)	Paid-up capital of the investee company (with face value of investments)	Total market value of investments	----- % -----
<b>Secured</b>												
Engro Fertilizer Pakistan Limited - II (A+, PACRA, non-traded) (note 5.1.2.3)	July 9, 2019	6 months KIBOR plus base rate of 1.75%	12,088	-	1,510	10,578	49,186	49,045	(141)	0.56	0.00	0.66
K Electric Limited - (7 years) (note 5.1.2.3) (AA, JCR-VIS, non-traded)	June 17, 2022	6 months KIBOR plus base rate of 1%	87,253	-	4,363	82,890	433,711	432,785	(926)	4.96	0.00	5.86
Security Leasing * Corporation Limited II (note 5.1.2.3 & 5.1.2.4)	January 19, 2022	Nil	1,540	-	-	1,540	-	-	-	-	0.00	-
Eden Housing Limited * (note 5.1.2.3 & 5.1.2.4)	September 29, 2014	6 months KIBOR plus base rate of 2.5%	5,000	-	-	5,000	-	-	-	-	0.00	-
Arzoo Textile Mills Limited * (note 5.1.2.3 & 5.1.2.4)	April 15, 2014	6 months KIBOR plus base rate of 2%	5,000	-	-	5,000	-	-	-	-	0.00	-

Name of the investee company	Maturity	Profit rate	As at July 01, 2017	Purchases during the quarter	Redemptions /Matured during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017*	Market value as at September 30, 2017*	Unrealised loss as at September 30, 2017	Percentage in relation to		
			(Number of certificates)			(Rupees in '000)			%			
Hascol Petroleum Limited - Sukuk (note 5.1.2.3)	January 7, 2022	3 months KIBOR plus base rate of 1.50%	47,500	-	2,500	45,000	233,283	231,956	(1,327)	2.66	0.01	3.14
Fatima Fertilizer Company Limited - Sukuk (note 5.1.2.3)	November 28, 2021	6 months KIBOR plus base rate of 1.10%	13,240	-	-	13,240	69,173	68,323	(850)	0.78	0.00	0.92
Dubai Islamic Bank Pakistan Limited - Sukuk (note 5.1.2.3)	July 14, 2027	6 months KIBOR plus base rate of 0.50%	-	116	-	116	116,000	116,000	-	1.33	0.00	1.57
<b>Total</b>							<b>901,353</b>	<b>898,109</b>	<b>(3,244)</b>			

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

5.1.2.3 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Eden Housing Limited having nominal value of Rs. 984.375 each.

5.1.2.4 The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (Management Company) classified Meezan Islamic Income Fund (the Fund) as 'Income Scheme' in accordance with the said circular. As at September 30, 2017, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade.

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

Name of the investee company	Type of investments	Value of investment before provision	Provision held as at September 30, 2017	Value of investment after provision	Percentage of net assets	Percentage of total assets
		(Rupees in '000)			%	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
		<b>37,623</b>	<b>37,623</b>	<b>-</b>		

## 5.2 Investments - 'available for sale'

### Shares of listed companies (Ordinary shares)

Name of the investee company	As at July 01, 2017	Purchases during the period	Sales during the period	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain as at September 30, 2017	Percentage in relation to		
	(Number of shares)			(Rupees in '000)			%			
<b>Automobile assemblers</b>										
Indus Motor Company Limited	2,075	-	-	2,075	454	3,571	3,117	0.04	0.00	0.05
<b>Commercial Banks</b>										
Meezan Bank Limited (an associate of the Fund)	301	-	-	301	4	22	18	0.00	0.00	0.00
BankIslami Pakistan Limited	875	-	-	875	5	11	6	0.00	0.00	0.00
								<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Chemicals</b>										
ICI Pakistan Limited	21	-	-	21	3	19	16	0.00	0.00	0.00
<b>Cement</b>										
Attock Cement Pakistan Limited	287	-	-	287	11	58	47	0.00	0.00	0.00
DG Khan Cement Company Limited	249	-	-	249	10	37	27	0.00	0.00	0.00
Lucky Cement Limited	7,451	-	-	7,451	887	4,211	3,324	0.05	0.00	0.06
								<b>0.05</b>	<b>0.00</b>	<b>0.06</b>
<b>Power Generation &amp; Distribution</b>										
The Hub Power Company Limited	1,134,050	-	-	1,134,050	41,921	126,798	84,877	1.45	0.10	1.72
<b>Paper and Board</b>										
Packages Limited	150,000	-	-	150,000	77,511	86,552	9,041	0.99	0.17	1.17
<b>Oil &amp; Gas Exploration Companies</b>										
Pakistan Petroleum Limited	4,548	-	-	4,548	558	794	236	0.01	0.00	0.01
<b>Total</b>					<b>121,364</b>	<b>222,073</b>	<b>100,709</b>			



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

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
Market value of investments		222,073	248,333
Less: Cost of investments		121,364	121,364
		<b>100,709</b>	126,969
Less: Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale' at beginning of the period		126,969	117,903
		<b>(26,260)</b>	9,066

**5.3 Investment- loans and receivables**

<b>5.3.1</b> Term deposit receipts	5.3.1	<b>1,080,000</b>	750,000
		<b>1,080,000</b>	750,000

Name of the bank	Maturity date	Profit rate	As at July 01, 2017	Deposit made during the quarter	Matured during the quarter	As at September 30, 2017
BankIslami Pakistan Limited	December 01, 2017	5.90	500,000	-	-	500,000
Dubai Islamic Bank Limited	February 01, 2018	5.70	250,000	-	-	250,000
Bank Al Habib Limited	November 01, 2017	5.80	-	330,000	-	330,000
<b>Total</b>			<b>750,000</b>	<b>330,000</b>	<b>-</b>	<b>1,080,000</b>

**6. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at September 30, 2017 other than as disclosed in the annual financial statements for the year ended June 30, 2017.

**7. ACCRUED EXPENSES AND OTHER LIABILITIES**

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs. 38.656 million (June 30, 2017: Rs. 38.656 million). Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Rs. 0.07 /0.44% (June 30, 2017: Rs. 0.07 / 0.41%. The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

**8. SEGMENT REPORTING**

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

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

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

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

	For the quarter ended September 30, 2017			For the quarter ended September 30, 2016		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Total net segment (loss) / income</b>	<b>(587,784)</b>	<b>25,282</b>	<b>(576,521)</b>	163,733	34,511	198,244
Unallocated expenses	-	-	(21,704)	-	-	(19,768)
<b>Total net (loss) / income</b>	<b>(587,784)</b>	<b>25,282</b>	<b>(598,225)</b>	163,733	34,511	178,476

	As at September 30, 2017			As at June 30, 2017		
	Equity sub-portfolio	Debt sub-portfolio	Total	Equity sub-portfolio	Debt sub-portfolio	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Total segment assets</b>	<b>4,923,154</b>	<b>2,519,242</b>	<b>7,442,396</b>	5,363,749	2,180,074	7,543,823
Unallocated assets	-	-	1,410,575	-	-	2,341,978
<b>Total assets</b>	<b>4,923,154</b>	<b>2,519,242</b>	<b>8,852,971</b>	5,363,749	2,180,074	9,885,801
<b>Total segment liabilities</b>	<b>3,396</b>	<b>-</b>	<b>3,396</b>	4,185	-	4,185
Unallocated liabilities	-	-	123,011	-	-	365,511
<b>Total liabilities</b>	<b>3,396</b>	<b>-</b>	<b>126,407</b>	4,185	-	369,696

There were no transactions between reportable segments.

## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, directors and executives of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Gold Fund, Meezan Asset Allocation Fund, Meezan Strategic Allocation Fund, Meezan Energy Fund and Meezan Tahaffuz Pension Fund being the funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10% or more units of the Fund's net assets.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, 2003, NBFC Regulations, 2008, and the Trust Deed respectively.



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

	(Unaudited) September 30, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	14,387	15,932
Sales load payable	812	9,338
Allocated expenses payable	720	797
Sindh Sales Tax on management fee	1,870	2,071
Sindh Sales Tax on sales load	106	1,214
Investment of 900,638 units (June 30, 2017: 900,638 units)	14,275	15,266
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	802	879
Sindh sale tax on Trustee fee payable	104	114
Deposits	300	300
<b>Meezan Bank Limited</b>		
Bank balance	15,950	152,451
Sales load payable	2,646	2,699
Sindh Sales Tax on sales load	344	351
Investment in 79,819 shares (June 30, 2017: 301 shares)	5,941	24
Investment of 18,886,746 units (June 30, 2017: 18,886,746 units)	299,355	320,130
<b>AI Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investment of 445,734 units (June 30, 2017: 445,734 units)	7,065	7,555
<b>Directors and Executives of the Management Company</b>		
Investment of 6,593,829 units (June 30, 2017: 6,637,501 units)	104,512	112,506
	<b>For the quarter ended September 30,</b>	
	2017	2016
	(Unaudited) (Rupees in '000)	
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration for the quarter	45,902	26,440
Sindh Sales Tax on management fee	5,967	3,437
Allocated expenses	2,295	1,322
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the quarter	2,547	1,574
Sindh Sales tax on Trustee fee	331	205
CDS Charges for the quarter	61	37
<b>Meezan Bank Limited</b>		
Profit on saving account	165	193
Cash dividend income during the quarter	132	-
Sale of shares: nil (September 30, 2016: 250,000 shares)	-	14,050
Purchase of shares: 79,518 shares (September 30, 2016: nil)	5,682	-
<b>Directors and Executives of the Management Company</b>		
Units issued: 31,784 (September 30, 2016: 3,595,268 units)	513	59,573
Units redeemed: 75,456 (September 30, 2016: 62,964 units)	1,206	1,016

## 10. ALLOCATED EXPENSES

During the quarter, the fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC Regulations, 2008.

## 11. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS/ the fund. TER of the fund for the quarter ended September 30, 2017 is 2.84% which include 0.36% representing government levy, Worker Welfare Fund and SECP fee.

## 12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2018 as reduced by capital gains (whether realised or unrealised) to its unitholders.

The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of part IV to the second schedule of income tax ordinance, 2001. Accordingly Supertax introduced in Finance Act, 2015 is also not applicable on funds (section 4B of income tax ordinance, 2001).

## 13. FINANCIAL INSTRUMENTS - FAIR VALUES

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

Note	Carrying amount				Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>September 30, 2017</b>									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments									
	6,084,259	-	-	-	6,084,259	4,656,653	1,427,606	-	6,084,259
	222,073	-	-	-	222,073	222,073	-	-	222,073
<b>Financial assets - not measured at fair value</b>									
	1,080,000	-	-	-	1,080,000				
	-	-	1,348,683	-	1,348,683				
	-	927	-	-	927				
	-	44,428	-	-	44,428				
	-	71,639	-	-	71,639				
	<b>7,386,332</b>	<b>116,994</b>	<b>1,348,683</b>	<b>-</b>	<b>8,852,009</b>				
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
	-	-	-	17,895	17,895				
	-	-	-	906	906				
	-	-	-	2,990	2,990				
	-	-	-	10,553	10,553				
	-	-	-	41,501	41,501				
	-	-	-	8,437	8,437				
	-	-	-	82,282	82,282				





June 30, 2017

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments									
- 'at fair value through profit or loss'	6,505,842	-	-	-	6,505,842	5,094,526	1,411,316	-	6,505,842
Investments - 'available for sale'	248,333	-	-	-	248,333	248,333	-	-	248,333
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Investments - 'loans and receivables'	13.1	750,000	-	-	750,000				
Balances with banks	13.1	-	-	1,842,313	1,842,313				
Receivable on issuance and conversion of units	13.1	-	444,069	-	444,069				
Dividend receivable	13.1	-	19,039	-	19,039				
Receivable against investments (net)	13.1	-	1,851	-	1,851				
Deposits and other receivables	13.1	-	74,340	-	74,340				
		<u>7,504,175</u>	<u>539,299</u>	<u>1,842,313</u>	<u>-</u>				<u>9,885,787</u>
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company	13.1	-	-	-	29,352				29,352
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	13.1	-	-	-	993				993
Payable to Meezan Bank Limited	13.1	-	-	-	3,050				3,050
Payable on redemption and conversion of units	13.1	-	-	-	87,821				87,821
Accrued expenses and other liabilities	13.1	-	-	-	42,873				42,873
Dividend payable	13.1	-	-	-	87,370				87,370
		<u>-</u>	<u>-</u>	<u>-</u>	<u>251,459</u>				<u>251,459</u>

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

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

This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**





# Meezan

Asset Allocation Fund

Meezan Asset Allocation Fund (MAAF) is a Shariah Compliant Asset Allocation Scheme. It is designed to help investors build wealth by long-term capital appreciation, diversification across asset classes and the flexibility to change investment portfolio exposure as per the outlook.

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

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

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2017

	Note	(Unaudited) September 30, 2017	(Audited) June 30, 2017
(Rupees in '000)			
<b>Assets</b>			
Balances with banks		542,479	569,028
Investments	5	2,651,812	2,599,168
Receivable against investments - (net)		5,410	-
Dividend receivable		23,199	10,545
Receivable on issuance and conversion of units		1,358	224,341
Deposits and other receivables		9,030	7,076
Preliminary expenses and flotation costs		642	687
<b>Total assets</b>		<b>3,233,930</b>	<b>3,410,845</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company		11,665	10,736
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		391	392
Payable to Securities and Exchange Commission of Pakistan (SECP)		786	1,350
Payable to Meezan Bank Limited (MBL)		3,228	2,341
Payable on redemption and conversion of units		1,834	25,594
Accrued expenses and other liabilities	7	13,095	76,676
Dividend payable		-	42,321
<b>Total liabilities</b>		<b>30,999</b>	<b>159,410</b>
<b>Net assets</b>		<b>3,202,931</b>	<b>3,251,435</b>
<b>Contingencies and commitments</b>	6		
<b>Unitholders' fund (as per statement attached)</b>		<b>3,202,931</b>	<b>3,251,435</b>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>68,935,804</b>	<b>63,897,322</b>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<b>46.46</b>	<b>50.89</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

## CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30,	
		2017	2016
		(Rupees in '000)	
<b>Income</b>			
Net realised gain on sale of investments		1,850	286
Dividend income		24,307	5,072
Profit on saving accounts with banks		7,415	1,336
		<u>33,572</u>	<u>6,694</u>
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	5.1	(328,138)	12,482
<b>Total (loss) / income</b>		<b>(294,566)</b>	<b>19,176</b>
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		12,407	2,308
Sindh Sales Tax on management fee		1,613	300
Allocated expenses	9	827	154
Selling and marketing expense	11	3,308	-
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		1,079	308
Sindh Sales Tax on trustee fee		140	40
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		786	146
Auditors' remuneration		116	69
Brokerage expenses		1,052	622
Charity expense		117	54
Bank and settlement charges		336	157
Amortisation of preliminary expenses and floatation costs		45	46
Fees and subscription		202	63
<b>Total expenses</b>		<b>22,028</b>	<b>4,267</b>
<b>Net (loss) / income for the quarter before taxation</b>		<b>(316,594)</b>	<b>14,909</b>
Taxation	12	-	-
<b>Net (loss) / income for the quarter after taxation</b>		<b>(316,594)</b>	<b>14,909</b>
Other comprehensive income for the quarter		-	-
<b>Total comprehensive income for the quarter</b>		<b>(316,594)</b>	<b>14,909</b>
<b>Allocation of net income for the quarter</b>			
Net (loss) / income for the quarter after taxation		(316,594)	14,909
Loss on units redeemed		31,439	-
		<u>(285,155)</u>	<u>14,909</u>
Accounting income available for distribution		-	14,909

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	<b>September 30,</b>	
	<b>2017</b>	<b>2016</b>
	<b>(Rupees in '000)</b>	
Net assets at beginning of the quarter	<b>3,251,435</b>	459,792
Issuance of 12,501,780 units (September 30, 2016: 6,528,117 units)	<b>687,673</b>	344,253
Redemption of 7,463,298 units (September 30, 2016: 1,433,468 units)	<b>(419,583)</b>	(75,295)
	<b>268,090</b>	268,958
Loss on units redeemed	<b>(31,439)</b>	-
Total comprehensive income for the quarter including loss on units redeemed	<b>(285,155)</b>	14,909
Distribution	-	-
Net (loss) / income for the quarter less distribution	<b>(285,155)</b>	14,909
Net assets at end of the quarter	<b>3,202,931</b>	743,659
Distribution for the quarter		
Undistributed income / (Accumulated loss) brought forward		
- Realised	<b>71,059</b>	(5)
- Unrealised	<b>(72,677)</b>	9,530
	<b>(1,618)</b>	9,525
Total comprehensive income for the quarter with loss on units redeemed	<b>(285,155)</b>	14,909
Distribution	-	-
Undistributed income / (Accumulated loss) carried forward		
- Realised	<b>41,365</b>	11,952
- Unrealised	<b>(328,138)</b>	12,482
	<b>(286,773)</b>	24,434
	<b>(Rupees)</b>	
Net asset value per unit as at the beginning of the quarter	<b>50.89</b>	51.06
Net asset value per unit as at the end of the quarter	<b>46.46</b>	52.74

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30,	
	2017	2016
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the quarter before taxation	(316,594)	14,909
<b>Adjustments for:</b>		
Amortisation of preliminary expenses and flotation costs	45	46
Unrealised diminution / (appreciation) on re-measurement of investments at fair value through profit or loss (net)	328,138	(12,482)
	<b>11,589</b>	2,473
<b>Increase in assets</b>		
Investments (net)	(380,782)	(295,607)
Dividend receivable	(12,654)	(3,624)
Deposits and other receivables	(1,954)	(159)
Receivable against investments - (net)	(5,410)	-
	<b>(400,800)</b>	(299,390)
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited (Al Meezan)- Management Company	929	166
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	(1)	63
Payable to Securities and Exchange Commission of Pakistan (SECP)	(564)	96
Payable to Meezan Bank Limited (MBL)	887	(159)
Payable against investments (net)	-	(5,384)
Accrued expenses and other liabilities	(63,581)	(603)
	<b>(62,330)</b>	(5,821)
<b>Net cash used in operating activities</b>	<b>(451,541)</b>	(302,738)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	910,656	437,365
Payment against redemption and conversion of units	(443,343)	(75,246)
Dividend paid	(42,321)	-
<b>Net cash generated from financing activities</b>	<b>424,992</b>	362,119
Net (decrease) / increase in cash and cash equivalents during the quarter	<b>(26,549)</b>	59,381
Cash and cash equivalents at beginning of the quarter	<b>569,028</b>	95,752
Cash and cash equivalents at end of the quarter	<b>542,479</b>	155,133

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**





## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Asset Allocation Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Company (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on November 25, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) on November 16, 2015. The initial offering period of the Fund was from April 18, 2016 to April 20, 2016 and fund commence its operation from April 21, 2016. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instrument as permitted by the SECP and Shariah Advisor.
- 1.3** The Fund is an open - end Fund listed on the Pakistan Stock Exchange Limited. The Fund is categorized as Shariah Compliant Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.4** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

### 2. BASIS OF PRESENTATION

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

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore, be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued

under the Companies Ordinance, 1984, the NBFC Rules, 2003, the NBFC Regulations, 2008 and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules, 2003, and the NBFC Regulations, 2008, and directives issued by the SECP shall prevail.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

#### 5. INVESTMENTS

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>Investments at 'fair value through profit or loss'</b>			
Ordinary shares - Held for trading	5.1	<u>2,651,812</u>	<u>2,599,168</u>



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

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Right issue	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to			
									Net assets of the Fund on the basis of market value (see note 5.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments	
	(Number of shares)				(Rupees in '000)			%				
<b>Sectors/ Companies</b>												
<b>Automobile assembler</b>												
Honda Atlas Cars (Pakistan) Limited	74,000	-	-	-	74,000	64,209	39,922	(24,287)	1.25	0.05	1.51	
Pak Suzuki Motor Company Limited	-	15,000	-	-	15,000	9,400	6,865	(2,535)	0.21	0.02	0.26	
									<b>1.46</b>	<b>0.07</b>	<b>1.77</b>	
<b>Automobile parts &amp; accessories</b>												
Thal Limited (note 5.1.2)	10,000	-	-	-	10,000	6,060	5,511	(549)	0.17	0.01	0.21	
<b>Cable and electrical goods</b>												
Pak Elektron Limited	907,000	300,000	-	80,000	1,127,000	118,884	85,596	(33,288)	2.67	2.50	3.23	
<b>Chemicals</b>												
Engro Polymer & Chemicals Limited	1,200,000	415,000	-	310,000	1,305,000	46,572	43,600	(2,972)	1.36	0.20	1.64	
ICI Pakistan Limited	55,800	10,000	-	-	65,800	71,318	60,116	(11,202)	1.88	0.07	2.27	
									<b>3.24</b>	<b>0.27</b>	<b>3.91</b>	
<b>Cement</b>												
Cherat Cement Company Limited	256,000	-	-	-	256,000	45,768	30,715	(15,053)	0.96	0.14	1.16	
D.G. Khan Cement Company Limited	829,000	25,000	-	40,000	814,000	172,550	119,544	(53,006)	3.73	0.19	4.51	
Fauji Cement Company Limited	50,000	100,000	-	-	150,000	5,996	4,878	(1,118)	0.15	0.01	0.18	
Kohat Cement Company Limited	50,000	100,000	-	-	150,000	31,597	22,494	(9,103)	0.70	0.10	0.85	
Lucky Cement Limited	297,900	30,000	-	-	327,900	269,938	185,323	(84,615)	5.79	0.10	6.99	
Maple Leaf Cement Limited	558,500	50,000	-	568,100	40,400	3,969	3,392	(577)	0.11	0.01	0.13	
Pioneer Cement Limited	320,500	-	-	-	320,500	41,665	28,826	(12,839)	0.90	0.14	1.09	
									<b>12.34</b>	<b>0.69</b>	<b>14.91</b>	
<b>Engineering</b>												
Crescent Steel and Allied Products Limited	177,000	-	-	-	177,000	42,227	28,000	(14,227)	0.87	0.23	1.06	
International Industries Limited	65,000	55,000	-	-	120,000	42,386	34,824	(7,562)	1.09	0.10	1.31	
International Steels Limited	194,000	200,000	-	150,000	244,000	30,372	29,556	(816)	0.92	0.06	1.11	
K.S.B. Pumps Company Limited	6,000	-	-	-	6,000	1,890	1,800	(90)	0.06	0.05	0.07	
									<b>2.94</b>	<b>0.44</b>	<b>3.55</b>	
<b>Fertilizer</b>												
Dawood Hercules Corporation Limited	195,000	-	-	-	195,000	26,590	24,055	(2,535)	0.75	0.04	0.91	
Engro Corporation Limited (note 5.1.3)	1,072,000	55,000	-	25,000	1,102,000	357,718	334,005	(23,713)	10.43	0.21	12.60	
Engro Fertilizers Limited	1,485,000	880,000	-	250,000	2,115,000	119,069	133,055	13,986	4.15	0.16	5.02	
									<b>15.33</b>	<b>0.41</b>	<b>18.53</b>	
<b>Food and personal care products</b>												
Engro Foods Limited	90,700	-	-	35,000	55,700	6,767	5,293	(1,474)	0.17	0.01	0.20	
Al-Shaheer Corporation Limited	318,750	-	-	-	318,750	12,785	10,079	(2,706)	0.31	0.22	0.38	
									<b>0.48</b>	<b>0.23</b>	<b>0.58</b>	
<b>Oil and gas exploration companies</b>												
Oil and Gas Development Company Limited	1,768,300	1,085,000	-	320,000	2,533,300	358,909	376,550	17,641	11.76	0.06	14.20	
Mari Petroleum Company Limited	33,980	-	-	-	33,980	53,540	51,140	(2,400)	1.60	0.03	1.93	
Pakistan Oilfields Limited	56,000	-	-	-	56,000	25,656	29,794	4,138	0.93	0.02	1.12	
Pakistan Petroleum Limited	263,200	272,800	-	-	536,000	87,435	93,634	6,199	2.92	0.03	3.53	
									<b>17.21</b>	<b>0.14</b>	<b>20.78</b>	
<b>Oil and gas marketing companies</b>												
Hascol Petroleum Limited	187,000	-	-	-	187,000	63,786	52,564	(11,222)	1.64	0.15	1.98	
Hi-Tech Lubricants Limited	242,800	-	-	-	242,800	26,468	23,926	(2,542)	0.75	0.21	0.90	
Sui Northern Gas Pipelines Limited	1,479,500	131,000	-	145,000	1,465,500	217,157	196,172	(20,985)	6.12	0.23	7.40	
Sui Southern Gas Company Limited	806,500	-	-	450,000	356,500	12,980	12,916	(64)	0.40	0.04	0.49	
Pakistan State Oil Company Limited	63,200	326,000	-	-	389,200	168,039	171,933	3,894	5.37	0.14	6.48	
									<b>14.28</b>	<b>0.77</b>	<b>17.25</b>	
<b>Paper and Board</b>												
Cherat Packaging Limited	10,000	-	-	-	10,000	2,378	2,000	(378)	0.06	0.03	0.08	
Packages Limited	102,900	-	-	-	102,900	71,575	59,374	(12,201)	1.85	0.12	2.24	
									<b>1.91</b>	<b>0.15</b>	<b>2.32</b>	
<b>Pharmaceuticals</b>												
Abbott Laboratories (Pakistan) Limited	36,050	-	-	-	36,050	33,692	28,443	(5,249)	0.89	0.04	1.07	
Ferozsons Laboratories Limited	1,850	-	-	1,850	-	-	-	-	0.00	0.00	0.00	
GlaxoSmithKline Consumer Healthcare Limited	122,000	10,000	-	25,000	107,000	118	110	(8)	0.00	0.11	0.00	
GlaxoSmithKline Pakistan Limited	600	-	-	-	600	22,503	29,794	7,291	0.93	0.00	1.12	
The Searle Company Limited	176,920	5,000	-	-	181,920	92,629	73,481	(19,148)	2.29	0.12	2.77	
									<b>4.11</b>	<b>0.27</b>	<b>4.96</b>	
<b>Power generation and distribution</b>												
K-Electric Limited (note 5.1.2)	14,155,000	-	-	1,000,000	13,155,000	90,770	92,611	1,841	2.89	0.05	3.49	
The Hub Power Company Limited	238,000	250,200	-	-	488,200	56,389	54,586	(1,803)	1.70	0.04	2.26	
									<b>4.59</b>	<b>0.09</b>	<b>5.55</b>	
<b>Refinery</b>												
Attock Refinery Limited	52,000	-	-	20,000	32,000	12,243	13,223	980	0.41	0.04	0.50	
National Refinery Limited	40,000	-	-	10,000	30,000	21,780	19,917	(1,863)	0.62	0.04	0.75	
									<b>1.03</b>	<b>0.08</b>	<b>1.25</b>	

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Right issue	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) as at September 30, 2017	Percentage in relation to				
									Net assets of the Fund on the basis of market value (see note 5.1.1)	Paid-up capital of the investee company (with face value of investments)	Total Market value of investments		
					----- (Number of shares) -----			----- (Rupees in '000) -----			----- % -----		
<b>Textile composite</b>													
Nishat Mills Limited	167,000	50,000	-	-	217,000	33,841	31,487	(2,354)	0.98	0.06	1.19		
<b>Commercial Banks</b>													
Meezan Bank Limited (an associate of the Fund)	-	98,500	5,910	98,000	6,410	332	477	145	0.01	0.00	0.02		
<b>Miscellaneous</b>													
Shifa International Hospital Limited	10,000	-	-	10,000	-	-	-	-	0.00	0.00	0.00		
<b>Right Shares</b>													
Cherat Packaging Limited	-	1,350	-	-	1,350	-	101	101	0.00	0.00	0.00		
Maple Leaf Cement Limited	-	7,312	-	-	7,312	-	130	130	0.00	0.00	0.00		
<b>Total</b>						<b>2,979,950</b>	<b>2,651,812</b>	<b>(328,138)</b>					

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

5.1.2 All shares have a nominal value of Rs.10 each except Thal Limited having nominal value of Rs. 5 each and K- Electric Limited having nominal value of Rs. 3.5 each.

5.1.3 105,000 shares (June 30, 2017: 105,000 shares) of Engro Corporation Limited, having market value of Rs. 31.82 million as at September 30, 2017 (June 30, 2017: Rs. 34.22 million), have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

## 6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2017 other than as disclosed in the annual financial statements for the year ended June 30, 2017.

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs.10,080 million (June 30, 2017: Rs. 10,080 million). Had the SWWF not been provided, the NAV per unit would have been higher by Re. 0.146 / 0.31%. The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

## 8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Energy Fund, Meezan Balanced Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Strategic Allocation Fund, Meezan Gold Fund and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and Unitholders holding 10 percent or more of the Fund's net assets.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations, 2008 and the Trust Deed.



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

	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>AI Meezan Investment Management Limited</b>		
<b>- (AI Meezan) - Management Company</b>		
Remuneration payable	3,956	3,967
Sindh Sales Tax on management fee payable	514	516
Sales load payable	1,171	2,187
Sindh Sales Tax on sales load payable	152	284
Allocated expense payable	264	264
Selling & marketing expense payable	5,608	3,518
<b>Meezan Bank Limited</b>		
Sales load payable	2,857	2,072
Sindh Sales Tax on sales load payable	371	269
Bank balance	135,672	154,869
Profit receivable on saving account	449	685
Investment in 6,410 shares (June,30 2017: Nil)	477	-
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Trustee fee payable	346	347
Sindh Sales Tax on trustee fee payable	45	45
Deposits	100	100
<b>Directors and Executives of the Management Company</b>		
Investment of 21,701 units ( June 30, 2017: 21,746 units)	1,008	1,107
<b>For the quarter ended September 30,</b>		
	<b>2017</b>	<b>2016</b>
	(Rupees in '000)	
<b>AI Meezan Investment Management Company Limited</b>		
<b>(AI Meezan) - Management Company</b>		
Remuneration for the quarter	12,407	2,308
Sindh Sales Tax on management fee for the quarter	1,613	300
Allocated expenses	827	154
Selling and marketing expense	3,308	-
<b>Meezan Bank Limited</b>		
Shares purchased during the quarter: 104,410 shares (September 30, 2016 : Nil)	7,596	-
Shares disposed off during the quarter: 98,000 shares (September 30, 2016 : Nil)	6,983	-
Profit on saving account	1,901	96
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Remuneration for the quarter	1,079	308
Sindh Sales Tax on trustee fee for the quarter	140	40
CDS charges	51	19
<b>Directors and Executives of the Management Company</b>		
Units redeemed: 45 units (September 30, 2016: Nil units)	2	-

## 9. ALLOCATED EXPENSES

During the quarter, the fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC Regulations, 2008.

## 10. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the fund. TER of the fund for the quarter ended September 30, 2017 is 2.67% which include 0.32% representing government levy, Workers' Welfare Fund and SECP fee.

## 11. SELLING AND MARKETING EXPENSE

Securities and Exchange Commission of Pakistan (SECP) vide a circular no.40 SCD/PRDD/ Circular/361/2016 dated December 30,2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 01, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of fund or actual expenses whichever lower. Accordingly, such expenses have been charged effective from February 27, 2017 at the rate of 0.4% of net assets of the Fund.

## 12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008 the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current year as the Management Company intends to distribute sufficient income of the Fund for the year ended June 30, 2018, 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).

## 13. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>September 30, 2017</b>									
(Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
Investments	2,651,812	-	-	-	2,651,812	2,651,812	-	-	2,651,812
<b>Financial assets - not measured at fair value</b>									
Balances with banks	13.1	-	542,479	-	542,479				
Dividend receivable	13.1	23,199	-	-	23,199				
Receivable on issuance and conversion of units	13.1	-	1,358	-	1,358				
Receivable against investments (net)	13.1	-	5,410	-	5,410				
Deposits and other receivables	13.1	-	6,592	-	6,592				
		<b>2,651,812</b>	<b>36,559</b>	<b>542,479</b>	<b>-</b>				<b>3,230,850</b>
<b>Financial liabilities - not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - (Al Meezan) Management Company	13.1	-	-	11,665	11,665				
Payable to Central Depository Company of Pakistan Limited (CDC)- Trustee	13.1	-	-	391	391				
Payable to Meezan Bank Limited	13.1	-	-	3,228	3,228				
Payable on redemption and conversion of units	13.1	-	-	1,834	1,834				
Accrued expenses and other liabilities	13.1	-	-	2,931	2,931				
		-	-	<b>20,049</b>	<b>20,049</b>				



June 30, 2017

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets - measured at fair value</b>									
Investments	2,599,168	-	-	-	2,599,168	2,599,168	-	-	2,599,168
<b>Financial assets - not measured at fair value</b>									
Balances with banks	13.1	-	-	569,028	-	569,028			
Dividend receivable	13.1	-	10,545	-	-	10,545			
Receivable on issuance and conversion of units	13.1	-	224,341	-	-	224,341			
Deposits and other receivable	13.1	-	4,880	-	-	4,880			
		2,599,168	239,766	569,028	-	3,407,962			
<b>Financial liabilities - not measured at fair value</b>									
Payable to AI Meezan Investment Management Limited - (AI Meezan) Management Company	13.1	-	-	-	10,736	10,736			
Payable to Central Depository Company of Pakistan Limited (CDC)- Trustee	13.1	-	-	-	392	392			
Payable to Meezan Bank Limited	13.1	-	-	-	2,341	2,341			
Payable on redemption and conversion of units	13.1	-	-	-	25,594	25,594			
Accrued expenses and other liabilities	13.1	-	-	-	3,706	3,706			
Dividend payable	13.1	-	-	-	42,321	42,321			
		-	-	-	85,090	85,090			

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

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

This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**







# Meezan Gold Fund

Meezan Gold Fund (MGF) is Pakistan's first Shariah Compliant Gold Fund. It invests in gold instruments in the most efficient manner, to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner. This is done by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on the Pakistan Mercantile Exchange (PMEX).

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

Sindh Bank Limited  
United Bank Limited  
Meezan Bank Limited  
Bank Al Habib Limited

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
AS AT SEPTEMBER 30, 2017 - (UNAUDITED)

	Note	(Unaudited) September 30, 2017	(Audited) June 30, 2017
(Rupees in '000)			
<b>Assets</b>			
Balances with banks		30,158	61,757
Investment in gold	5	383,342	394,636
Profit receivable on saving accounts		83	73
Receivable against investments		10,782	-
Receivables on issuance and conversion of units		3,920	4,419
<b>Total assets</b>		<b>428,285</b>	<b>460,885</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company		459	447
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		71	68
Payable to Securities and Exchange Commission of Pakistan (SECP)		87	292
Payable on redemption and conversion of units		222	1,090
Accrued expenses and other liabilities	7	1,987	1,725
<b>Total liabilities</b>		<b>2,826</b>	<b>3,622</b>
<b>Net assets</b>		<b>425,459</b>	<b>457,263</b>
<b>Contingencies and commitments</b>	6		
<b>Unitholders' fund (as per statement attached)</b>		<b>425,459</b>	<b>457,263</b>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>8,296,759</b>	<b>9,061,225</b>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<b>51.28</b>	<b>50.46</b>

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

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

**Chief Executive**

**Director**

## CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30,	
		2017	2016
		(Rupees in '000)	
<b>Income</b>			
Profit on saving accounts with banks		298	398
Unrealised appreciation / (diminution) on re-measurement of investments	5.1	10,147	(547)
Net realised gain on sale of investments		1,138	-
<b>Total income</b>		<b>11,583</b>	<b>(149)</b>
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		1,154	1,405
Sindh Sales Tax and Federal Excise Duty on management fee		150	183
Allocated expenses	9	115	94
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		196	159
Sindh Sales Tax on trustee fee		25	21
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		86	70
Auditors' remuneration		106	67
Brokerage expense		7	9
Fees and subscription		109	64
Provision for Sindh Workers' Welfare Fund (SWWF)	7	172	-
Bank and settlement charges		30	7
Custodian expense		1,028	637
<b>Total expenses</b>		<b>3,178</b>	<b>2,716</b>
<b>Net income / (loss) for the quarter before taxation</b>		<b>8,405</b>	<b>(2,865)</b>
Taxation	11	-	-
<b>Net income / (loss) for the quarter after taxation</b>		<b>8,405</b>	<b>(2,865)</b>
Other comprehensive income for the quarter		-	-
<b>Total comprehensive income for the quarter</b>		<b>8,405</b>	<b>(2,865)</b>
<b>Allocation of net income for the quarter</b>			
Net income / (loss) for the quarter after taxation		8,405	(2,865)
Income already paid on units redeemed		(1,907)	-
Accounting income available for distribution			
- Relating to capital gains		11,285	-
- Excluding capital gains		(4,787)	(2,865)
		<b>6,498</b>	<b>-</b>

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

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

**Chief Executive**

**Director**



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)**

	<b>September 30,</b>	
	<b>2017</b>	<b>2016</b>
	<b>(Rupees in '000)</b>	
Net assets at the beginning of the quarter	<b>457,263</b>	321,114
Issuance of 1,469,236 units (September 30, 2016: 3,281,552 units)	<b>78,623</b>	180,984
Redemption of 2,233,702 units (September 30, 2016: 1,987,051 units)	<b>(118,832)</b>	(110,083)
	<b>(40,209)</b>	70,901
Income already paid on units redeemed	<b>1,907</b>	-
Total comprehensive income for the quarter less income already paid on units redeemed	<b>6,498</b>	-
Distribution	-	-
Net Income for the quarter less distribution	<b>6,498</b>	-
Net assets at end of the quarter	<b>425,459</b>	392,015
<b>Distribution for the quarter</b>		
(Accumulated loss) / Undistributed income brought forward		
- Realised	<b>7,958</b>	224
- Unrealised	<b>(21,686)</b>	22,866
	<b>(13,728)</b>	23,090
Accounting income available for distribution		
- Relating to capital gains	<b>11,285</b>	-
- Excluding capital gains	<b>(4,787)</b>	(2,865)
	<b>6,498</b>	(2,865)
Distribution	-	-
(Accumulated loss) / Undistributed income carried forward		
- Realised	<b>(17,377)</b>	20,772
- Unrealised	<b>10,147</b>	(547)
	<b>(7,230)</b>	20,225
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the quarter	<b>50.46</b>	54.53
Net assets value per unit at end of the quarter	<b>51.28</b>	54.17

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

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30,	
	2017	2016
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the quarter before taxation	8,405	(2,865)
<b>Adjustments for:</b>		
Unrealised (appreciation) / diminution on re-measurement of investments	(10,147)	547
	<b>(1,742)</b>	(2,318)
<b>Decrease / (increase) in assets</b>		
Investments (net)	21,441	(62,143)
Receivable against investments	(10,782)	-
Profit receivable on saving accounts	(10)	(139)
	<b>10,649</b>	(62,282)
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	12	(311)
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	3	14
Payable to Securities and Exchange Commission of Pakistan (SECP)	(205)	(36)
Accrued expenses and other liabilities	262	2
	<b>72</b>	(331)
<b>Net cash generated from / (used in) operating activities</b>	<b>8,979</b>	(64,931)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	79,122	201,181
Payment against redemption and conversion of units	(119,700)	(209,708)
Dividend paid	-	(912)
<b>Net cash used in from financing activities</b>	<b>(40,578)</b>	(9,439)
Net decrease in cash and cash equivalents during the quarter	<b>(31,599)</b>	(74,370)
Cash and cash equivalents at beginning of the quarter	<b>61,757</b>	126,315
Cash and cash equivalents at end of the quarter	<b>30,158</b>	51,945

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

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

**Chief Executive**

**Director**



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Gold Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Company (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on October 15, 2014 and was approved by Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) on September 23, 2014. The initial offering period of the Fund was from August 13, 2015 to August 18, 2015 and Fund commence its operations from August 18, 2015. The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is an open-ended Shariah Compliant Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner, by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange (PMEX). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency. The investments in Gold contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and/or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by Shariah Advisor. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as Commodity Scheme.
- 1.4** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

### 2. BASIS OF PRESENTATION

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

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial statements has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial reporting, provisions and directives issued under the Companies Act, 2017, the Trust Deed, the NBFC Rules 2003, the NBFC Regulations, 2008 and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Act, 2017, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP have been followed.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

### 5. INVESTMENT IN GOLD

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
Investment in gold	5.1	<u>383,342</u>	<u>394,636</u>





## 5.1 Investment in gold

Commodity	As at July 01, 2017	Purchases during the quarter	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain	Percentage in relation to Net assets of the Fund on the basis of market value of investments (note 5.1.1)
	(Tola)				(Rupees in '000)			%
TOLAGOLD	7,741	190	610	7,321	373,195	383,342	10,147	90.10
<b>Total</b>					<u>373,195</u>	<u>383,342</u>	<u>10,147</u>	

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

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

5.1.3 The investment in gold of Rs. 383.342 million has been measured at fair value based on the quoted market price in active markets.

## 6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2017 and June 30, 2017.

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs. 0.70 million (June 30, 2017: Rs. 0.53 million). Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Re. 0.085 / 0.16 % (June 30, 2017: Re. 0.06 / 0.12 %). The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

## 8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Energy Fund, Meezan Balanced Fund, Meezan Asset Allocation Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Strategic 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 are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed.

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

	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>AI Meezan Investment Management Limited - (AI-Meezan)</b>		
<b>- Management Company</b>		
Remuneration payable	373	364
Sindh Sales Tax on management fee payable	48	47
Sales load payable	1	-
Allocated expenses payable	37	36
Investments as at September 30, 2017: 702,463 units (June 30, 2017: 702,463 units)	36,022	35,446
<b>Meezan Bank Limited</b>		
Bank balance	29,958	61,569
Investments as at September 30, 2017: 1,000,000 units (June 30, 2017: 1,000,000 units)	51,280	50,460
Profit receivable on saving account	83	73
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Trustee fee payable	63	61
Sindh Sales Tax on trustee fee payable	8	7
<b>Directors and Executives of the Management Company</b>		
Investments as at September 30, 2017: 166,541 units (June 30, 2017: 167,781 units)	8,540	8,466
<b>Unitholders holding 10% or more of the Fund</b>		
Investments as at September 30, 2017: 3,590,387 units (June 30, 2017: 3,590,387 units)	184,115	181,674
<b>For the quarter ended September 30,</b>		
	2017	2016
(Rupees in '000)		
<b>AI Meezan Investment Management Company Limited (AI-Meezan)</b>		
<b>- Management Company</b>		
Remuneration for the quarter	1,154	1,405
Sindh Sales Tax and Federal Excise Duty on management fee for the quarter	150	183
Units issued: Nil units (September 30, 2016: 1,040,545 units)	-	58,000
Units redeemed: Nil units (September 30, 2016: 722,083 units)	-	40,000
Allocated expenses	115	94
<b>Meezan Bank Limited</b>		
Profit on saving account	296	398
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Remuneration for the quarter	196	159
Sindh Sales Tax on trustee fee	25	21
<b>Directors and Executives of the Management Company</b>		
Units issued: 10,638 units (September 30, 2016: 4,151 units)	555	229
Units redeemed: 11,878 units (September 30, 2016: 27,757 units)	599	1,531



## 9. ALLOCATED EXPENSES

During the quarter, fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC Regulations, 2008.

## 10. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the quarter ended September 30, 2017 is 2.82% which include 0.39% representing government levy, Workers' Welfare Fund and SECP fee.

## 11. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety 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 Management Company intent to distribute sufficient income of the Fund for the year ended June 30, 2018 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).

## 12. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
September 30, 2017									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
	-	-	-	-	-				
<b>Financial assets - not measured at fair value</b>									
Balances with banks	12.1	-	30,158	-	30,158				
Profit receivable on saving accounts	12.1	83	-	-	83				
Receivable against investments	12.1	10,782	-	-	10,782				
Receivables on issuance and conversion of units	12.1	3,920	-	-	3,920				
		<b>14,785</b>	<b>30,158</b>	<b>-</b>	<b>44,943</b>				
<b>Financial liabilities - not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	12.1	-	-	459	459				
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	12.1	-	-	71	71				
Payable on redemption and conversion of units	12.1	-	-	222	222				
Accrued expenses and other liabilities	12.1	-	-	1,163	1,163				
		<b>-</b>	<b>-</b>	<b>1,915</b>	<b>1,915</b>				

June 30, 2017

**Financial assets  
- measured at fair value**

**Financial assets  
- not measured at fair value**

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
	-	-	-	-	-				
Balances with banks	12.1	-	61,757	-	61,757				
Profit receivable on saving accounts	12.1	73	-	-	73				
Receivables on issuance and conversion of units	12.1	4,419	-	-	4,419				
		4,492	61,757	-	66,249				

**Financial liabilities**

**- not measured at fair value**

Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	12.1	-	-	447	447				
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	12.1	-	-	68	68				
Payable on redemption and conversion of units	12.1	-	-	1,090	1,090				
Accrued expenses and other liabilities	12.1	-	-	1,161	1,161				
		-	-	2,766	2,766				

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

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

This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**



# Meezan

Islamic Income Fund

Meezan Islamic Income Fund (MIIF) is Pakistan's first Shariah compliant income fund scheme. The purpose of Meezan Islamic Income Fund is to provide investors with a safe and stable stream of Halal income on their investments and to generate superior long term risk adjusted returns.

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

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

Habib Metropolitan Bank Limited - Islamic Banking  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Samba Bank Limited  
Sindh Bank Limited  
UBL Ameen - Islamic Banking

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2017

	Note	(Unaudited) September 30, 2017	(Audited) June 30, 2017
(Rupees in '000)			
<b>Assets</b>			
Balances with banks	5	6,238,281	8,138,062
Investments	6	5,546,549	5,116,078
Receivable on issuance and conversion of units		56,839	1,202,964
Deposits, prepayments and other receivables		145,648	159,081
<b>Total assets</b>		<b>11,987,317</b>	<b>14,616,185</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited (AI Meezan)			
- Management Company		17,964	14,968
Payable to Central Depository Company of Pakistan Limited (CDC)			
- Trustee		936	798
Payable to Securities and Exchange Commission of Pakistan (SECP)		2,219	7,979
Payable to Meezan Bank Limited (MBL)		226	673
Payable on redemption and conversion of units		68,674	2,712,438
Accrued expenses and other liabilities	8	67,950	97,903
<b>Total liabilities</b>		<b>157,969</b>	<b>2,834,759</b>
<b>Net assets</b>		<b>11,829,348</b>	<b>11,781,426</b>
<b>Contingencies and commitments</b>	7		
<b>Unitholders' fund (as per statement attached)</b>		<b>11,829,348</b>	<b>11,781,426</b>
(Number of units)			
<b>Number of units in issue</b>		<b>228,427,223</b>	<b>229,249,833</b>
(Rupees)			
<b>Net assets value per unit</b>		<b>51.79</b>	<b>51.39</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30,	
		2017	2016
		(Rupees in '000)	
<b>Income</b>			
Profit on saving accounts with banks		82,950	57,028
Profit on term deposit receipts		42,361	30,872
Profit on sukuk certificates		48,041	71,781
Net realised loss on sale of sukuk certificates		(8,054)	(385)
Other income		16	67
		<b>165,314</b>	<b>159,363</b>
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	6.1.1 & 6.1.3	(12,213)	26,169
<b>Total income</b>		<b>153,101</b>	<b>185,532</b>
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		44,394	38,357
Sindh Sales Tax on Management Fee		5,771	4,986
Allocated expenses	10	2,960	2,557
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		2,475	2,193
Sindh Sales Tax on Trustee Fee		322	285
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		2,220	1,918
Auditors' remuneration		177	203
Fees and subscription		487	304
Legal and professional charges		-	33
Brokerage expense		75	-
Bank and settlement charges		90	53
Provision for Sindh Workers' Welfare Fund (SWWF)		1,882	-
Printing expense		47	49
<b>Total Expenses</b>		<b>60,900</b>	<b>50,938</b>
<b>Net income for the quarter before taxation</b>		<b>92,201</b>	<b>134,594</b>
Taxation	12	-	-
<b>Net income for the quarter after taxation</b>		<b>92,201</b>	<b>134,594</b>
Other comprehensive income for the quarter		-	-
<b>Total comprehensive income for the quarter</b>		<b>92,201</b>	<b>134,594</b>
<b>Allocation of net income for the quarter</b>			
Net income for the quarter after taxation		92,201	134,594
Income already paid on units redeemed		(13,321)	-
Accounting income available for distribution		-	26,169
- Relating to capital gains		78,880	108,425
- Excluding capital gains		78,880	134,594

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**





**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	<b>September 30,</b>	
	<b>2017</b>	<b>2016</b>
	<b>(Rupees in '000)</b>	
Net assets at beginning of the quarter	<b>11,781,426</b>	9,051,417
Issuance of 136,590,771 units (September 30, 2016: 116,422,127 units)	<b>7,035,143</b>	6,011,996
Redemption of 137,413,381 units (September 30, 2016: 79,425,350 units)	<b>(7,079,422)</b>	(4,101,902)
	<b>(44,279)</b>	1,910,094
Income already paid on units redeemed	<b>13,321</b>	-
Total comprehensive income for the quarter less income already paid on units redeemed	<b>78,880</b>	134,594
Distribution	-	-
Net Income for the quarter less distribution	<b>78,880</b>	134,594
Net assets at end of the quarter	<b>11,829,348</b>	11,096,105
<b>Distribution for the quarter</b>		
Undistributed income brought forward		
- Realised	<b>114,773</b>	115,433
- Unrealised	<b>50,303</b>	24,368
	<b>165,076</b>	139,801
Accounting income available for distribution		
- Relating to capital gains	-	26,169
- Excluding capital gains	<b>78,880</b>	108,425
	<b>78,880</b>	134,594
Distribution	-	-
Undistributed income carried forward	<b>243,956</b>	274,395
Undistributed income / accumulated (loss) carried forward		
- Realised	<b>256,169</b>	248,226
- Unrealised	<b>(12,213)</b>	26,169
	<b>243,956</b>	274,395
	<b>(Rupees)</b>	
Net asset value per unit as at beginning of the quarter	<b>51.39</b>	51.28
Net asset value per unit as at end of the quarter	<b>51.79</b>	51.97

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30, 2017	2016
		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the quarter before taxation		92,201	134,594
<b>Adjustments for:</b>			
Unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss' (net)		12,213	(26,169)
		<b>104,414</b>	108,425
<b>Decrease / (increase) in assets</b>			
Investments (net)		407,316	(1,242,989)
Deposits, prepayments and other receivables		13,433	(17,251)
		<b>420,749</b>	(1,260,240)
<b>Increase / (decrease) in liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		2,996	2,092
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		138	94
Payable to Securities and Exchange Commission of Pakistan (SECP)		(5,760)	(4,303)
Payable to Meezan Bank Limited (MBL)		(447)	(1,234)
Accrued expenses and other liabilities		(29,953)	(31,688)
		<b>(33,026)</b>	(35,039)
<b>Net cash generated from / (used in) operating activities</b>		<b>492,137</b>	(1,186,853)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		8,181,268	6,860,700
Payments against redemption and conversion of units		(9,723,186)	(4,437,566)
<b>Net cash (used in) / generated from financing activities</b>		<b>(1,541,918)</b>	2,423,134
Net (decrease) / increase in cash and cash equivalents during the quarter		(1,049,781)	1,236,281
Cash and cash equivalents at beginning of the quarter		8,138,062	2,505,300
Cash and cash equivalents at end of the quarter	5.2	<b>7,088,281</b>	3,741,581

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Islamic Income Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) notified through S.R.O. 1203 (I) / 2008 on November 21, 2008. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unitholders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalize on exceptional returns if available at any given point of time. Under the Trust Deed all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 1.4** The Fund has been given a stability rating of A-(f) by JCR-VIS Credit Rating Company Limited. The Management Company of the Fund has been given quality rating of AM1 by JCR - VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are in the name of CDC as the Trustee of the Fund.

### 2. BASIS OF PRESENTATION

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

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued under

the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP have been followed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

	Note	(Unaudited) September 30, 2017	(Audited) June 30, 2017
<b>5. BALANCES WITH BANKS</b>			
On saving accounts	5.1	<b>6,234,116</b>	8,117,991
On current accounts		<b>4,165</b>	20,071
		<b><u>6,238,281</u></b>	<u>8,138,062</u>

5.1 The balance in saving accounts have an expected profit ranging from 2.00% to 5.80% per annum (June 30, 2017: 2.00% to 5.70% per annum).



	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>5.2 Cash and cash equivalents</b>			
Balances with banks	5	6,238,281	8,138,062
Term deposit receipts - having original maturity of 3 months or less	6.2	850,000	-
		<b>7,088,281</b>	<b>8,138,062</b>
<b>6. INVESTMENTS</b>			
Investments - 'at fair value through profit or loss'	6.1	3,006,549	2,616,078
Investments - 'loans and receivables'	6.2	2,540,000	2,500,000
		<b>5,546,549</b>	<b>5,116,078</b>
<b>6.1 Investments at fair value through profit or loss</b>			
- Held for trading	6.1.1	769,765	590,585
- Investments at fair value through profit or loss upon initial recognition	6.1.3	2,236,784	2,025,493
		<b>3,006,549</b>	<b>2,616,078</b>

#### 6.1.1 Held for trading - Sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 1, 2017	Purchases during the quarter	Sales / redemptions / maturity during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised loss as at September 30, 2017	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the fund on the basis of market value	Total issue (with face value of investment)	Total market value of investments
GoP Ijarah Sukuk Certificates - XVII (note 6.1.2)	February 15, 2019	Weighted average 6 months T-Bills	4,500	-	2,340	2,160	222,329	218,894	(3,434)	1.85	3.95
GoP Ijarah Sukuk Certificates - XVIII (note 6.1.2)	March 29, 2019	Weighted average 6 months T-Bills	1,250	-	-	1,250	127,400	125,913	(1,488)	1.06	2.27
GoP Ijarah Sukuk Certificates - XIX (note 6.1.2)	June 30, 2020	Weighted average 6 months T-Bills	-	4,250	-	4,250	425,180	424,958	(222)	3.59	7.66
<b>Total</b>							<b>774,909</b>	<b>769,765</b>	<b>(5,144)</b>		

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

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

Name of the security	Maturity date	Profit rate	As at July 1, 2017	Purchases during the quarter	Sales / redemptions / maturity during the quarter	As at September 30, 2017	*Carrying value as at September 30, 2017	*Market value as at September 30, 2017	Unrealised loss as at September 30, 2017	Percentage in relation to		
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the fund on the basis of market value	Total issue (with face value of investment)	Total market value of investments	
Arzoo Textile Mills Limited (note 6.1.4 & 6.1.5) *	April 15, 2014	6 months Kibor plus base rate of 2%	14,000	-	-	14,000	-	-	-	0.00	9.46	0.00
Eden Housing Limited (note 6.1.4 & 6.1.5) *	September 29, 2014	6 months Kibor plus base rate of 2.5%	59,400	-	-	59,400	-	-	-	0.00	12.32	0.00
Security Leasing Corporation Limited II (note 6.1.4 & 6.1.5) *	January 19, 2022	Nil	3,081	-	-	3,081	-	-	-	0.00	6.67	0.00
Dubai Islamic Bank Pakistan Limited (note 6.1.4) (A+, JCR-VIS)	July 14, 2027	6 months Kibor plus base rate of 0.5%	-	338	-	338	338,000	338,000	-	2.86	8.45	6.09

Name of the security	Maturity date	Profit rate	As at July 1, 2017	Purchases during the quarter	Sales / redemptions / maturity during the quarter	As at September 30, 2017	*Carrying value as at September 30, 2017	*Market value as at September 30, 2017	Unrealised loss as at September 30, 2017	Percentage in relation to		
			----- (Number of certificates) -----			----- (Rupees in '000) -----			----- % -----			
Engro Fertilizer Limited (note 6.1.4) (AA-, PACRA, non-traded)	July 9, 2019	6 months Kibor plus base rate of 1.75%	68,000	-	8,500	59,500	307,411	306,531	(880)	2.59	13.28	5.53
Fatima Fertilizer Company Limited (note 6.1.4) (AA-, PACRA, traded)	November 28, 2021	6 months Kibor plus base rate of 1.10%	33,539	-	-	33,539	175,231	173,077	(2,154)	1.46	1.77	3.12
Hascol Petroleum Limited (note 6.1.4) (AA-, JCR-VIS, non-traded)	January 06, 2022	3 months Kibor plus base rate of 1.50%	57,000	-	3,000	54,000	279,940	278,348	(1,592)	2.35	15.00	5.02
K-Electric Limited (sukuk 4) (note 6.1.4) (AA+, JCR-VIS, non-traded)	June 17, 2022	3 months Kibor plus base rate of 1.00%	230,000	-	11,500	218,500	1,143,271	1,140,828	(2,443)	9.64	5.23	20.57
<b>Total</b>							<b>2,243,853</b>	<b>2,236,784</b>	<b>(7,069)</b>			

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

**6.1.4** The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Dubai Islamic Bank Pakistan Limited having nominal value of Rs. 1,000,000 each and Eden Housing Limited having nominal value of Rs. 984.375 each.

**6.1.5** The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (Management Company) classified Meezan Islamic Income Fund (the Fund) as 'Income Scheme' in accordance with the said circular. As at September 30, 2017, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade.

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

Name of Non-Compliant Investment	Type of investments	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage of net assets	Percentage of total assets
		----- (Rupees in '000) -----			----- % -----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	70,000	70,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	58,472	58,472	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	15,403	15,403	-	-	-
		<b>143,875</b>	<b>143,875</b>	<b>-</b>		

**Note**

<b>(Unaudited)</b>	<b>(Audited)</b>
<b>September 30,</b>	<b>June 30,</b>
<b>2017</b>	<b>2017</b>
<b>(Rupees in '000)</b>	

## 6.2 Investments - loans and receivables

Term Deposit Receipts	6.2.1		
- having original maturity of 3 months or less		<b>850,000</b>	-
- having original maturity of more than 3 months		<b>1,690,000</b>	2,500,000
		<b>2,540,000</b>	<b>2,500,000</b>



Name of the bank	Maturity date	Profit rate	As at July 1, 2017	Term deposit receipts made during the quarter	Matured during the quarter	As at September 30, 2017	Percentage of total market value of investments
		----	-----	-----	-----	-----	----
Bank Al Habib Limited - Islamic banking	November 1, 2017	5.80	-	850,000	-	850,000	15.32
BankIslami Pakistan Limited	December 1, 2017	5.90	800,000	-	-	800,000	14.42
Dubai Islamic Bank Pakistan Limited	March 6, 2018	5.85	550,000	440,000	550,000	440,000	7.93
Dubai Islamic Bank Pakistan Limited	February 1, 2018	5.70	450,000	-	-	450,000	8.11
MCB Islamic Bank Limited	September 6, 2017	6.10	700,000	-	700,000	-	-
			<b>2,500,000</b>	<b>440,000</b>	<b>1,250,000</b>	<b>1,690,000</b>	

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2017 and June 30, 2017.

## 8. ACCRUED EXPENSES AND OTHER LIABILITIES

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs.14.855 million (June 30, 2017: Rs. 12.974 million). Had the SWWF not been provided, the NAV per unit/Fund return would have been higher by Re. 0.07 / 0.13% (June 30, 2017: Rs. 0.06 / 0.11%. The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan Investment Management Limited (AI Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, AI Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Asset Allocation Fund, Meezan Energy Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Strategic Allocation Fund, Meezan Gold Fund and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, AI Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed.

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

	(Unaudited) September 30, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
<b>AI Meezan Investment Management Limited</b>		
<b>- Management Company</b>		
Remuneration payable	14,933	12,319
Sales load payable	82	200
Allocated expenses	996	821
Certificate charges payable	1	1
Sindh Sales Tax on management fee payable	1,941	1,601
Sindh Sales Tax on sales load payable	11	26
Investments as at September 30, 2017: 15,638,664 units (June 30, 2017: 20,593,141 units)	<b>809,926</b>	1,058,282

	<b>(Unaudited) September 30, 2017 (Rupees in '000)</b>	<b>(Audited) June 30, 2017</b>
<b>Meezan Bank Limited</b>		
Sales load payable	200	596
Sindh Sales Tax on sales load	26	77
Balances with bank	104,538	88,058
Profit receivable on saving accounts	872	1,201
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	828	706
Sindh Sales Tax on Trustee Fee	108	92
Security deposit	100	100
<b>MFPF - Aggressive Allocation Plan</b>		
Investments as at September 30, 2017: 1,436,070 units (June 30, 2017: 1,833,808 units)	74,374	94,239
<b>MFPF - Moderate Allocation Plan</b>		
Investments as at September 30, 2017: 1,861,989 units (June 30, 2017: 1,990,147 units)	96,432	102,274
<b>MFPF - Conservative Allocation Plan</b>		
Investments as at September 30, 2017: 2,846,994 units (June 30, 2017: 2,977,823 units)	147,446	153,030
<b>MFPF - Meezan Asset Allocation Plan - I</b>		
Investments as at September 30, 2017: 17,912,378 units (June 30, 2017: nil)	927,682	-
<b>MFPF - Meezan Asset Allocation Plan - II</b>		
Investments as at September 30, 2017: 1,781,612 units (June 30, 2017: nil)	92,270	-
<b>MFPF - Meezan Asset Allocation Plan - III</b>		
Investments as at September 30, 2017: 5,303,537 units (June 30, 2017: 7,445,192 units)	274,670	382,609
<b>MFPF - Meezan Asset Allocation Plan - IV</b>		
Investments as at September 30, 2017: 1,219,226 units (June 30, 2017: 452,694 units)	63,144	23,266
<b>MSAF - Meezan Strategic Allocation Plan-I</b>		
Investments as at September 30, 2017: 5,531,308 units (June 30, 2017: 9,918,797 units)	286,466	509,727
<b>MSAF - Meezan Strategic Allocation Plan-II</b>		
Investments as at September 30, 2017: 3,155,716 units (June 30, 2017: 3,806,559 units)	163,435	195,619
<b>MSAF - Meezan Strategic Allocation Plan-III</b>		
Investments as at September 30, 2017: 2,613,455 units (June 30, 2017: 7,105,227 units)	135,351	365,138
<b>MSAF - Meezan Strategic Allocation Plan-IV</b>		
Investments as at September 30, 2017: 5,096,517 units (June 30, 2017: 8,988,987 units)	263,949	461,944
<b>MSAF - Meezan Strategic Allocation Plan-V</b>		
Investments as at September 30, 2017: 772,648 units (June 30, 2017: nil)	40,015	-
<b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investments as at September 30, 2017: 212,599 units (June 30, 2017: 212,599 units)	11,011	10,925
<b>Directors and Executives of the Management Company</b>		
Investments as at September 30, 2017: 291,059 units (June 30, 2017: 234,831 units)	15,074	12,068





**For the quarter ended  
September 30,**

**Al-Meezan Investment Management Limited  
- Management Company**

Remuneration for the quarter  
Sindh Sales Tax on management fee for the quarter  
Allocated expenses  
Units issued: 6,540,760 units (September 30, 2016: 10,0632,623 units)  
Units redeemed: 11,495,237 units (September 30, 2016: 1,559,292 units)

2017	2016
(Rupees in '000)	
44,394	38,357
5,771	4,986
2,960	2,557
337,000	517,000
592,000	80,000

**Meezan Bank Limited**

Profit on saving accounts

695	406
-----	-----

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration for the quarter  
Sindh Sales Tax on trustee fee for the quarter  
CDS Charges for the quarter

2,475	2,193
322	285
2	2

**MFPF - Aggressive Allocation Plan**

Units issued: 31,432 units (September 30, 2016: nil)  
Units redeemed: 429,170 units (September 30, 2016: nil)

1,625	-
22,103	-

**MFPF - Moderate Allocation Plan**

Units redeemed: 128,158 units (September 30, 2016: nil)

6,600	-
-------	---

**MFPF - Conservative Allocation Plan**

Units issued: 105,086 units (September 30, 2016: nil)  
Units redeemed: 235,915 units (September 30, 2016: nil)

5,438	-
12,150	-

**MFPF - Meezan Asset Allocation Plan - I**

Units issued: 28,159,390 units (September 30, 2016: nil)  
Units redeemed: 10,247,012 units (September 30, 2016: nil)

1,449,662	-
527,866	-

**MFPF - Meezan Asset Allocation Plan - II**

Units issued: 2,978,435 units (September 30, 2016: nil)  
Units redeemed: 1,196,823 units (September 30, 2016: nil)

153,200	-
61,660	-

**MFPF - Meezan Asset Allocation Plan - III**

Units issued: 6,318,683 units (September 2016: 9,704,412 units)  
Units redeemed: 8,460,338 units (September 2016: 788,634 units)

325,000	499,500
435,280	40,770

**MFPF - Meezan Asset Allocation Plan - IV**

Units issued: 2,798,475 units (September 2016: 8,731,455 units)  
Units redeemed: 2,031,943 units (September 2016: 6,203,670 units)

144,000	448,120
104,690	318,735

**MSAF - Meezan Strategic Allocation Plan-I**

Units issued: 2,269,451 units (September 30, 2016: nil)  
Units redeemed: 6,656,940 units (September 30, 2016: nil)

117,000	-
342,560	-

**MSAF - Meezan Strategic Allocation Plan-II**

Units issued: 505,115 units (September 30, 2016: nil)  
Units redeemed: 1,155,958 units (September 30, 2016: nil)

26,000	-
59,550	-

	For the quarter ended September 30,	
	2017	2016
	(Rupees in '000)	
<b>MSAF - Meezan Strategic Allocation Plan-III</b>		
Units issued: 135,975 units (September 30, 2016: nil)	7,000	-
Units redeemed: 4,627,747 units (September 30, 2016: nil)	237,980	-
<b>MSAF - Meezan Strategic Allocation Plan-IV</b>		
Units issued: 2,488,582 units (September 30, 2016: nil)	128,000	-
Units redeemed: 6,381,052 units (September 30, 2016: nil)	328,380	-
<b>MSAF - Meezan Strategic Allocation Plan-V</b>		
Units issued: 772,648 units (September 30, 2016: nil)	40,000	-
<b>Directors and Executives of the Management Company</b>		
Units issued: 186,116 units (September 2016: 71,543 units)	9,585	3,687
Units redeemed: 129,888 units (September 2016: 1,265,961 units)	6,695	65,335

#### 10. ALLOCATED EXPENSES

During the quarter, the Fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC Regulations, 2008.

#### 11. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS/ the fund. TER of the fund for the quarter ended September 30, 2017 is 2.08% which include 0.28% representing government levy, Worker Welfare Fund and SECP fee.

#### 12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2018 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).



### 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>September 30, 2017</b>									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investment - Held for trading	769,765	-	-	-	769,765	-	769,765	-	769,765
Investments - at fair value upon initial recognition	2,236,784	-	-	-	2,236,784	-	2,236,784	-	2,236,784
<b>Financial assets - not measured at fair value</b>									
Balances with banks	13.1	-	-	6,238,281	-	6,238,281			
Investments - 'loans and receivables'	13.1	2,540,000	-	-	-	2,540,000			
Receivable on issuance and conversion of units	13.1	-	56,839	-	-	56,839			
Deposit and other receivables	13.1	-	140,599	-	-	140,599			
		<u>5,546,549</u>	<u>197,438</u>	<u>6,238,281</u>	<u>-</u>	<u>11,982,268</u>			
<b>Financial liabilities - not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	13.1	-	-	-	17,964	17,964			
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	13.1	-	-	-	936	936			
Payable to Meezan Bank Limited (MBL)	13.1	-	-	-	226	226			
Payable on redemption and conversion of units	13.1	-	-	-	68,674	68,674			
Accrued expenses and other liabilities	13.1	-	-	-	52,195	52,195			
		<u>-</u>	<u>-</u>	<u>-</u>	<u>139,995</u>	<u>139,995</u>			

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>June 30, 2017</b>									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investment - Held for trading	590,585	-	-	-	590,585	-	590,585	-	590,585
Investments - at fair value upon initial recognition	2,025,493	-	-	-	2,025,493	-	2,025,493	-	2,025,493
<b>Financial assets - not measured at fair value</b>									
Balances with banks	13.1	-	-	8,138,062	-	8,138,062			
Investments - 'loans and receivables'	13.1	2,500,000	-	-	-	2,500,000			
Receivable on issuance and conversion of units	13.1	-	1,202,964	-	-	1,202,964			
Deposit and other receivables	13.1	-	156,110	-	-	156,110			
		<u>5,116,078</u>	<u>1,359,074</u>	<u>8,138,062</u>	<u>-</u>	<u>14,613,214</u>			
<b>Financial liabilities - not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	13.1	-	-	-	14,968	14,968			
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	13.1	-	-	-	798	798			
Payable to Meezan Bank Limited (MBL)	13.1	-	-	-	673	673			
Payable on redemption and conversion of units	13.1	-	-	-	2,712,438	2,712,438			
Accrued expenses and other liabilities	13.1	-	-	-	52,547	52,547			
		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,781,424</u>	<u>2,781,424</u>			

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

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

This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**



# Meezan Sovereign Fund

Meezan Sovereign Fund (MSF) is Pakistan's first Shariah compliant Government Securities Fund. The purpose of the fund is to provide maximum possible preservation of capital and a reasonable rate of return by investing primarily in Shariah compliant Government Securities.

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

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

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2017

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>Assets</b>			
Balances with banks	5	1,527,032	1,243,261
Investments	6	2,544,523	3,689,101
Receivable on issuance and conversion of units		20,711	718,732
Deposits, prepayments and other receivables		45,467	61,991
<b>Total assets</b>		<b>4,137,733</b>	<b>5,713,085</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company		4,177	4,420
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		349	371
Payable to Securities and Exchange Commission of Pakistan (SECP)		763	6,085
Payable to Meezan Bank Limited (MBL)		514	229
Payable on redemption and conversion of units		28,373	1,189,116
Dividend Payable		182	67,471
Accrued expenses and other liabilities	8	92,906	111,725
<b>Total liabilities</b>		<b>127,264</b>	<b>1,379,417</b>
<b>Net assets</b>		<b>4,010,469</b>	<b>4,333,668</b>
<b>Contingencies and commitments</b>	7		
<b>Unitholders' fund (as per statement attached)</b>		<b>4,010,469</b>	<b>4,333,668</b>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>78,145,725</b>	<b>84,320,718</b>
<b>(Rupees)</b>			
<b>Net assets value per unit</b>		<b>51.32</b>	<b>51.40</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

## CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30,	
		2017	2016
		(Rupees in '000)	
<b>Income</b>			
Profit on saving accounts with banks		14,285	29,699
Profit on sukuk certificates		45,189	101,269
Net realised loss on sale of sukuk certificates		(14,386)	-
		<u>45,088</u>	<u>130,968</u>
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' (net)	6.1	(35,874)	31,832
<b>Total income</b>		<u>9,214</u>	<u>162,800</u>
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		10,170	22,139
Sindh Sales Tax and Federal Excise Duty on Management Fee		1,322	2,878
Allocated expenses	10	1,017	2,214
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		951	1,849
Sindh Sales Tax on Trustee Fee		124	242
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		763	1,660
Auditors' remuneration		174	133
Fees and subscription		519	340
Legal and professional charges		-	33
Brokerage expense		127	147
Bank and settlement charges		89	32
<b>Total expenses</b>		<u>15,256</u>	<u>31,667</u>
<b>Net (loss) / income for the quarter before taxation</b>		<u>(6,042)</u>	<u>131,133</u>
Taxation	12	-	-
<b>Net (loss) / income for the quarter after taxation</b>		<u>(6,042)</u>	<u>131,133</u>
Other comprehensive income for the quarter		-	-
<b>Total comprehensive income for the quarter</b>		<u>(6,042)</u>	<u>131,133</u>
<b>Allocation of net income for the quarter</b>			
Net (loss) / income for the quarter after taxation		(6,042)	131,133
Loss on units redeemed		2,167	-
		<u>(3,875)</u>	<u>131,133</u>
Accounting income available for distribution		-	131,133

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**





**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	<b>September 30,</b>	
	<b>2017</b>	<b>2016</b>
	<b>(Rupees in '000)</b>	
Net assets at beginning of the quarter	<b>4,333,668</b>	7,944,746
Issuance of 22,390,988 units (September 30, 2016: 131,624,819 units)	<b>1,158,211</b>	6,752,118
Redemption of 28,565,981 units (September 30, 2016: 106,005,476 units)	<b>(1,475,368)</b>	(5,442,319)
	<b>(317,157)</b>	1,309,799
Loss on units redeemed	<b>(2,167)</b>	-
Total comprehensive income for the quarter including loss on units redeemed	<b>(3,875)</b>	131,133
Distribution	-	-
Net loss / (income) for the quarter less distribution	<b>(3,875)</b>	131,133
Net assets at end of the quarter	<b>4,010,469</b>	9,385,678
<b>Distribution for the quarter</b>		
Undistributed income brought forward		
- Realised	<b>247,434</b>	193,509
- Unrealised	<b>43,652</b>	47,688
	<b>291,086</b>	241,197
Total comprehensive income for the quarter including loss on units redeemed	<b>(3,875)</b>	131,133
Distribution	-	-
Undistributed income / (accumulated loss) carried forward	<b>287,211</b>	372,330
Undistributed income / (accumulated loss) carried forward		
- Realised	<b>323,085</b>	340,498
- Unrealised	<b>(35,874)</b>	31,832
	<b>287,211</b>	372,330
	<b>(Rupees)</b>	
Net assets value per unit at beginning of the quarter	<b>51.40</b>	50.80
Net assets value per unit at end of the quarter	<b>51.32</b>	51.57

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30, 2017	2016
		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (loss) / income for the quarter before taxation		(6,042)	131,133
<b>Adjustments for:</b>			
Unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss' (net)		35,874	(31,832)
		<b>29,832</b>	99,301
<b>Decrease / (increase) in assets</b>			
Investments (net)		1,108,704	(1,325,250)
Deposits, prepayments and other receivables		16,524	(29,137)
		<b>1,125,228</b>	(1,354,387)
<b>(Decrease) / increase in liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		(243)	(70)
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		(22)	699
Payable to Securities and Exchange Commission of Pakistan (SECP)		(5,322)	(5,137)
Payable to Meezan Bank Limited (MBL)		285	(232)
Accrued expenses and other liabilities		(18,819)	(15,732)
		<b>(24,121)</b>	(20,472)
<b>Net cash generated from / (used in) operating activities</b>		<b>1,130,939</b>	(1,275,558)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance of units		1,856,232	7,366,336
Payments against redemption of units		(2,636,111)	(7,765,114)
Dividend paid		(67,289)	-
<b>Net cash used in financing activities</b>		<b>(847,168)</b>	(398,778)
Net increase / (decrease) in cash and cash equivalents during the quarter		<b>283,771</b>	(1,674,336)
Cash and cash equivalents at beginning of the quarter		1,243,261	3,709,604
Cash and cash equivalents at end of the quarter	5	<b>1,527,032</b>	2,035,268

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Sovereign Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unitholders maximum possible preservation of capital along with Halal and reasonable returns by investing primarily in a portfolio of Shariah compliant government securities. Thus, minimising the credit risk of investments. The Fund shall also keep an exposure in short-term near cash instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open end Shariah Compliant (Islamic) Income Scheme, listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** The Management Company of the Fund has been given quality rating of AM1 and the stability rating of the Fund is AA(f) given by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

### 2. BASIS OF PRESENTATION

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

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued under

the Companies Ordinance, 1984, the NBFC Rules, 2003, the NBFC Regulations, 2008 and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Act, 2017, the NBFC Rules, 2003, and the NBFC Regulations, 2008, and directives issued by the SECP shall prevail.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

	Note	(Unaudited) September 30, 2017	(Audited) June 30, 2017
<b>5. BALANCES WITH BANKS</b>			
On saving accounts	5.1	<b>1,514,499</b>	1,227,312
On current accounts		<b>12,533</b>	15,949
		<b><u>1,527,032</u></b>	<u>1,243,261</u>

- 5.1 The balances in saving accounts have an expected profit ranging from 2.00% to 5.8% per annum (June 30, 2017: 2.00% to 6.10% per annum).



		<b>(Unaudited)</b> <b>September 30,</b> <b>2017</b>	<b>(Audited)</b> <b>June 30,</b> <b>2017</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>6. INVESTMENTS</b>			
Investments - 'at fair value through profit or loss'	6.1	<u><b>2,544,523</b></u>	<u>3,689,101</u>

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

Name of the security	Maturity date	Profit rate	As at July 01, 2017	Purchases during the quarter	Sales / matured during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised loss	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----			Net assets of the fund on the basis of market value	Total market value of investments	----- (%) -----
GoP Ijarah Sukuk Certificates - XVI (note 6.1.1)	December 18, 2018	Weighted average 6 months T-Bills	16,330	-	5,200	11,130	1,135,149	1,121,236	(13,913)	27.96	44.06
GoP Ijarah Sukuk Certificates - XVII (note 6.1.1)	February 15, 2019	Weighted average 6 months T-Bills	19,660	-	5,862	13,798	1,420,228	1,398,289	(21,939)	34.87	54.95
GoP Ijarah Sukuk Certificates - XIX (note 6.1.1)	June 30, 2020	Weighted average 6 months T-Bills	-	250	-	250	25,020	24,998	(22)	0.62	0.98
<b>Total</b>							<u><b>2,580,397</b></u>	<u><b>2,544,523</b></u>	<u><b>(35,874)</b></u>		

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

**7. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at September 30, 2017 other than as disclosed in the annual financial statements for the year ended June 30, 2017.

**8. ACCRUED EXPENSES AND OTHER LIABILITIES**

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs. 12.69 million (June 30, 2017: Rs. 12.69 million). Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Rs. 0.16 / 0.31% (June 30, 2017: Rs. 0.15 / 0.29%). The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

**9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

The connected persons include AI Meezan Investment Management Limited (AI Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and executives of the Management Company, Meezan Islamic Fund, AI Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Asset Allocation Fund, Meezan Energy Fund, Meezan Islamic Income Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Strategic Allocation Fund, Meezan Gold Fund, and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, AI Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

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

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

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

	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	3,303	3,552
Sindh Sales Tax payable on management fee	429	462
Sales load payable	102	44
Sindh Sales Tax payable on sales load	13	6
Allocated expense payable	330	356
<b>Meezan Bank Limited (MBL)</b>		
Balances with bank	27,776	36,625
Profit receivable on saving accounts	849	1,032
Sales load payable	455	203
Sindh Sales Tax on sales load payable	59	26
Investments of 21,593,102 units (2017: 21,593,102 units)	1,108,158	1,109,885
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Trustee fee payable	309	328
Sindh Sales tax on Trustee fee payable	40	43
Deposit	100	100
<b>Meezan Financial Planning Fund of Funds</b>		
Investment of 386 units - MAAP - I (June 30, 2017: 908,615)	20	46,702
Investment of 808 units - MAAP - II (June 30, 2017: 1,579,961)	41	81,210
<b>Directors and executives of the Management Company</b>		
Investment of 1,242 units (2017: 31,123 units)	64	1,600
<b>For the quarter ended September 30,</b>		
	2017	2016
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the quarter	10,170	22,139
Sindh Sales Tax and Federal Excise Duty on management fee for the quarter	1,322	2,878
Allocated expenses	1,017	2,214
<b>Meezan Bank Limited</b>		
Profit on saving accounts	191	393
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the quarter	951	1,849
Sindh Sales Tax on trustee fee for the quarter	124	242
CDS Charges for the quarter	1	1



**For the quarter ended  
September 30,**

	2017	2016
	(Rupees in '000)	
<b>MFPF - Aggressive Allocation Plan</b>		
Units issued: nil (September 30, 2016: 184,606 units)	-	9,492
Redemptions: nil (September 30, 2016: 82,625 units)	-	4,230
<b>MFPF - Conservative Allocation Plan</b>		
Units issued: nil (September 30, 2016: 1,566,350 units)	-	80,115
Redemptions: nil (September 30, 2016: 115,672 units)	-	5,925
<b>MFPF - Moderate Allocation Plan</b>		
Units issued: nil (September 30, 2016: 667,317 units)	-	34,270
Redemptions: nil (September 30, 2016: 201,097 units)	-	10,300
<b>MFPF - Meezan Capital Preservation Plan I</b>		
Units issued: nil (September 30, 2016: 1,497,148 units)	-	77,000
Redemptions: nil (September 30, 2016: 3,857,880 units)	-	196,900
<b>MFPF - Meezan Capital Preservation Plan II</b>		
Units issued: nil (September 30, 2016: 47,121,818 units)	-	2,424,385
Redemptions: nil (September 30, 2016: 47,133,857 units)	-	2,423,200
<b>MFPF - Meezan Asset Allocation Plan I</b>		
Units issued: nil (September 30, 2016: 4,960,432 units)	-	253,000
Redemptions: 908,229 units (September 30, 2016: 572,710 units)	<b>46,700</b>	29,410
<b>MFPF - Meezan Asset Allocation Plan II</b>		
Units issued: nil (September 30, 2016: 3,096,427 units)	-	158,000
Redemptions: 1,579,152 units (September 30, 2016: 21,111 units)	<b>81,200</b>	1,080
<b>Directors and officers of the Management Company</b>		
Redemptions: 29,881 units (September 30, 2016: 24,048 units)	<b>1,530</b>	1,227

**10 ALLOCATED EXPENSES**

During the quarter, fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC regulations, 2008.

**11. EXPENSE RATIO**

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS/ the fund. TER of the fund for the period ended September 30, 2017 is 1.52% which include 0.22% representing government levy, Sindh Worker Welfare Fund and SECP fee.

**12. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting

income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2017 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).

### 13. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>September 30, 2017</b>									
(Rupees in '000)									
<b>Financial assets</b>									
- measured at fair value									
Investments	2,544,523	-	-	-	2,544,523	-	2,544,523	-	2,544,523
<b>Financial assets</b>									
- not measured at fair value									
Balances with banks	-	-	1,527,032	-	1,527,032				
Receivable on issuance and conversion of units	-	20,711	-	-	20,711				
Deposit and other receivables	-	45,467	-	-	45,467				
	<b>2,544,523</b>	<b>66,178</b>	<b>1,527,032</b>	<b>-</b>	<b>4,137,733</b>				
<b>Financial liabilities</b>									
- not measured at fair value									
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	-	-	-	4,177	4,177				
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	-	-	-	349	349				
Payable to Meezan Bank Limited (MBL)	-	-	-	514	514				
Payable on redemption and conversion of units	-	-	-	28,373	28,373				
Dividend payable	-	-	-	182	182				
Accrued expenses and other liabilities	-	-	-	2,513	2,513				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,108</b>	<b>36,108</b>				





September 30, 2017

**Financial assets  
- measured at fair value**

	Carrying amount				Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
Investments	3,689,101	-	-	-	3,689,101	-	3,689,101	-	3,689,101

**Financial assets  
- not measured at fair value**

Balances with banks	-	-	1,243,261	-	1,243,261				
Receivable on issuance and conversion of units	-	718,732	-	-	718,732				
Deposit and other receivables	-	61,769	-	-	61,769				
	3,689,101	780,501	1,243,261	-	5,712,863				

**Financial liabilities**

**- not measured at fair value**

Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company	-	-	-	4,420	4,420				
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	-	-	-	371	371				
Payable to Meezan Bank Limited (MBL)	-	-	-	229	229				
Payable on redemption and conversion of units	-	-	-	1,189,116	1,189,116				
Dividend payable	-	-	-	67,471	67,471				
Accrued expenses and other liabilities	-	-	-	76,990	76,990				
	-	-	-	1,338,597	1,338,597				

#### 14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**





# Meezan Cash Fund

Meezan Cash Fund (MCF) is Pakistan's first Shariah compliant Money Market Fund. MCF aims to bring you stable and halal returns through avoiding volatility of both long term fixed income securities and stock markets.

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

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

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2017

		(Unaudited) September 30, 2017	(Audited) June 30, 2017
	Note	(Rupees in '000)	
<b>Assets</b>			
Balances with banks	5	5,594,211	3,730,705
Investments	6	420,000	-
Receivable on issuance and conversion of units		151,498	738,771
Profit Receivable		50,717	37,071
Deposits and prepayments		543	596
<b>Total assets</b>		<b>6,216,969</b>	<b>4,507,143</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company		5,865	4,550
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		886	375
Payable to Securities and Exchange Commission of Pakistan (SECP)		943	2,903
Payable on redemption and conversion of units		88,315	1,096,454
Dividend payable		-	4,552
Accrued expenses and other liabilities	8	33,708	47,915
<b>Total liabilities</b>		<b>129,717</b>	<b>1,156,749</b>
<b>Net assets</b>		<b>6,087,252</b>	<b>3,350,394</b>
<b>Contingencies and commitments</b>	7		
<b>Unitholders' fund (as per statement attached)</b>		<b>6,087,252</b>	<b>3,350,394</b>
		(Number of units)	
<b>Number of units in issue</b>		<b>119,494,248</b>	<b>66,430,638</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>50.94</b>	<b>50.43</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

		September 30,	
	Note	2017	2016
		(Rupees in '000)	
<b>Income</b>			
Profit on saving accounts with banks		65,137	39,028
Profit on term deposit receipts		4,071	8,076
Profit on sukuk certificates		-	4,998
<b>Total income</b>		<b>69,208</b>	<b>52,102</b>
<b>Expenses</b>			
Remuneration to Al Meezan Investment Management Limited (Al Meezan) - Management Company		12,580	8,504
Sindh Sales Tax on Management Fee		1,635	1,106
Allocated expenses	10	1,258	850
Remuneration to Central Depository Company of Pakistan Limited (CDC) - Trustee		1,133	827
Sindh Sales Tax on Trustee Fee		147	107
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		944	638
Auditors' remuneration		146	145
Fees and subscription		216	272
Legal and professional charges		-	33
Bank and settlement charges		98	60
Provision for Sindh Workers' Welfare Fund (SWWF)		1,020	-
Printing expense		30	-
<b>Total Expenses</b>		<b>19,207</b>	<b>12,542</b>
<b>Net income for the quarter before taxation</b>		<b>50,001</b>	<b>39,560</b>
Taxation	12	-	-
<b>Net income for the quarter after taxation</b>		<b>50,001</b>	<b>39,560</b>
Other comprehensive income for the quarter		-	-
<b>Total comprehensive income for the quarter</b>		<b>50,001</b>	<b>39,560</b>
<b>Allocation of net income for the quarter</b>			
<b>Net income for the quarter after taxation</b>		<b>50,001</b>	<b>39,560</b>
Income already paid on units redeemed		(6,287)	-
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		43,714	39,560
		<b>43,714</b>	<b>39,560</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	<b>September 30,</b>	
	<b>2017</b>	<b>2016</b>
	<b>(Rupees in '000)</b>	
Net assets at beginning of the quarter	<b>3,350,394</b>	3,431,782
Issuance of 113,312,887 units (September 30, 2016: 64,597,944 units)	<b>5,741,389</b>	3,268,398
Redemption of 60,249,277 units (September 30, 2016: 66,079,304 units)	<b>(3,054,532)</b>	(3,342,590)
	<b>2,686,857</b>	(74,192)
Income already paid on units redeemed	<b>6,287</b>	-
Total comprehensive income for the quarter less income already paid on units redeemed	<b>43,714</b>	39,560
Distribution	-	-
Net Income for the quarter less distribution	<b>43,714</b>	39,560
Net assets at end of the quarter	<b>6,087,252</b>	3,397,150
<b>Distribution for the quarter</b>		
Undistributed income brought forward		
- Realised	<b>35,848</b>	16,456
- Unrealised	-	-
	<b>35,848</b>	16,456
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	<b>43,714</b>	39,560
	<b>43,714</b>	39,560
Distribution	-	-
Undistributed income carried forward	<b>79,562</b>	56,016
Undistributed income carried forward		
- Realised	<b>79,562</b>	56,016
- Unrealised	-	-
	<b>79,562</b>	56,016
	<b>(Rupees)</b>	
Net asset value per unit as at beginning of the quarter	<b>50.43</b>	50.14
Net asset value per unit as at end of the quarter	<b>50.94</b>	50.73

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30, 2017	2016
		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the quarter before Taxation		50,001	39,560
<b>(Increase) / decrease in assets</b>			
Investments (net)		(420,000)	-
Profit Receivable		(13,646)	12,549
Deposits and prepayments		53	30
		<b>(433,593)</b>	12,579
<b>Increase / (decrease) in liabilities</b>			
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company		1,315	200
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee		511	(315)
Payable to Securities and Exchange Commission of Pakistan (SECP)		(1,960)	(3,114)
Accrued expenses and other liabilities		(14,207)	(14,085)
		<b>(14,341)</b>	(17,314)
<b>Net cash (used in) / generated from operating activities</b>		<b>(397,933)</b>	34,825
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		6,328,662	4,355,647
Payments against redemption and conversion of units		(4,062,671)	(3,813,164)
Dividend paid		(4,552)	(25)
<b>Net cash generated from financing activities</b>		<b>2,261,439</b>	542,458
Net increase in cash and cash equivalents during the quarter		1,863,506	577,283
Cash and cash equivalents at beginning of the quarter		3,730,705	2,038,551
Cash and cash equivalents at end of the quarter	5	<b>5,594,211</b>	2,615,834

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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

**Chief Executive**

**Director**





## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Cash Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 14, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unitholders safe and stable stream of halal income on their investments and to generate superior long term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point in time. The Fund shall seek to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid shariah compliant money market and shariah compliant debt securities. Under the Trust Deed all the conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant (Islamic) Money Market Scheme listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** The Management Company has been given a quality rating of AM1 and the stability rating of the Fund is AA(f) given by JCR-VIS Credit Rating Company Limited.
- 1.5** Title to the assets of the Fund are held in the name of CDC as a Trustee.

### 2. BASIS OF PRESENTATION

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

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.

### 3. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued under

the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP have been followed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

#### 5. BALANCES WITH BANKS

		(Unaudited) September 30, 2017	(Audited) June 30, 2017
	Note	(Rupees in '000)	
On saving accounts	5.1	5,574,044	3,705,496
On current accounts		20,167	25,209
		<u>5,594,211</u>	<u>3,730,705</u>

- 5.1 The balances in saving accounts have an expected profit ranging from 2.00% to 5.90 % per annum (June 30, 2017 : 2.40% to 6.10% per annum).



## 6. INVESTMENTS

	Note	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
Investments - 'loans and receivables' - Term Deposit Receipts	6.1	420,000	-
		<u>420,000</u>	<u>-</u>

### 6.1 Loans and receivables - Term deposit receipts (TDR)

Name of the bank	Maturity Date	Profit rate	As at July 01, 2017	Placements made during the period	Matured during the period	As at September 30, 2017	Percentage in relation to	
							Net assets of the fund on the basis of market value	Total market value of investment
		---- (%) ----	----- (Rupees in '000) -----				----- % -----	
Bank Al Habib Limited	November 01, 2017	5.80%	-	420,000	-	420,000	7%	100.00
<b>Total</b>						<u>420,000</u>		

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2017 and June 30, 2017

## 8. ACCRUED EXPENSES AND OTHER LIABILITIES

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs. 7.111 million (June 30, 2017: Rs. 6.091 million). Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Rs. 0.06 / 0.12% (June 30, 2017: Rs. 0.09 / 0.18%). The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

## 9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan Investment Management Limited (AI Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, AI Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Asset Allocation Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Financial Planning Fund of Funds, Meezan Strategic Allocation Fund, Meezan Gold Fund, and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, AI Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

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

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

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

	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	4,769	3,700
Sindh Sales Tax payable on management fee	620	481
Allocated Expense	476	369
<b>Meezan Bank Limited</b>		
Balances with bank	22,066	33,858
Profit receivable on saving accounts	1,306	1,441
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Trustee fee payable	792	340
Sindh Sales Tax on Trustee Fee Payable	94	35
Deposits	100	100
<b>MFPF - Meezan Aggressive Allocation Plan</b>		
Investment of at September 30, 2017: 1,461,629 units (June 30, 2017: 1,868,717 units)	74,455	94,239
<b>MFPF - Meezan Conservative Allocation Plan</b>		
Investment of at September 30, 2017: 2,901,413 units (June 30, 2017: 3,034,510 units)	147,798	153,030
<b>MFPF - Meezan Moderate Allocation Plan</b>		
Investment of at September 30, 2017: 1,897,634 units (June 30, 2017: 2,028,032 units)	96,665	102,274
<b>MFPF - Meezan Asset Allocation Plan-I</b>		
Investment of at September 30, 2017: 4,140,594 units (June 30, 2017: 1,876,917 units)	210,922	94,653
<b>MFPF - Meezan Asset Allocation Plan-II</b>		
Investment of at September 30, 2017: 1,521,823 units (June 30, 2017: 1,574,963 units)	77,522	79,425
<b>MFPF - Meezan Asset Allocation Plan-III</b>		
Investment of at September 30, 2017: 4,561,751 units (June 30, 2017: Nil)	232,376	-
<b>MFPF - Meezan Asset Allocation Plan-IV</b>		
Investment of at September 30, 2017: 1,406,135 units (June 30, 2017: 1,406,135 units)	71,628	70,911
<b>Meezan Strategic Asset Allocation Fund - MSAP-I</b>		
Investment of at September 30, 2017: 3,558,307 units (June 30, 2017: Nil units)	181,260	-
<b>Meezan Strategic Asset Allocation Fund - MSAP-II</b>		
Investment of at September 30, 2017: 2,519,985 units (June 30, 2017: 2,519,985 units)	128,368	127,083



## Meezan Cash Fund

	(Unaudited) September 30, 2017 (Rupees in '000)	(Audited) June 30, 2017
<b>Meezan Strategic Asset Allocation Fund - MSAP-III</b> Investment of at September 30, 2017: 3,616,565 units (June 30, 2017: 9,748 units)	<u>184,228</u>	<u>492</u>
<b>Meezan Strategic Asset Allocation Fund - MSAP-IV</b> Investment of at September 30, 2017: 3,777,787 units (June 30, 2017: 1,201,553 units)	<u>192,440</u>	<u>60,594</u>
<b>Meezan Strategic Asset Allocation Fund - MSAP-V</b> Investment of at September 30, 2017: 1,905,478 units (June 30, 2017: Nil units)	<u>97,065</u>	<u>-</u>
<b>Directors and Executives of the Management Company</b> Investment of 109,951 units (June 30, 2017: 86,239 units)	<u>5,601</u>	<u>4,349</u>
	<b>For the quarter ended September 30,</b>	
	<b>2017</b>	<b>2016</b>
	<b>(Rupees in '000)</b>	
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration for the quarter	<u>12,580</u>	<u>8,504</u>
Sindh Sales Tax on management fee for the quarter	<u>1,635</u>	<u>1,106</u>
Allocated expenses	<u>1,258</u>	<u>850</u>
<b>Meezan Bank Limited</b>		
Profit on saving accounts	<u>637</u>	<u>181</u>
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>		
Trustee fee for the quarter	<u>1,133</u>	<u>827</u>
Sindh Sales Tax on trustee fee for the quarter	<u>147</u>	<u>107</u>
CDS Charges	<u>2</u>	<u>1</u>
<b>MFPF - Meezan Aggressive Allocation Plan</b> Units issued: 31,957 units (September 30, 2016: Nil) Units redeemed: 439,045 units (September 30, 2016: Nil)	<u>1,625</u> <u>22,216</u>	<u>-</u> <u>-</u>
<b>MFPF - Meezan Conservative Allocation Plan</b> Units issued: 106,828 units (September 30, 2016: Nil) Units redeemed: 239,924 units (September 30, 2016: Nil)	<u>5,438</u> <u>12,150</u>	<u>-</u> <u>-</u>
<b>MFPF - Meezan Moderate Allocation Plan</b> Units redeemed: 130,397 units (September 30, 2016: Nil)	<u>6,600</u>	<u>-</u>
<b>MFPF - Meezan Asset Allocation Plan - I</b> Units issued: 2,263,677 units (September 30, 2016: Nil)	<u>115,030</u>	<u>-</u>
<b>MFPF - Meezan Asset Allocation Plan - II</b> Units issued: 39,479 units (September 30, 2016: Nil) Units redeemed: 92,620 units (September 30, 2016: Nil)	<u>2,000</u> <u>4,700</u>	<u>-</u> <u>-</u>

	For the quarter ended September 30,	
	2017	2016
	(Rupees in '000)	
<b>MFPF - Meezan Asset Allocation Plan - III</b>		
Units issued: 4,611,177 units (September 30, 2016: Nil)	232,680	-
Units redeemed: 49,427 units (September 30, 2016: Nil)	2,500	-
<b>Meezan Strategic Asset Allocation Fund - MSAP-I</b>		
Units issued: 3,993,262 units (September 30, 2016: Nil)	201,500	-
Units redeemed: 434,955 units (September 30, 2016: Nil)	22,000	-
<b>Meezan Strategic Asset Allocation Fund - MSAP-III</b>		
Units issued: 3,606,817 units (September 30, 2016: Nil)	182,000	-
<b>Meezan Strategic Asset Allocation Fund - MSAP-IV</b>		
Units issued: 2,576,298 units (September 30, 2016: Nil)	130,000	-
<b>Meezan Strategic Asset Allocation Fund - MSAP-V</b>		
Units issued: 3,027,682 units (September 30, 2016: Nil)	154,000	-
Units redeemed: 1,122,204 units (September 30, 2016: Nil)	57,048	-
<b>Directors and Executives of the Management Company</b>		
Units issued: 58,450 units (September 30, 2016: 6,726 units)	2,963	340
Units redeemed: 34,737 units (September 30, 2016: 82,656 units)	1,759	4,169

#### 10. ALLOCATED EXPENSES

During the quarter, the fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC Regulations, 2008.

#### 11. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS/ the fund. TER of the fund for the quarter ended September 30, 2017 is 1.54% which include 0.30 % representing government levy, Worker Welfare Fund and SECP fee.

#### 12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2017 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).

#### 13. FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.



**September 30, 2017**

**Financial assets  
- measured at fair value**

Balances with banks  
Term Deposit Receipts  
Receivable on issuance and  
conversion of units  
Profit Receivable  
Other receivables

Note	Carrying amount				Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
13.1	-	-	5,594,211	-	5,594,211	-	-	-	-
13.1	420,000	-	-	-	420,000	-	-	-	-
13.1	-	151,498	-	-	151,498	-	-	-	-
13.1	-	50,717	-	-	50,717	-	-	-	-
13.1	-	300	-	-	300	-	-	-	-
	<b>420,000</b>	<b>202,515</b>	<b>5,594,211</b>	<b>-</b>	<b>6,166,009</b>				

**Financial liabilities  
- not measured at fair value**

Payable to Al Meezan Investment  
Management Limited (Al Meezan)  
- Management Company  
Payable to Central Depository  
Company of Pakistan Limited  
(CDC) - Trustee  
Payable on redemption and  
conversion of units  
Accrued expenses and other liabilities

13.1	-	-	-	5,865	5,865	-	-	-	-
13.1	-	-	-	886	886	-	-	-	-
13.1	-	-	-	88,315	88,315	-	-	-	-
13.1	-	-	-	26,425	26,425	-	-	-	-
	-	-	-	<b>121,491</b>	<b>121,491</b>				

**June 30, 2017**

**Financial assets  
- measured at fair value**

Balances with banks  
Term Deposit Receipts  
Receivable on issuance and  
conversion of units  
Profit Receivable  
Other receivables

Note	Carrying amount				Fair value				
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
13.1	-	-	3,730,705	-	3,730,705	-	-	-	-
13.1	-	-	-	-	-	-	-	-	-
13.1	-	738,771	-	-	738,771	-	-	-	-
13.1	-	37,071	-	-	37,071	-	-	-	-
13.1	-	300	-	-	300	-	-	-	-
	-	<b>776,142</b>	<b>3,730,705</b>	<b>-</b>	<b>4,506,847</b>				

**Financial liabilities  
- not measured at fair value**

Payable to Al Meezan Investment  
Management Limited (Al Meezan)  
- Management Company  
Payable to Central Depository  
Company of Pakistan Limited  
(CDC) - Trustee  
Payable on redemption and  
conversion of units  
Dividend Payable  
Accrued expenses and other liabilities

13.1	-	-	-	4,550	4,550	-	-	-	-
13.1	-	-	-	375	375	-	-	-	-
13.1	-	-	-	1,096,454	1,096,454	-	-	-	-
13.1	-	-	-	4,552	4,552	-	-	-	-
13.1	-	-	-	25,348	25,348	-	-	-	-
	-	-	-	<b>1,131,279</b>	<b>1,131,279</b>				

**13.1** The Fund has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term.

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

This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**





# 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

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

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017

		September 30, 2017 (Unaudited)							
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
Note		(Rupees in '000)							
<b>Assets</b>									
	Balances with banks	5,887	4,483	7,738	5,995	3,092	17,864	3,258	48,317
5	Investments	554,482	362,397	382,029	1,127,156	862,672	2,568,987	689,712	6,547,435
	Preliminary expenses and floatation cost	-	-	107	-	-	-	-	107
	Receivable on issuance and conversion of units	58	-	463	-	-	-	-	521
	Receivable against investments (net)	-	-	-	11,289	-	2,630	-	13,919
	Profit receivable on saving accounts with banks	13	19	10	16	2	103	45	208
	<b>Total assets</b>	<b>560,440</b>	<b>366,899</b>	<b>390,347</b>	<b>1,144,456</b>	<b>865,766</b>	<b>2,589,584</b>	<b>693,015</b>	<b>6,610,507</b>
<b>Liabilities</b>									
	Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company	116	85	108	507	291	1,063	409	2,579
	Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	45	26	36	81	62	188	50	488
	Payable to Meezan Bank Limited (MBL)	1	-	-	-	-	-	-	1
	Payable to Securities and Exchange Commission of Pakistan (SECP)	140	91	94	281	218	649	182	1,655
	Payable on redemption and conversion of units	413	1,266	1,399	12,205	1,315	2,884	81	19,563
7	Accrued expenses and other liabilities	3,822	2,793	1,673	11,185	7,522	22,419	5,470	54,884
	<b>Total liabilities</b>	<b>4,537</b>	<b>4,261</b>	<b>3,310</b>	<b>24,259</b>	<b>9,408</b>	<b>27,203</b>	<b>6,192</b>	<b>79,170</b>
	<b>Net assets</b>	<b>555,903</b>	<b>362,638</b>	<b>387,037</b>	<b>1,120,197</b>	<b>856,358</b>	<b>2,562,381</b>	<b>686,823</b>	<b>6,531,337</b>
	<b>Contingencies and Commitments</b>								
6	<b>Unitholders' fund (as per statement attached)</b>	<b>555,903</b>	<b>362,638</b>	<b>387,037</b>	<b>1,120,197</b>	<b>856,358</b>	<b>2,562,381</b>	<b>686,823</b>	<b>6,531,337</b>
----- (Number of units) -----									
	<b>Number of units in issue</b>	<b>7,571,375</b>	<b>5,306,177</b>	<b>5,967,842</b>	<b>18,896,161</b>	<b>15,070,413</b>	<b>45,513,169</b>	<b>13,953,843</b>	
----- (Rupees) -----									
	<b>Net assets value per unit</b>	<b>73.42</b>	<b>68.34</b>	<b>64.85</b>	<b>59.28</b>	<b>56.82</b>	<b>56.30</b>	<b>49.22</b>	

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

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

**Chief Executive**

**Director**

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2017

		June 30, 2017 (Audited)							
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
Note		(Rupees in '000)							
<b>Assets</b>									
	Balances with banks	12,939	6,239	2,634	2,009	5,981	12,981	2,670	45,453
5	Investments	628,262	409,094	408,081	1,266,548	990,376	2,956,838	866,849	7,526,048
	Preliminary expenses and floatation cost	-	-	157	-	-	-	-	157
	Receivable on issuance and conversion of units	3	-	2,123	-	-	-	-	2,126
	Receivable against investments (net)	5,000	33,875	19,000	-	5,700	24,700	-	88,275
	Profit receivable on saving accounts with banks	2	24	24	18	5	90	49	212
	<b>Total assets</b>	<b>646,206</b>	<b>449,232</b>	<b>432,019</b>	<b>1,268,575</b>	<b>1,002,062</b>	<b>2,994,609</b>	<b>869,568</b>	<b>7,662,271</b>
<b>Liabilities</b>									
	Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	106	42	165	113	86	264	76	852
	Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	54	32	38	95	73	220	64	576
	Payable to Meezan Bank Limited (MBL)	3	-	-	-	-	-	-	3
	Payable to Securities and Exchange Commission of Pakistan (SECP)	601	477	421	1,330	982	3,003	892	7,706
	Payable on redemption and conversion of units	12,138	35,568	16,013	300	11,103	35,438	123	110,683
	Dividend Payable	298	900	63	-	-	-	-	1,261
7	Accrued expenses and other liabilities	10,872	4,404	1,922	15,425	11,841	33,143	8,169	85,776
	<b>Total liabilities</b>	<b>24,072</b>	<b>41,423</b>	<b>18,622</b>	<b>17,263</b>	<b>24,085</b>	<b>72,068</b>	<b>9,324</b>	<b>206,857</b>
	<b>Net assets</b>	<b>622,134</b>	<b>407,809</b>	<b>413,397</b>	<b>1,251,312</b>	<b>977,977</b>	<b>2,922,541</b>	<b>860,244</b>	<b>7,455,414</b>
	<b>Contingencies and Commitments</b>								
6									
	<b>Unitholders' fund (as per statement attached)</b>	<b>622,134</b>	<b>407,809</b>	<b>413,397</b>	<b>1,251,312</b>	<b>977,977</b>	<b>2,922,541</b>	<b>860,244</b>	<b>7,455,414</b>
(Number of units)									
	<b>Number of units in issue</b>	<b>7,792,766</b>	<b>5,660,927</b>	<b>6,232,476</b>	<b>20,048,269</b>	<b>15,671,463</b>	<b>47,233,009</b>	<b>15,806,163</b>	
(Rupees)									
	<b>Net assets value per unit</b>	<b>79.83</b>	<b>72.04</b>	<b>66.33</b>	<b>62.41</b>	<b>62.40</b>	<b>61.87</b>	<b>54.42</b>	

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

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

**Chief Executive**

**Director**



## CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

		September 30, 2017								
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
Note		(Rupees in '000)								
<b>Income</b>										
	Net realised loss on sale of investments	(1,542)	(779)	(204)	(67,142)	(4,142)	(12,462)	(4,363)	(90,635)	
	Back end load income	-	-	-	-	7	-	32	39	
	Profit on saving accounts with banks	72	28	61	23	17	95	18	314	
		(1,470)	(751)	(143)	(67,119)	(4,118)	(12,367)	(4,313)	(90,282)	
	Unrealised (diminution) / appreciation on re-measurement of investments at 'fair value' through profit or loss' (net)	5.1	(47,339)	(19,519)	(7,948)	6,331	(82,202)	(243,659)	(68,084)	(462,420)
	<b>Total loss</b>	<b>(48,809)</b>	<b>(20,270)</b>	<b>(8,091)</b>	<b>(60,788)</b>	<b>(86,320)</b>	<b>(256,026)</b>	<b>(72,398)</b>	<b>(552,702)</b>	
<b>Expenses</b>										
	Remuneration to AI Meezan - Management Company	43	22	32	28	7	49	20	201	
	Sindh Sales Tax on Management Fee	5	3	4	4	1	6	3	26	
	Allocated Expenses	143	96	99	296	229	683	191	1,737	
	Remuneration to CDC - Trustee	116	75	78	233	180	537	150	1,369	
	Sindh Sales Tax on Trustee Fee	15	9	10	30	23	70	20	177	
	Annual fee to SECP	140	91	94	281	218	649	182	1,655	
	Auditors' remuneration	14	10	10	29	23	68	19	173	
	Fees and subscription	8	5	5	16	13	37	10	94	
	Amortisation of preliminary expenses and floatation costs	-	-	50	-	-	-	-	50	
	Transaction cost	-	-	-	161	-	-	-	161	
	Bank and settlement charges	5	6	7	2	4	11	4	39	
	Printing charges	1	1	1	2	1	4	2	12	
	<b>Total expenses</b>	<b>490</b>	<b>318</b>	<b>390</b>	<b>1,082</b>	<b>699</b>	<b>2,114</b>	<b>601</b>	<b>5,694</b>	
	<b>Net loss for the quarter before taxation</b>	<b>(49,299)</b>	<b>(20,588)</b>	<b>(8,481)</b>	<b>(61,870)</b>	<b>(87,019)</b>	<b>(258,141)</b>	<b>(72,999)</b>	<b>(558,396)</b>	
	Taxation	11	-	-	-	-	-	-	-	
	<b>Net loss for the quarter after taxation</b>	<b>(49,299)</b>	<b>(20,588)</b>	<b>(8,481)</b>	<b>(61,870)</b>	<b>(87,019)</b>	<b>(258,141)</b>	<b>(72,999)</b>	<b>(558,396)</b>	
	Other comprehensive income for the quarter		-	-	-	-	-	-	-	
	<b>Total comprehensive income for the quarter</b>	<b>(49,299)</b>	<b>(20,588)</b>	<b>(8,481)</b>	<b>(61,870)</b>	<b>(87,019)</b>	<b>(258,141)</b>	<b>(72,999)</b>	<b>(558,396)</b>	
	<b>Allocation of net income for the quarter</b>									
	Net loss for the quarter after taxation	(49,299)	(20,588)	(8,481)	(61,870)	(87,019)	(258,141)	(72,999)	(558,396)	
	Loss on units redeemed	2,177	1,284	497	3,300	2,921	4,780	382	15,341	
		(47,122)	(19,304)	(7,984)	(58,570)	(84,098)	(253,361)	(72,617)	(543,055)	
	Accounting income available for distribution	-	-	-	-	-	-	-	-	

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

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

		September 30, 2016								
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
Note		(Rupees in '000)								
<b>Income</b>										
	Realised gain on sale of investments	907	935	319	10,564	7,116	22,498	596	42,935	
	Realised loss on sale of investments	-	-	-	-	-	-	(21)	(21)	
	Back end load income	-	-	-	561	36	891	41	1,529	
	Profit on saving accounts with banks	37	93	51	31	119	75	248	654	
		944	1,028	370	11,156	7,271	23,464	864	45,097	
	Unrealised appreciation on re-measurement of investments at 'fair value through profit or loss' (net)	5.1	22,923	14,910	9,300	65,967	47,446	145,216	27,670	333,432
	<b>Total income</b>		23,867	15,938	9,670	77,123	54,717	168,680	28,534	378,529
<b>Expenses</b>										
	Remuneration to Al Meezan - Management Company	9	21	17	15	46	25	80	213	
	Sindh Sales Tax on Management Fee	1	3	2	2	6	3	10	27	
9	Allocated Expenses	117	99	91	335	244	749	216	1,851	
	Remuneration to CDC - Trustee	90	76	70	258	188	577	166	1,425	
	Sindh Sales Tax on Trustee Fee	12	10	9	34	24	75	22	186	
	Annual fee to SECP	111	94	87	319	232	712	205	1,760	
	Auditors' remuneration	5	4	4	13	10	30	9	75	
	Fees and subscription	3	3	3	13	8	28	7	65	
	Amortisation of preliminary expenses and floatation costs	-	-	50	-	-	-	-	50	
	Bank and settlement charges	-	1	-	-	-	-	-	1	
	Printing charges	1	1	1	4	1	7	1	16	
	<b>Total expenses</b>	349	312	334	993	759	2,206	716	5,669	
	<b>Net income for the quarter before taxation</b>		23,518	15,626	9,336	76,130	53,958	166,474	27,818	372,860
	Taxation	11	-	-	-	-	-	-	-	-
	<b>Net income for the quarter after taxation</b>		23,518	15,626	9,336	76,130	53,958	166,474	27,818	372,860
	Other comprehensive income for the quarter		-	-	-	-	-	-	-	-
	<b>Total comprehensive income for the quarter</b>		23,518	15,626	9,336	76,130	53,958	166,474	27,818	372,860
<b>Allocation of net income for the quarter</b>										
	Net income for the quarter after taxation		23,518	15,626	9,336	76,130	53,958	166,474	27,818	372,860
	Loss on units redeemed		-	-	-	-	-	-	-	-
			23,518	15,626	9,336	76,130	53,958	166,474	27,818	372,860
	Accounting income available for distribution		23,518	15,626	9,336	76,130	53,958	166,474	27,818	372,860

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

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

**Chief Executive**

**Director**



## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30, 2017							
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)							
Net assets at beginning of the quarter	622,134	407,809	413,397	1,251,312	977,977	2,922,541	860,244	7,455,414
Issue of units: Aggressive: 744,585 units, Moderate: 308,364 units, Conservative: 1,629,674 units, MAAP I: Nil, MAAP II: Nil, MAAP III: Nil, MAAP IV: Nil,	56,650	21,757	106,592	-	-	-	-	184,999
Redemption of units: Aggressive: 965,976 units, Moderate: 663,114 units, Conservative: 1,894,308 units, MAAP I: 1,152,108 units, MAAP II: 601,050 units, MAAP III: 1,719,840 units, MAAP IV: 1,852,320 units	(73,582)	(46,340)	(124,471)	(69,245)	(34,600)	(102,019)	(100,422)	(550,679)
Loss on units redeemed	(16,932)	(24,583)	(17,879)	(69,245)	(34,600)	(102,019)	(100,422)	(365,680)
Total comprehensive income for the quarter including loss on units redeemed	(2,177)	(1,284)	(497)	(3,300)	(2,921)	(4,780)	(382)	(15,341)
Distribution	(47,122)	(19,304)	(7,984)	(58,570)	(84,098)	(253,361)	(72,617)	(543,056)
Net loss for the quarter after distribution	-	-	-	-	-	-	-	-
Net assets at end of the quarter	(47,122)	(19,304)	(7,984)	(58,570)	(84,098)	(253,361)	(72,617)	(543,056)
<b>Distribution for the quarter</b>	<b>555,903</b>	<b>362,638</b>	<b>387,037</b>	<b>1,120,197</b>	<b>856,358</b>	<b>2,562,381</b>	<b>686,823</b>	<b>6,531,337</b>
Undistributed income / (accumulated loss) brought forward								
-Realised	186,768	116,539	100,829	169,904	117,251	311,690	13,129	1,016,110
-Unrealised	(12,553)	(7,158)	(13,146)	93,510	82,985	271,498	64,423	479,559
Total comprehensive income for the quarter including loss on units redeemed	174,215	109,381	87,683	263,414	200,236	583,188	77,552	1,495,669
Distribution	(47,122)	(19,304)	(7,984)	(58,570)	(84,098)	(253,361)	(72,617)	(543,056)
Undistributed income carried forward	-	-	-	-	-	-	-	-
Undistributed income / (accumulated loss) carried forward	127,093	90,077	79,699	204,844	116,138	329,827	4,935	952,613
-Realised	174,432	109,596	87,647	198,513	198,340	573,487	73,019	1,415,034
-Unrealised	(47,339)	(19,519)	(7,948)	6,331	(82,202)	(243,659)	(68,084)	(462,420)
	127,093	90,077	79,699	204,844	116,138	329,827	4,935	952,613
	(Rupees)							
Net asset value per unit as at beginning of the quarter	79.83	72.04	66.33	62.41	62.40	61.87	54.42	
Net asset value per unit as at end of the quarter	73.42	68.34	64.85	59.28	56.82	56.30	49.22	

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

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

**Chief Executive**

**Director**

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30, 2016							
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)							
Net assets at beginning of the quarter	442,869	366,601	326,656	1,277,906	925,227	2,851,007	531,933	6,722,199
Issue of units:								
Aggressive: 400,834 units,								
Moderate: 1,142,235 units,								
Conservative: 1,847,946 units,								
MAAP I: Nil,								
MAAP II: Nil,								
MAAP III: Nil,								
MAAP IV: 7,901,651 units	30,610	77,138	114,482	-	-	-	393,818	616,048
Redemption of units:								
Aggressive: 345,215 units,								
Moderate: 533,968 units,								
Conservative: 782,388 units,								
MAAP I: 329,467 units,								
MAAP II: 18,221 units,								
MAAP III: 517,861 units,								
MAAP IV: 704,638 units	(26,441)	(35,899)	(48,426)	(18,708)	(1,056)	(29,423)	(35,611)	(195,564)
	4,169	41,239	66,056	(18,708)	(1,056)	(29,423)	358,207	420,484
<b>Total comprehensive income for the quarter including loss on units redeemed</b>	<b>23,518</b>	<b>15,626</b>	<b>9,336</b>	<b>76,130</b>	<b>53,958</b>	<b>166,474</b>	<b>27,818</b>	<b>372,860</b>
Distribution	-	-	-	-	-	-	-	-
Net income for the quarter after distribution	23,518	15,626	9,336	76,130	53,958	166,474	27,818	372,860
Net assets at end of the quarter	<b>470,556</b>	<b>423,466</b>	<b>402,048</b>	<b>1,335,328</b>	<b>978,129</b>	<b>2,988,058</b>	<b>917,958</b>	<b>7,515,543</b>
<b>Distribution for the quarter</b>								
Undistributed income / (accumulated loss) brought forward								
-Realised	107,345	66,828	56,767	20,488	16,973	41,877	(5,726)	304,552
-Unrealised	16,462	4,508	(4,108)	74,917	63,294	170,835	(11,597)	314,311
	123,807	71,336	52,659	95,405	80,267	212,712	(17,323)	618,863
<b>Total comprehensive income for the quarter including loss on units redeemed</b>	<b>23,518</b>	<b>15,626</b>	<b>9,336</b>	<b>76,130</b>	<b>53,958</b>	<b>166,474</b>	<b>27,818</b>	<b>372,860</b>
Distribution	-	-	-	-	-	-	-	-
Undistributed income carried forward	<b>147,325</b>	<b>86,962</b>	<b>61,995</b>	<b>171,535</b>	<b>134,225</b>	<b>379,186</b>	<b>10,495</b>	<b>991,723</b>
Undistributed income / (accumulated loss) carried forward								
-Realised	124,402	72,052	52,695	105,568	86,779	233,970	(17,175)	658,291
-Unrealised	22,923	14,910	9,300	65,967	47,446	145,216	27,670	333,432
	<b>147,325</b>	<b>86,962</b>	<b>61,995</b>	<b>171,535</b>	<b>134,225</b>	<b>379,186</b>	<b>10,495</b>	<b>991,723</b>
	(Rupees)							
Net assets value per unit at beginning of the quarter	73.37	65.32	60.71	54.03	54.75	54.03	48.42	
Net assets value per unit at end of the quarter	77.24	68.07	62.37	57.26	57.94	57.19	50.49	

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

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

**Chief Executive**

**Director**





## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30, 2017							Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
	(Rupees in '000)							
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net loss for the quarter before taxation	(49,299)	(20,588)	(8,481)	(61,870)	(87,019)	(258,141)	(72,999)	(558,396)
<b>Adjustments for:</b>								
Unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss' (net)	47,339	19,519	7,948	(6,331)	82,202	243,659	68,084	462,420
Amortisation of preliminary expenses and floatation costs	-	-	50	-	-	-	-	50
	(1,960)	(1,069)	(483)	(68,201)	(4,817)	(14,482)	(4,915)	(95,927)
<b>Decrease / (increase) in assets</b>								
Investments (net)	26,441	27,178	18,104	145,723	45,502	144,192	109,053	516,193
Receivable against investments (net)	5,000	33,875	19,000	(11,289)	5,700	22,070	-	74,356
Profit receivable on saving accounts with banks	(11)	5	14	2	3	(13)	4	4
	31,430	61,058	37,118	134,436	51,205	166,249	109,057	590,553
<b>Increase / (decrease) in liabilities</b>								
Remuneration to AI Meezan - Management Company	10	43	(57)	394	205	799	333	1,727
Remuneration to CDC - Trustee	(9)	(6)	(2)	(14)	(11)	(32)	(14)	(88)
Payable to MBL	(2)	-	-	-	-	-	-	(2)
Annual fee to SECP	(461)	(386)	(327)	(1,049)	(764)	(2,354)	(710)	(6,051)
Accrued expenses and other liabilities	(7,050)	(1,611)	(249)	(4,240)	(4,319)	(10,724)	(2,699)	(30,892)
	(7,512)	(1,960)	(635)	(4,909)	(4,889)	(12,311)	(3,090)	(35,305)
<b>Net cash generated from / (used in) operating activities</b>	<b>21,958</b>	<b>58,029</b>	<b>36,000</b>	<b>61,326</b>	<b>41,499</b>	<b>139,456</b>	<b>101,052</b>	<b>459,320</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts against issuance and conversion of units	56,595	21,757	108,252	-	-	-	-	186,604
Payments against redemption and conversion of units	(85,307)	(80,642)	(139,085)	(57,340)	(44,388)	(134,573)	(100,464)	(641,799)
Dividend paid	(298)	(900)	(63)	-	-	-	-	(1,261)
<b>Net cash used in financing activities</b>	<b>(29,010)</b>	<b>(59,785)</b>	<b>(30,896)</b>	<b>(57,340)</b>	<b>(44,388)</b>	<b>(134,573)</b>	<b>(100,464)</b>	<b>(456,456)</b>
Net (decrease) / increase in cash and cash equivalents during the quarter	(7,052)	(1,756)	5,104	3,986	(2,889)	4,883	588	2,864
Cash and cash equivalents at beginning of the quarter	12,939	6,239	2,634	2,009	5,981	12,981	2,670	45,453
Cash and cash equivalents at end of the quarter	5,887	4,483	7,738	5,995	3,092	17,864	3,258	48,317

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

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

**Chief Executive**

**Director**

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30, 2016							Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
(Rupees in '000)								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income for the quarter before taxation	23,518	15,626	9,336	76,130	53,958	166,474	27,818	372,860
<b>Adjustments for:</b>								
Unrealised appreciation re-measurement of investments 'at fair value through profit or loss' (net)	(22,923)	(14,910)	(9,300)	(65,967)	(47,446)	(145,216)	(27,670)	(333,432)
Amortisation of preliminary expenses and floatation costs	-	-	50	-	-	-	-	50
	595	716	86	10,163	6,512	21,258	148	39,478
<b>(Increase) / decrease in assets</b>								
Investments (net)	(1,407)	(38,736)	(94,919)	18,846	(6,036)	18,272	(445,841)	(549,821)
Receivable against sale of investments (net)	(800)	-	-	-	(20)	(2,360)	-	(3,180)
Profit receivable on saving accounts with banks	11	(20)	(6)	(1)	5	-	109	98
	(2,196)	(38,756)	(94,925)	18,845	(6,051)	15,912	(445,732)	(552,903)
<b>(Decrease) / increase in liabilities</b>								
Remuneration to Al Meezan - Management Company	(3)	461	72	1	(1)	7	(1,136)	(599)
Remuneration to CDC - Trustee	2	3	7	2	2	6	44	66
Payable to MBL	(3)	-	-	-	-	-	(1,035)	(1,038)
Annual fee to SECP	(255)	(211)	(146)	(632)	(187)	(192)	183	(1,440)
Payable against purchase of investments (net)	-	5,000	7,000	-	-	-	-	12,000
Accrued expenses and other liabilities	(3,609)	(4,593)	(2,576)	(4,184)	(4,816)	(14,303)	(14,736)	(48,817)
	(3,868)	660	4,357	(4,813)	(5,002)	(14,482)	(16,680)	(39,828)
<b>Net cash (used in) / generated from operating activities</b>	<b>(5,469)</b>	<b>(37,380)</b>	<b>(90,482)</b>	<b>24,195</b>	<b>(4,541)</b>	<b>22,688</b>	<b>(462,264)</b>	<b>(553,253)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts against issuance and conversion of units	31,566	77,470	148,326	-	-	-	453,033	710,395
Payments against redemption and conversion of units	(26,613)	(36,907)	(48,378)	(18,738)	(1,035)	(29,423)	(35,611)	(196,705)
Dividend paid	(25)	(165)	(53)	(3,788)	(2,629)	(356)	(269)	(7,285)
<b>Net cash generated from / (used in) financing activities</b>	<b>4,928</b>	<b>40,398</b>	<b>99,895</b>	<b>(22,526)</b>	<b>(3,664)</b>	<b>(29,779)</b>	<b>417,153</b>	<b>506,405</b>
Net (decrease) / increase in cash and cash equivalents during the quarter	(541)	3,018	9,413	1,669	(8,205)	(7,091)	(45,111)	(46,848)
Cash and cash equivalents at beginning of the quarter	1,250	8,622	2,701	8,009	21,477	11,225	48,753	102,037
Cash and cash equivalents at end of the quarter	709	11,640	12,114	9,678	13,272	4,134	3,642	55,189

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

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

**Chief Executive**

**Director**



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Financial Planning Fund of Funds (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on July 27, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah guidelines. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah compliant Fund of Funds Scheme listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis except for four plans 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 AM1 by JCR-VIS Credit Rating Company Limited.
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Aggressive Plan, Moderate Plan, Conservative Plan, 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 Asset I Allocation Plan (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.

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

## 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.



The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.

### **3. STATEMENT OF COMPLIANCE**

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP have been followed.

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

## 5. INVESTMENTS

		September 30, 2017 (Unaudited)								
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total	
Note		(Rupees in '000)								
	Investments - 'at fair value through profit or loss' - held for trading	5.1	554,482	362,397	382,029	1,127,156	862,672	2,568,987	689,712	6,547,435
		June 30, 2017 (Audited)								
	Investments - 'at fair value through profit or loss' - held for trading		628,262	409,094	408,081	1,266,548	990,376	2,956,838	866,849	7,526,048

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

Name of Investee Funds	As at July 01, 2017	Purchases during the quarter	Sale during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised (diminution) / appreciation as at September 30, 2017	Percentage of Market value to total investments
	(Number of units)			(Rupees in '000)			(Percentage)	
<b>Aggressive Allocation Plan</b>								
Meezan Islamic Fund	5,755,580	748,041	382,610	6,121,011	464,396	415,862	(48,534)	75.00
Meezan Islamic Income Fund	1,833,808	31,430	526,686	1,338,552	68,797	69,310	513	12.50
Meezan Cash Fund	1,868,717	31,957	540,049	1,360,625	68,628	69,310	682	12.50
					<b>601,821</b>	<b>554,482</b>	<b>(47,339)</b>	<b>100</b>
<b>Moderate Allocation Plan</b>								
Meezan Islamic Fund	2,676,971	174,873	184,808	2,667,036	202,307	181,199	(21,108)	50.00
Meezan Cash Fund	2,028,032	-	249,484	1,778,548	89,692	90,599	907	25.00
Meezan Islamic Income Fund	1,990,147	-	240,452	1,749,695	89,917	90,599	682	25.00
					<b>381,916</b>	<b>362,397</b>	<b>(19,519)</b>	<b>100</b>
<b>Conservative Allocation Plan</b>								
Meezan Islamic Fund	1,335,169	181,255	110,665	1,405,759	105,884	95,507	(10,377)	25.00
Meezan Cash Fund	3,034,510	106,828	328,993	2,812,345	141,875	143,261	1,386	37.50
Meezan Islamic Income Fund	2,977,823	105,086	316,187	2,766,722	142,218	143,261	1,043	37.50
					<b>389,977</b>	<b>382,029</b>	<b>(7,948)</b>	<b>100</b>
<b>Meezan Asset Allocation Plan I</b>								
AI Meezan Mutual Fund	3,416,582	-	3,416,582	-	-	-	-	-
Meezan Islamic Fund	13,417,797	5,743,872	19,161,669	-	-	-	-	-
Meezan Sovereign Fund	908,615	-	908,207	408	21	21	-	-
Meezan Islamic Income Fund	-	28,159,388	10,465,049	17,694,338	911,121	916,213	5,092	81.29
Meezan Cash Fund	1,876,917	2,263,677	-	4,140,594	209,683	210,922	1,239	18.71
KSE Meezan Index Fund	348,329	913,313	1,261,642	-	-	-	-	-
					<b>1,120,825</b>	<b>1,127,156</b>	<b>6,331</b>	<b>100</b>
<b>Meezan Asset Allocation Plan II</b>								
Meezan Islamic Fund	10,859,058	339,033	1,000,023	10,198,068	776,411	692,857	(83,554)	80.33
Meezan Sovereign Fund	1,579,961	-	1,579,152	809	42	42	-	0.00
Meezan Islamic Income Fund	-	2,978,435	1,196,823	1,781,612	91,667	92,252	585	10.69
Meezan Cash Fund	1,574,963	39,479	92,620	1,521,822	76,754	77,521	767	8.99
					<b>944,874</b>	<b>862,672</b>	<b>(82,202)</b>	<b>100</b>
<b>Meezan Asset Allocation Plan III</b>								
AI Meezan Mutual Fund	18,794,560	-	-	18,794,560	397,317	353,338	(43,979)	13.75
Meezan Islamic Fund	28,489,889	1,120,283	4,421,971	25,188,201	1,915,029	1,711,286	(203,743)	66.61
Meezan Islamic Income Fund	7,445,192	6,318,680	8,511,130	5,252,742	270,114	271,987	1,873	10.59
Meezan Cash Fund	-	4,611,177	49,427	4,561,751	230,186	232,376	2,190	9.05
					<b>2,812,646</b>	<b>2,568,987</b>	<b>(243,659)</b>	<b>100</b>
<b>Meezan Asset Allocation Plan IV</b>								
AI Meezan Mutual Fund	3,941,239	-	-	3,941,239	83,318	74,095	(9,223)	10.74
Meezan Islamic Fund	9,021,808	-	1,944,116	7,077,692	540,807	480,859	(59,948)	69.72
Meezan Islamic Income Fund	452,694	2,798,434	2,031,943	1,219,185	62,760	63,129	369	9.15
Meezan Cash Fund	1,406,135	-	-	1,406,135	70,911	71,629	718	10.39
					<b>757,796</b>	<b>689,712</b>	<b>(68,084)</b>	<b>100</b>
<b>Total investments in units of mutual funds</b>								
AI Meezan Mutual Fund	26,152,381	-	3,416,582	22,735,799	480,635	427,433	(53,202)	6.53
Meezan Islamic Fund	71,556,272	8,307,357	27,205,862	52,657,767	4,004,834	3,577,570	(427,264)	54.64
Meezan Cash Fund	11,789,274	7,053,118	1,260,573	17,581,819	887,729	895,618	7,889	13.68
Meezan Sovereign Fund	2,488,576	-	2,487,359	1,217	63	63	-	0.00
Meezan Islamic Income Fund	14,699,664	40,391,453	23,288,270	31,802,846	1,636,594	1,646,751	10,157	25.15
Kse Meezan Index Fund	348,329	913,313	1,261,642	-	-	-	-	-
					<b>7,009,855</b>	<b>6,547,435</b>	<b>(462,420)</b>	<b>100</b>



## 6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2017 and June 30, 2017.

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs.3.38 million, 1.21 million, 1.92 million, 6.88 million, 5.61 million, 16.34 million and 2.62 million for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV respectively, (June 30, 2017 Rs. amounting to Rs.3.38 million, 1.21 million, 1.92 million, 6.88 million, 5.61 million, 16.34 million and 2.62 million for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV respectively). Had the SWWF not been provided, the NAV per unit/fund return would have been higher by Rs.0.45/0.61%, 0.20/0.31%, 0.36/0.52%, 0.36/0.62%, 0.37/0.66%, 0.36/0.64% and 0.19/0.38% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV respectively, (June 30, 2017 by Rs. 0.43/0.54%, 0.19/0.29%, 0.34/0.47%, 0.34/0.55%, 0.36/0.57%, 0.35/0.56 and 0.17/0.30%, for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV respectively, The status of initial chargeability of SWWF is same as disclosed in the annual financial statements for the year ended June 30, 2017.

## 8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited (Al Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, Al Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Asset Allocation Fund, Meezan Energy Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Islamic Income Fund, Meezan Strategic Allocation Fund, Meezan Gold Fund and Meezan Tahaffuz Pension Fund, being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons / 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 are as follows:

	September 30, 2017 (Unaudited)							Total
	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	
<b>Al Meezan Investment Management Limited</b>	(Rupees in '000)							
<b>- Management Company</b>								
Remuneration Payable (Rs in '000)	13	3	7	9	3	17	3	55
Sindh Sales Tax on Management fee Payable (Rs in '000)	2	4	1	3	4	6	1	21
Sales load payable (Rs in '000)	7	3	15	-	-	1	-	26
Sindh Sales Tax on Sales load payable (Rs in '000)	52	45	53	401	213	828	349	1,941
Allocated Expenses payable (Rs in '000)	42	30	32	94	71	211	56	536
Amount (Rs in '000)	-	-	6,872	-	28,829	147,884	-	183,585
Units	-	-	105,971	-	507,341	2,626,733	-	3,240,045
<b>Meezan Bank Limited</b>								
Bank balance (Rs in '000)	5,673	4,254	6,948	5,985	3,092	17,864	3,258	47,074
Profit Receivable (Rs in '000)	11	-	7	17	2	103	46	186
Sales load payable (Rs in '000)	1	-	-	-	-	-	-	1

September 30, 2017 (Unaudited)

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)							
<b>Central Depository Company of Pakistan Limited</b>								
<b>- Trustee</b>								
Trustee Fee payable (Rs in '000)	40	23	33	72	55	166	44	433
Sindh Sales Tax on trustee fee payable (Rs in '000)	5	3	3	9	7	22	6	55
<b>Directors and Executives of the Management Company</b>								
Amount (Rs in '000)	542	1	-	244	-	-	-	787
Units	7,383	14	-	4,109	-	-	-	11,505
<b>Meezan Islamic Fund</b>								
Amount (Rs in '000)	415,862	181,199	95,507	-	692,857	1,711,286	480,859	3,577,570
Units	6,121,011	2,667,036	1,405,759	-	10,198,068	25,188,201	7,077,692	52,657,767
<b>Meezan Sovereign Fund</b>								
Amount (Rs in '000)	-	-	-	21	42	-	-	63
Units	-	-	-	408	809	-	-	1,217
<b>AI Meezan Mutual fund</b>								
Amount (Rs in '000)	-	-	-	-	-	353,338	74,095	427,433
Units	-	-	-	-	-	18,794,560	3,941,239	22,735,799
<b>Meezan Cash Fund</b>								
Amount (Rs in '000)	69,310	90,599	143,261	210,922	77,521	232,376	71,629	895,618
Units	1,360,625	1,778,548	2,812,345	4,140,594	1,521,822	4,561,751	1,406,135	17,581,819
<b>Meezan Islamic Income Fund</b>								
Amount (Rs in '000)	69,310	90,599	143,261	916,213	92,252	271,987	63,129	1,646,751
Units	1,338,552	1,749,695	2,766,722	17,694,338	1,781,612	5,252,742	1,219,185	31,802,846
Unit Holders holding 10% or more units of the Fund	232,534	55,621	47,880	357,261	176,744	-	205,073	1,075,112

June 30, 2017 (Audited)

	Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
	(Rupees in '000)							
<b>AI Meezan Investment Management Limited</b>								
<b>- Management Company</b>								
Remuneration payable (Rs in '000)	10	4	12	2	2	12	3	45
Sindh Sales Tax Management fee payable (Rs in '000)	1	1	2	-	-	2	-	6
Sales load payable (Rs in '000)	34	-	103	-	-	-	-	137
Sindh Sales Tax and Federal Excise Duty on Sales load payable (Rs in '000)	4	-	13	-	-	-	-	17
Allocated Expenses payable (Rs in '000)	57	37	35	111	84	250	73	647
Amount (Rs in '000)	-	-	7,029	-	31,658	162,516	-	201,203
Units	-	-	105,971	-	507,341	2,626,733	-	3,240,045
<b>Meezan Bank Limited</b>								
Bank balance (Rs in '000)	8,550	8,131	2,230	1,999	9,937	12,981	2,670	46,498
Profit Receivable (Rs in '000)	-	5	22	18	5	90	49	189
<b>Central Depository Company of Pakistan Limited</b>								
<b>- Trustee</b>								
Trustee Fee payable (Rs in '000)	48	28	35	84	65	195	57	512
Sindh Sales Tax on trustee fee payable (Rs in '000)	6	4	3	11	8	25	7	64
<b>Directors and Executives of the Management Company</b>								
Amount (Rs in '000)	601	2	-	256	-	-	-	859
Units	7,534	31	-	4,109	-	-	-	11,674
<b>Meezan Islamic Fund</b>								
Amount (Rs in '000)	439,784	204,546	102,020	1,025,254	829,741	2,176,912	689,356	5,467,613
Units	5,755,580	2,676,971	1,335,169	13,417,797	10,859,058	28,489,889	9,021,808	71,556,272





		June 30, 2017 (Audited)							
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
		(Rupees in '000)							
<b>Meezan Sovereign Fund</b>									
Amount (Rs in '000)		-	-	-	46,703	81,210	-	-	127,913
Units		-	-	-	908,615	1,579,961	-	-	2,488,576
<b>Al Meezan Mutual fund</b>									
Amount (Rs in '000)		-	-	-	72,227	-	397,317	83,318	552,862
Units		-	-	-	3,416,582	-	18,794,560	3,941,239	26,152,381
<b>Meezan Cash Fund</b>									
Amount (Rs in '000)		94,239	102,274	153,030	94,653	79,425	-	70,911	594,532
Units		1,868,717	2,028,032	3,034,510	1,876,917	1,574,963	-	1,406,135	11,789,274
<b>Meezan Islamic Income Fund</b>									
Amount (Rs in '000)		94,239	102,274	153,031	-	-	382,609	23,264	755,417
Units		1,833,808	1,990,147	2,977,823	-	-	7,445,192	452,694	14,699,664
<b>KSE Meezan Index Fund</b>									
Amount (Rs in '000)		-	-	-	27,711	-	-	-	27,711
Units		-	-	-	348,329	-	-	-	348,329
Unit Holders holding 10% or more units of		252,830	58,630	48,969	379,617	194,088	-	226,733	1,160,867
		For the quarter ended September 30, 2017							
		Aggressive	Moderate	Conservative	MAAP-I	MAAP-II	MAAP-III	MAAP-IV	Total
		(Rupees in '000)							
<b>Al Meezan Investment Management Limited - Management Company</b>									
Remuneration for the quarter (Rs in '000)		43	22	32	28	7	49	20	201
Sindh Sales Tax on Management Fee (Rs in '000)		5	3	4	4	1	6	3	26
Allocated expense (Rs in '000)		143	96	99	296	229	683	191	1,737
<b>Meezan Bank Limited</b>									
Profit on saving account (Rs in '000)		69	26	59	24	18	95	18	309
<b>Central Depository Company of Pakistan Limited - Trustee</b>									
Trustee fee for the quarter (Rs in '000)		116	75	78	233	180	537	150	1,369
Sindh Sales Tax on Trustee Fee (Rs in '000)		15	9	10	30	23	70	20	177
<b>Directors and Executives of the Management Company</b>									
Amount invested during the quarter (Rs in '000)		20	-	-	-	-	-	-	20
Units issued during the period		255	-	-	-	-	-	-	255
Amount Redeemed during the quarter (Rs in '000)		32	1	-	-	-	-	-	33
Units Redeemed during the quarter		407	17	-	-	-	-	-	425
<b>Meezan Islamic Fund</b>									
Amount invested during the quarter (Rs in '000)		53,783	11,881	12,319	396,000	23,000	76,000	-	572,983
Units issued during the quarter		748,041	174,873	181,255	5,743,872	339,033	1,120,283	-	8,307,357
Amount Redeemed during the quarter (Rs in '000)		26,970	13,200	6,600	1,244,884	52,000	325,000	144,000	1,812,654
Units Redeemed during the quarter		382,610	184,808	110,665	19,161,669	1,000,023	4,421,971	1,944,116	27,205,862
<b>Meezan Sovereign Fund</b>									
Amount Redeemed during the quarter (Rs in '000)		-	-	-	46,700	81,200	-	-	127,900
Units Redeemed during the quarter		-	-	-	908,207	1,579,152	-	-	2,487,359
<b>Meezan Cash Fund</b>									
Amount invested during the quarter (Rs in '000)		1,625	-	5,438	115,030	2,000	232,680	-	356,773
Units issued during the quarter		31,957	-	106,828	2,263,677	39,479	4,611,177	-	7,053,118
Amount Redeemed during the quarter (Rs in '000)		27,286	12,666	14,437	-	4,700	2,500	-	61,589
Units Redeemed during the quarter		540,049	249,484	328,993	-	92,620	49,427	-	1,260,573

For the quarter ended September 30, 2017

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

**AI Meezan Mutual Fund**

Amount Redeemed during the quarter (Rs in '000)

-	-	-	67,990	-	-	-	67,990
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Units Redeemed during the quarter

-	-	-	3,416,582	-	-	-	3,416,582
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**Meezan Islamic Income Fund**

Amount invested during the quarter (Rs in '000)

1,625	-	5,438	1,335,662	133,200	325,000	144,000	1,944,925
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Units issued during the quarter

31,430	-	105,086	28,159,388	2,978,435	6,318,680	2,798,434	40,391,453
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Amount Redeemed during the quarter (Rs in '000)

27,077	12,415	14,057	535,636	61,520	436,910	103,630	1,191,245
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Units Redeemed during the quarter

526,686	240,452	316,187	10,465,049	1,196,823	8,511,130	2,031,943	23,288,270
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**KSE Meezan Index Fund**

Amount invested during the quarter (Rs in '000)

-	-	-	64,736	-	-	-	64,736
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Units issued during the quarter

-	-	-	913,313	-	-	-	913,313
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Amount Redeemed during the period (Rs in '000)

-	-	-	91,118	-	-	-	91,118
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Units Redeemed during the quarter

-	-	-	1,261,642	-	-	-	1,261,642
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For the quarter ended September 30, 2016

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

**AI Meezan Investment Management Limited**

**- Management Company**

Remuneration for the quarter (Rs in '000)

9	21	17	15	46	25	80	213
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Sindh Sales Tax on Management Fee (Rs in '000)

1	3	2	2	6	3	10	27
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Allocated expense (Rs in '000)

117	99	91	335	244	749	216	1,851
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**Meezan Bank Limited**

Profit on saving account (Rs in '000)

37	80	50	31	120	75	247	640
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**Central Depository Company of Pakistan Limited**

**- Trustee**

Trustee fee for the quarter (Rs in '000)

90	76	70	258	188	577	166	1,425
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Sindh Sales Tax on Trustee Fee (Rs in '000)

12	10	9	34	24	75	22	186
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**Directors and Executives of the Management Company**

Amount Redeemed during the quarter (Rs in '000)

312	-	-	-	-	-	-	312
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Units Redeemed during the quarter

4,069	-	-	-	-	-	-	4,069
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**Meezan Islamic Fund**

Amount invested during the quarter (Rs in '000)

10,220	29,200	25,625	-	-	-	245,000	310,045
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Units issued during the quarter

145,239	417,114	369,494	-	-	-	3,467,084	4,398,931
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Amount Redeemed during the quarter (Rs in '000)

14,982	15,370	5,215	253,000	158,000	499,500	-	946,067
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Units Redeemed during the quarter

212,806	218,247	73,885	3,665,403	2,278,948	7,208,146	-	13,657,435
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**Meezan Sovereign Fund**

Amount invested during the quarter (Rs in '000)

9,492	34,270	80,115	253,000	158,000	-	-	534,877
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Units issued during the quarter

184,606	667,316	1,566,350	4,960,433	3,096,427	-	-	10,475,132
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Amount Redeemed during the quarter (Rs in '000)

4,230	10,300	5,925	29,410	1,080	-	-	50,945
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Units Redeemed during the quarter

82,625	201,097	115,672	572,710	21,111	-	-	993,215
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**AI Meezan Mutual Fund**

Amount invested during the quarter (Rs in '000)

-	-	-	-	-	-	71,000	71,000
---	---	---	---	---	---	--------	--------

Units issued during the quarter

-	-	-	-	-	-	3,764,581	3,764,581
---	---	---	---	---	---	-----------	-----------

**Meezan Islamic Income Fund**

Amount invested during the quarter (Rs in '000)

-	-	-	-	-	499,500	448,000	947,500
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Units issued during the quarter

-	-	-	-	-	9,704,412	8,731,455	18,435,867
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Amount Redeemed during the quarter (Rs in '000)

-	-	-	-	-	40,770	318,735	359,505
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Units Redeemed during the quarter

-	-	-	-	-	788,635	6,203,718	6,992,353
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#### **9. ALLOCATED EXPENSES**

During the quarter, fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC Regulations, 2008.

#### **10. EXPENSE RATIO**

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS/ the fund. TER for the quarter ended September 30, 2017 is 0.33%, 0.39%, 0.33%, 0.37%, 0.30%, 0.31% and 0.31% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV, respectively, which includes 0.11%, 0.11%, 0.11%, 0.11%, 0.11%, 0.11% and 0.11% for Aggressive Allocation Plan, Conservative Allocation Plan, Moderate Allocation Plan, MAAP-I, MAAP-II, MAAP-III and MAAP-IV, respectively, representing government levy, Worker Welfare Fund and SECP fee in each allocation plan.

#### **11. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. 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 quarter as the Management Company management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2018 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).

#### **12. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

September 30, 2017

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments	6,547,435	-	-	-	6,547,435	6,547,435	-	-	6,547,435
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Balances with banks	12.1	-	-	48,317	-	48,317			
Receivable on issuance and conversion of units	12.1	-	521	-	-	521			
Receivable against investments (net)	12.1	-	13,919	-	-	13,919			
Profit receivable on saving accounts with banks	12.1	-	208	-	-	208			
		<u>6,547,435</u>	<u>14,648</u>	<u>48,317</u>	<u>-</u>	<u>6,610,400</u>			
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	12.1	-	-	-	2,579	2,579			
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	12.1	-	-	-	488	488			
Payable to Meezan Bank Limited (MBL)	12.1	-	-	-	1	1			
Payable on redemption and conversion of units	12.1	-	-	-	19,563	19,563			
Accrued expenses and other liabilities	12.1	-	-	-	14,156	14,156			
		<u>-</u>	<u>-</u>	<u>-</u>	<u>36,787</u>	<u>36,787</u>			

June 30, 2017

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments	7,526,048	-	-	-	7,526,048	7,526,048	-	-	7,526,048
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Balances with banks	12.1	-	-	5,090,527	-	5,090,527			
Receivable on issuance and conversion of units	12.1	-	2,126	-	-	2,126			
Receivable against investment	12.1	-	88,275	-	-	88,275			
Profit receivable on saving accounts with banks	12.1	-	1,549	-	-	1,549			
		<u>7,526,048</u>	<u>91,950</u>	<u>5,090,527</u>	<u>-</u>	<u>12,708,525</u>			
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited - Management Company	12.1	-	-	-	1,293	1,293			
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	12.1	-	-	-	874	874			
Payable to Meezan Bank Limited (MBL)	12.1	-	-	-	3	3			
Payable on redemption and conversion of units	12.1	-	-	-	110,683	110,683			
Dividend Payable	12.1	-	-	-	1,261	1,261			
Accrued expenses and other liabilities	12.1	-	-	-	30,226	30,226			
		<u>-</u>	<u>-</u>	<u>-</u>	<u>144,340</u>	<u>144,340</u>			



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

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

**13.1** These condensed interim financial information were authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**





# Meezan

Strategic Allocation Fund

Meezan Strategic Allocation Plan is a Shariah Compliant scheme which will use active asset allocation strategy for providing competitive returns on your investment. It is a unique asset allocation plan for investors who wish to benefit from the equity market and want an actively managed investment portfolio with diversification.

## 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. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

A. F. Ferguson & Co.,  
Chartered Accountants  
State Life Building # 1-C,  
I.I. Chundrigar Road, Karachi-74000

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

Meezan Bank Limited  
Habib Metropolitan Bank Limited - Islamic Banking

### LEGAL ADVISER

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

### TRANSFER AGENT

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

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited





## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017

September 30, 2017 (Unaudited)						
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	Total
(Rupees in '000)						
<b>Assets</b>						
	10,321	7,328	116	6,112	59,337	83,214
Balances with banks						
Investments	2,326,054	1,498,249	1,601,532	1,793,850	241,860	7,461,545
5						
Receivable against issuance and conversion of units	-	-	-	-	60	60
Other receivables	112	24	57	23	92	308
<b>Total assets</b>	<b>2,336,487</b>	<b>1,505,601</b>	<b>1,601,705</b>	<b>1,799,985</b>	<b>301,349</b>	<b>7,545,127</b>
<b>Liabilities</b>						
Payable to AI Meezan Investment Management Limited (AI Meezan) - Management Company	235	131	132	155	2,775	3,428
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	171	110	117	131	8	537
Payable to Meezan Bank Limited (MBL)	-	-	-	-	879	879
Payable to Securities and Exchange Commission of Pakistan (SECP)	589	375	399	448	9	1,820
Payable against investments (net)	-	-	-	-	54,000	54,000
Accrued expenses and other liabilities	4,637	28	11	15	1	4,692
7						
<b>Total liabilities</b>	<b>5,632</b>	<b>644</b>	<b>659</b>	<b>749</b>	<b>57,672</b>	<b>65,356</b>
<b>Net assets</b>	<b>2,330,855</b>	<b>1,504,957</b>	<b>1,601,046</b>	<b>1,799,236</b>	<b>243,677</b>	<b>7,479,771</b>
<b>Contingencies and commitments</b>						
6						
<b>Unitholders' fund (as per statement attached)</b>	<b>2,330,855</b>	<b>1,504,957</b>	<b>1,601,046</b>	<b>1,799,236</b>	<b>243,677</b>	<b>7,479,771</b>
(Number of units)						
<b>Number of units in issue</b>	<b>50,585,063</b>	<b>33,397,925</b>	<b>36,274,660</b>	<b>40,267,554</b>	<b>4,913,167</b>	
(Rupees)						
<b>Net assets value per unit</b>	<b>46.08</b>	<b>45.06</b>	<b>44.14</b>	<b>44.68</b>	<b>49.60</b>	

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

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

**Chief Executive**

**Director**

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2017

		June 30, 2017 (Audited)				
		MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
Note		(Rupees in '000)				
<b>Assets</b>						
	Balances with banks	9,497	2,172	278	252,575	264,522
5	Investments	2,656,410	1,660,935	1,766,594	1,806,140	7,890,079
	Receivable against issuance and conversion of units	-	10	-	10,450	10,460
	Other receivables	85	13	407	628	1,133
	<b>Total assets</b>	<b>2,665,992</b>	<b>1,663,130</b>	<b>1,767,279</b>	<b>2,069,793</b>	<b>8,166,194</b>
<b>Liabilities</b>						
	Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	267	142	165	10,234	10,808
	Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	199	124	132	87	542
	Payable to Meezan Bank Limited (MBL)	-	-	-	5,446	5,446
	Payable to Securities and Exchange Commission of Pakistan (SECP)	1,653	755	474	106	2,988
	Payable against investments (net)	-	-	-	54,993	54,993
	Payable against redemption and conversion of units	-	181	-	-	181
	Dividend payable	75	-	-	-	75
7	Accrued expenses and other liabilities	35,122	78	51	25,677	60,928
	<b>Total liabilities</b>	<b>37,316</b>	<b>1,280</b>	<b>822</b>	<b>96,543</b>	<b>135,961</b>
	<b>Net assets</b>	<b>2,628,676</b>	<b>1,661,850</b>	<b>1,766,457</b>	<b>1,973,250</b>	<b>8,030,233</b>
	<b>Contingencies and commitments</b>					
6	<b>Unitholders' fund (as per statement attached)</b>	<b>2,628,676</b>	<b>1,661,850</b>	<b>1,766,457</b>	<b>1,973,250</b>	<b>8,030,233</b>
		(Number of units)				
	<b>Number of units in issue</b>	<b>52,089,276</b>	<b>33,651,995</b>	<b>36,540,221</b>	<b>40,689,606</b>	
		(Rupees)				
	<b>Net assets value per unit</b>	<b>50.46</b>	<b>49.38</b>	<b>48.34</b>	<b>48.50</b>	

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

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

**Chief Executive**

**Director**



## CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER / PERIOD ENDED SEPTEMBER 30, 2017 (UNAUDITED)

Note	September 30, 2017					For the period from August 15, 2017 to September 30, 2017	
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	Total	
	(Rupees in '000)						
<b>Income</b>							
	(6,643)	(1,488)	(437)	356	52	(8,160)	
	97	22	1	222	106	448	
	3,118	357	372	580	-	4,427	
	(3,428)	(1,109)	(64)	1,158	158	(3,285)	
5.1	(220,653)	(142,648)	(151,644)	(153,274)	(982)	(669,201)	
	<b>Total loss</b>	<b>(224,081)</b>	<b>(143,757)</b>	<b>(151,708)</b>	<b>(152,116)</b>	<b>(824)</b>	<b>(672,486)</b>
<b>Expenses</b>							
	26	11	1	118	43	199	
	3	1	-	15	6	25	
9	620	395	420	472	10	1,917	
	485	309	329	369	8	1,500	
	63	40	43	48	1	195	
	589	375	399	448	9	1,820	
	32	20	21	19	-	92	
	30	21	21	23	-	95	
	3	2	2	2	-	9	
	5	1	8	1	1	16	
	<b>Total expenses</b>	<b>1,856</b>	<b>1,175</b>	<b>1,244</b>	<b>1,515</b>	<b>78</b>	<b>5,868</b>
	<b>Net loss for the quarter / period before taxation</b>	<b>(225,937)</b>	<b>(144,932)</b>	<b>(152,952)</b>	<b>(153,631)</b>	<b>(902)</b>	<b>(678,354)</b>
11	Taxation	-	-	-	-	-	-
	<b>Net loss for the quarter / period after taxation</b>	<b>(225,937)</b>	<b>(144,932)</b>	<b>(152,952)</b>	<b>(153,631)</b>	<b>(902)</b>	<b>(678,354)</b>
	Other comprehensive income for the quarter / period	-	-	-	-	-	-
	<b>Total comprehensive income for the quarter / period</b>	<b>(225,937)</b>	<b>(144,932)</b>	<b>(152,952)</b>	<b>(153,631)</b>	<b>(902)</b>	<b>(678,354)</b>
<b>Allocation of net income for the quarter / period</b>							
	Net loss for the quarter / period after taxation	(225,937)	(144,932)	(152,952)	(153,631)	(902)	(678,354)
	Loss on units redeemed	7,254	589	379	89	-	8,311
		<b>(218,683)</b>	<b>(144,343)</b>	<b>(152,573)</b>	<b>(153,542)</b>	<b>(902)</b>	<b>(670,043)</b>
	Accounting income available for distribution	-	-	-	-	-	-

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

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

**Chief Executive**

**Director**

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE QUARTER / PERIOD ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30, 2017					For the period from August 15, 2017 to September 30, 2017
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	Total
	(Rupees in '000)					
Net assets at beginning of the quarter / period	2,628,676	1,661,850	1,766,457	1,973,250	-	8,030,233
Issuance of units:						
MSAP - I: Nil						
MSAP - II: Nil						
MSAP - III: Nil						
MSAP - IV: Nil						
MSAP - V: 4,917,566 units	-	-	-	-	244,799	244,799
Redemption of units:						
MSAP - I: 1,504,213 units						
MSAP - II: 254,070 units						
MSAP - III: 265,561 units						
MSAP - IV: 422,052 units						
MSAP - V: 4,399 units						
	(71,884)	(11,961)	(12,459)	(20,383)	(220)	(116,907)
	(71,884)	(11,961)	(12,459)	(20,383)	244,579	127,892
Loss on units redeemed	(7,254)	(589)	(379)	(89)	-	(8,311)
Total comprehensive income for the quarter / period including loss on units redeemed	(218,683)	(144,343)	(152,573)	(153,542)	(902)	(670,043)
Distribution	-	-	-	-	-	-
Net loss for the quarter / period less distribution	(218,683)	(144,343)	(152,573)	(153,542)	(902)	(670,043)
Net assets at end of the quarter / period	<u>2,330,855</u>	<u>1,504,957</u>	<u>1,601,046</u>	<u>1,799,236</u>	<u>243,677</u>	<u>7,479,771</u>
<b>Distribution for the quarter / period</b>						
Undistributed income / (accumulated loss) brought forward						
- Realised	14,757	123,883	99,795	82,154	-	320,589
- Unrealised	9,456	(144,632)	(160,349)	(143,384)	-	(438,909)
	<u>24,213</u>	<u>(20,749)</u>	<u>(60,554)</u>	<u>(61,230)</u>	<u>-</u>	<u>(118,320)</u>
Total comprehensive income for the quarter / period including loss on units redeemed	(218,683)	(144,343)	(152,573)	(153,542)	(902)	(670,043)
Distribution	-	-	-	-	-	-
Undistributed income / (accumulated loss) carried forward	<u>(194,470)</u>	<u>(165,092)</u>	<u>(213,127)</u>	<u>(214,772)</u>	<u>(902)</u>	<u>(788,363)</u>
Undistributed income / (accumulated loss) carried forward						
- Realised	26,183	(22,444)	(61,483)	(61,498)	80	(119,162)
- Unrealised	(220,653)	(142,648)	(151,644)	(153,274)	(982)	(669,201)
	<u>(194,470)</u>	<u>(165,092)</u>	<u>(213,127)</u>	<u>(214,772)</u>	<u>(902)</u>	<u>(788,363)</u>
	(Rupees)					
Net assets value per unit at beginning of the quarter / period	<u>50.46</u>	<u>49.38</u>	<u>48.34</u>	<u>48.50</u>	<u>-</u>	
Net assets value per unit at end of the quarter / period	<u>46.08</u>	<u>45.06</u>	<u>44.14</u>	<u>44.68</u>	<u>49.60</u>	

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

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

**Chief Executive**

**Director**



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER / PERIOD ENDED SEPTEMBER 30, 2017 (UNAUDITED)

Note	September 30, 2017					Total	
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V		
	(Rupees in '000)						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net loss for the quarter / period before taxation	(225,937)	(144,932)	(152,952)	(153,631)	(902)	(678,354)	
<b>Adjustments for:</b>							
Unrealised diminution on re-measurement of investments 'at fair value through profit or loss' (net)	5.1	220,653	142,648	151,644	153,274	982	669,201
		(5,284)	(2,284)	(1,308)	(357)	80	(9,153)
<b>Decrease / (increase) in assets</b>							
Investments (net)	109,703	20,038	13,418	(140,984)	(242,842)	(240,667)	
Other receivables	(27)	(11)	350	605	(92)	825	
	109,676	20,027	13,768	(140,379)	(242,934)	(239,842)	
<b>(Decrease) / increase in liabilities</b>							
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	(32)	(11)	(33)	(10,079)	2,775	(7,380)	
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	(28)	(14)	(15)	44	8	(5)	
Payable to Meezan Bank Limited (MBL)	-	-	-	(5,446)	879	(4,567)	
Payable to Securities and Exchange Commission of Pakistan (SECP)	(1,064)	(380)	(75)	342	9	(1,168)	
Payable against investments (net)	-	-	-	(54,993)	54,000	(993)	
Accrued expenses and other liabilities	(30,485)	(50)	(40)	(25,662)	1	(56,236)	
	(31,609)	(455)	(163)	(95,794)	57,672	(70,349)	
<b>Net cash generated from / (used in) operating activities</b>	<b>72,783</b>	<b>17,288</b>	<b>12,297</b>	<b>(236,530)</b>	<b>(185,182)</b>	<b>(319,344)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Receipts against issuance and conversion of units	-	10	-	10,450	244,739	255,199	
Payments against redemption and conversion of units	(71,884)	(12,142)	(12,459)	(20,383)	(220)	(117,088)	
Dividend paid	(75)	-	-	-	-	(75)	
<b>Net cash (used in) / generated from financing activities</b>	<b>(71,959)</b>	<b>(12,132)</b>	<b>(12,459)</b>	<b>(9,933)</b>	<b>244,519</b>	<b>138,036</b>	
Net increase / (decrease) in cash and cash equivalents during the quarter / period	824	5,156	(162)	(246,463)	59,337	(181,308)	
Cash and cash equivalents at beginning of the quarter / period	9,497	2,172	278	252,575	-	264,522	
Cash and cash equivalents at end of the quarter / period	10,321	7,328	116	6,112	59,337	83,214	

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

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

**Chief Executive**

**Director**

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER / PERIOD ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Strategic Allocation Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on September 8, 2016 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 October 10, 2016. The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of equity schemes and fixed income / money market schemes, 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. Units are offered for public subscription on a continuous basis till 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. The Fund is listed on Pakistan Stock Exchange.
- 1.4** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund. The Fund's property comprises of different types of allocation plans which are accounted for and maintained separately in books of accounts and collectively constitute the Fund's property.
- 1.5** The Management Company of the Fund has been given quality rating of AM1 by JCR-VIS Credit Rating Company Limited.
- 1.6** The Fund is an open-end Shariah compliant Fund of Funds Scheme that aims to generate returns on investment as per allocation plans (sub funds) namely Meezan Strategic Allocation Plan-I (MSAP-I), Meezan Strategic Allocation Plan-II (MSAP-II), Meezan Strategic Allocation Plan-III (MSAP-III), Meezan Strategic Allocation Plan-IV (MSAP-IV) and Meezan Strategic Allocation Plan-V (MSAP-V) by investing in Shariah compliant fixed income / money market and equity mutual funds in line with the risk tolerance of the investor. Investors of the Fund may hold different types of allocation plans and may invest in any one or more of the available allocation plans. The management may also invest in other Collective Investments Schemes available to it with prior approval of SECP.
- 1.7** In the current quarter / period, one plan Meezan Strategic Allocation Plan-V (MSAP-V) was introduced. The brief description of the plans is as follows:



<p>Meezan Strategic Allocation Plan-I (MSAP-I)</p>	<p><i>Low risk - High return through asset allocation</i> The allocation plan commenced its operations from October 19, 2016 and 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. December 2, 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.</p>
<p>Meezan Strategic Allocation Plan-II (MSAP-II)</p>	<p><i>Low risk - High return through asset allocation</i> This allocation plan commenced its operations from December 22, 2016 and 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 31, 2017). 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.</p>
<p>Meezan Strategic Allocation Plan-III (MSAP-III)</p>	<p><i>Low risk - High return through asset allocation</i> This allocation plan commenced its operations from February 20, 2017 and 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. April 03, 2017). 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.</p>
<p>Meezan Strategic Allocation Plan-IV (MSAP-IV)</p>	<p><i>Low risk - High return through asset allocation</i> This allocation plan commenced its operations from April 24, 2017 and 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. June 30, 2017). 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.</p>
<p>Meezan Strategic Allocation Plan-V (MSAP-V)</p>	<p><i>Low risk - High return through asset allocation</i> This allocation plan commenced its operations from August 15, 2017 and 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. The units are still being offered for public subscription till September 30, 2017. 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.</p>

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

## **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.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the period ended June 30, 2017.

## **3. STATEMENT OF COMPLIANCE**

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions and directives issued under the Companies Ordinance, 1984, the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP. In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules 2003, the NBFC Regulations 2008 and directives issued by the SECP have been followed.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the period ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it represented income earned during the year, the unrealized appreciation / (diminution) during the year on 'available for sale' securities was included in the Distribution Statement. Due to changes in the NBFC Regulations, Element of Income is now a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the period ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the period ended June 30, 2017.





## 5. INVESTMENTS

September 30, 2017 (Unaudited)							
Note	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	Total	
(Rupees in '000)							
<b>Investments</b>							
- 'at fair value through profit or loss'							
- Held for trading	5.1	2,326,054	1,498,249	1,601,532	1,793,850	241,860	7,461,545
June 30, 2017 (Audited)							
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	Total	
(Rupees in '000)							
Investments							
- 'at fair value through profit or loss'							
- Held for trading	2,656,410	1,660,935	1,766,594	1,806,140	-	7,890,079	

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

Name of the investee funds	As at July 1, 2017	Purchases during the quarter / period	Redemptions during the quarter / period	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised (loss) / gain as at September 30, 2017	Percentage of market value of total investment
	(Number of units)			(Rupees in '000)				%
<b>Meezan Strategic Allocation Plan-I</b>								
Al Meezan Mutual Fund	13,489,277	-	-	13,489,277	285,163	253,598	(31,565)	10.90
Meezan Cash Fund	-	3,993,262	434,955	3,558,307	179,552	181,260	1,708	7.79
Meezan Islamic Fund	24,362,251	884,434	1,626,069	23,620,616	1,797,410	1,604,785	(192,625)	68.99
Meezan Islamic Income Fund	9,918,797	2,269,451	6,656,940	5,531,308	284,582	286,411	1,829	12.31
					<b>2,546,707</b>	<b>2,326,054</b>	<b>(220,653)</b>	<b>100.00</b>
<b>Meezan Strategic Allocation Plan-II</b>								
Al Meezan Mutual Fund	26,045,712	-	-	26,045,712	550,606	489,659	(60,947)	32.68
Meezan Cash Fund	2,519,985	-	-	2,519,985	127,083	128,368	1,285	8.57
Meezan Islamic Fund	10,307,902	604,363	361,505	10,550,760	801,004	716,819	(84,185)	47.84
Meezan Islamic Income Fund	3,806,559	505,115	1,155,958	3,155,716	162,204	163,403	1,199	10.91
					<b>1,640,897</b>	<b>1,498,249</b>	<b>(142,648)</b>	<b>100.00</b>
<b>Meezan Strategic Allocation Plan-III</b>								
Meezan Cash Fund	9,748	3,606,817	-	3,616,565	182,491	184,228	1,737	11.50
Meezan Islamic Fund	18,334,830	633,844	99,389	18,869,285	1,436,370	1,281,979	(154,391)	80.05
Meezan Islamic Income Fund	7,105,227	135,976	4,627,748	2,613,455	134,315	135,325	1,010	8.45
					<b>1,753,176</b>	<b>1,601,532</b>	<b>(151,644)</b>	<b>100.00</b>
<b>Meezan Strategic Allocation Plan-IV</b>								
Al Meezan Mutual Fund	2,151,219	-	-	2,151,219	45,477	40,443	(5,034)	2.25
Meezan Cash Fund	1,201,553	2,576,298	-	3,777,851	190,594	192,444	1,850	10.73
Meezan Islamic Fund	16,203,703	2,887,631	-	19,091,334	1,449,133	1,297,065	(152,068)	72.31
Meezan Islamic Income Fund	8,988,987	1,945,526	5,837,996	5,096,517	261,920	263,898	1,978	14.71
					<b>1,947,124</b>	<b>1,793,850</b>	<b>(153,274)</b>	<b>100.00</b>
<b>Meezan Strategic Allocation Plan-V</b>								
Meezan Cash Fund	-	3,302,515	1,122,204	2,180,311	111,004	111,065	61	45.92
Meezan Islamic Fund	-	1,336,287	-	1,336,287	91,838	90,787	(1,051)	37.54
Meezan Islamic Income Fund	-	772,648	-	772,648	40,000	40,008	8	16.54
					<b>242,842</b>	<b>241,860</b>	<b>(982)</b>	<b>100.00</b>
<b>Total investments in units of mutual funds</b>								
Al Meezan Mutual Fund	41,686,208	-	-	41,686,208	881,246	783,700	(97,546)	10.50
Meezan Cash Fund	3,731,286	13,478,892	1,557,159	15,653,019	790,724	797,365	6,641	10.69
Meezan Islamic Fund	69,208,686	6,346,559	2,086,963	73,468,282	5,575,755	4,991,435	(584,320)	66.90
Meezan Islamic Income Fund	29,819,570	5,628,716	18,278,642	17,169,644	883,021	889,045	6,024	11.92
					<b>8,130,746</b>	<b>7,461,545</b>	<b>(669,201)</b>	<b>100.00</b>

## 6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2017 and June 30, 2017.

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs. 4.48 million in MSAP-I (June 30, 2017: Rs. 4.48 million). Had the SWWF not been provided, the NAV per unit /Fund return would have been higher by Rs. 0.09/0.19% (June 30, 2017: Rs. 0.09 / 0.17%) in MSAP-I. The status of initial chargeability of SWWF is same as disclosed in the audited financial statements for the period ended June 30, 2017.

## 8. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include AI Meezan Investment Management Limited (AI Meezan) being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited (MBL) being the holding company of the Management Company, Directors and Executives of the Management Company, Meezan Islamic Fund, AI Meezan Mutual Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Asset Allocation Fund, Meezan Energy Fund, Meezan Islamic Income Fund, Meezan Sovereign Fund, Meezan Cash Fund, Meezan Financial Planning Fund of Funds, Meezan Gold Fund and Meezan Tahaffuz Pension Fund being the Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, AI Meezan Investment Management Limited Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons / 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 are as follows:

	September 30, 2017 (Unaudited)					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	Total
<b>AI Meezan Investment Management Limited (AI Meezan) - Management Company</b>						
Remuneration payable (Rs. in '000)	8	6	-	6	38	58
Sindh Sales Tax on management fee (Rs. in '000)	1	1	-	1	5	8
Sales load payable (Rs. in '000)	29	-	-	-	2,410	2,439
Sindh Sales Tax on sales load payable (Rs. in '000)	4	-	-	-	313	317
Allocated expenses (Rs. in '000)	193	124	132	148	9	606
Investment (Rs. in '000)	-	90,102	-	-	-	90,102
Investment (Units)	-	1,999,600	-	-	-	1,999,600
<b>Meezan Bank Limited (MBL)</b>						
Bank balance (Rs. in '000)	10,311	7,328	116	6,112	59,337	83,204
Profit receivable (Rs. in '000)	23	13	1	23	92	152
Sales load payable (Rs. in '000)	-	-	-	-	778	778
Sindh Sales Tax on sales load payable (Rs. in '000)	-	-	-	-	101	101
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>						
Trustee fee payable (Rs. in '000)	152	97	103	116	7	475
Sindh Sales Tax on trustee fee payable (Rs. in '000)	19	13	14	15	1	62
<b>Directors and Executives of the Management Company</b>						
Investment (Rs. in '000)	284	-	16,169	-	-	16,453
Investment (Units)	6,156	-	366,318	-	-	372,474
<b>AI Meezan Mutual Fund</b>						
Investment (Rs. in '000)	253,598	489,659	-	40,443	-	783,700
Investment (Units)	13,489,277	26,045,712	-	2,151,219	-	41,686,208



September 30, 2017 (Unaudited)

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	Total
<b>Meezan Cash Fund</b>						
Investment (Rs. in '000)	181,260	128,368	184,228	192,444	111,065	797,365
Investment (Units)	3,558,307	2,519,985	3,616,565	3,777,851	2,180,311	15,653,019
<b>Meezan Islamic Fund</b>						
Investment (Rs. in '000)	1,604,785	716,819	1,281,979	1,297,065	90,787	4,991,435
Investment (Units)	23,620,616	10,550,760	18,869,285	19,091,334	1,336,287	73,468,282
<b>Meezan Islamic Income Fund</b>						
Investment (Rs. in '000)	286,411	163,403	135,325	263,898	40,008	889,045
Investment (Units)	5,531,308	3,155,716	2,613,455	5,096,517	772,648	17,169,644
<b>Unitholders holding 10% or more units of the Fund</b>						
Investment (Rs. in '000)	-	-	293,347	446,354	42,616	782,317
Investment (Units)	-	-	6,645,828	9,990,010	859,191	17,495,029

June 30, 2017 (Audited)

	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total
<b>Al Meezan Investment Management Limited (Al Meezan) - Management Company</b>					
Remuneration payable (Rs. in '000)	9	2	14	285	310
Sindh Sales Tax on management fee (Rs. in '000)	1	-	2	37	40
Sales load payable (Rs. in '000)	29	-	-	8,685	8,714
Sindh Sales Tax on sales load payable (Rs. in '000)	4	-	-	1,129	1,133
Allocated expenses (Rs. in '000)	224	140	149	98	611
Investment (Rs. in '000)	-	98,740	-	-	98,740
Investment (Units)	-	1,999,600	-	-	1,999,600
<b>Meezan Bank Limited (MBL)</b>					
Bank balance (Rs. in '000)	9,487	2,172	278	252,575	264,512
Profit receivable (Rs. in '000)	4	2	26	628	660
Sales load payable (Rs. in '000)	-	-	-	4,820	4,820
Sindh Sales Tax on sales load payable (Rs. in '000)	-	-	-	626	626
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>					
Trustee fee payable (Rs. in '000)	176	110	117	77	480
Sindh Sales Tax on trustee fee payable (Rs. in '000)	23	14	15	10	62
<b>Directors and Executives of the Management Company</b>					
Investment (Rs. in '000)	311	-	17,708	-	18,019
Investment (Units)	6,156	-	366,318	-	372,474
<b>Al Meezan Mutual Fund</b>					
Investment (Rs. in '000)	285,163	550,606	-	45,477	881,246
Investment (Units)	13,489,277	26,045,712	-	2,151,219	41,686,208
<b>Meezan Cash Fund</b>					
Investment (Rs. in '000)	-	127,083	492	60,594	188,169
Investment (Units)	-	2,519,985	9,748	1,201,553	3,731,286

	June 30, 2017 (Audited)					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	Total	
<b>Meezan Islamic Fund</b>						
Investment (Rs. in '000)	1,861,520	787,627	1,400,964	1,238,125	5,288,236	
Investment (Units)	24,362,251	10,307,902	18,334,830	16,203,703	69,208,686	
<b>Meezan Islamic Income Fund</b>						
Investment (Rs. in '000)	509,727	195,619	365,138	461,944	1,532,428	
Investment (Units)	9,918,797	3,806,559	7,105,227	8,988,987	29,819,570	
<b>Unitholders holding 10% or more units of the Fund</b>						
Investment (Rs. in '000)	-	-	321,259	484,515	805,774	
Investment (Units)	-	-	6,645,828	9,990,010	16,635,838	
				<b>For the period from August 15, 2017 to September 30, 2017</b>		
	<b>For the quarter ended September 30, 2017</b>					
	MSAP-I	MSAP-II	MSAP-III	MSAP-IV	MSAP-V	Total
<b>Al Meezan Investment Management Limited (Al Meezan) - Management Company</b>						
Remuneration for the quarter / period (Rs. in '000)	26	11	1	118	43	199
Sindh Sales Tax on management fee (Rs. in '000)	3	1	-	15	6	25
Allocated expenses (Rs. in '000)	620	395	420	472	10	1,917
<b>Meezan Bank Limited (MBL)</b>						
Profit on saving account (Rs. in '000)	97	22	1	222	106	448
<b>Central Depository Company of Pakistan Limited (CDC) - Trustee</b>						
Trustee fee (Rs. in '000)	485	309	329	369	8	1,500
Sindh Sales Tax on trustee fee (Rs. in '000)	63	40	43	48	1	195
<b>Meezan Cash Fund</b>						
Invested during the quarter / period (Rs. in '000)	201,500	-	182,000	130,000	168,000	681,500
Invested during the quarter / period (Units)	3,993,262	-	3,606,817	2,576,298	3,302,515	13,478,892
Redeemed during the quarter / period (Rs. in '000)	22,000	-	-	-	57,048	79,048
Redeemed during the quarter / period (Units)	434,955	-	-	-	1,122,204	1,557,159
<b>Meezan Islamic Fund</b>						
Invested during the quarter / period (Rs. in '000)	60,000	41,000	43,000	211,007	91,838	446,845
Invested during the quarter / period (Units)	884,434	604,363	633,844	2,887,631	1,336,287	6,346,559
Redeemed during the quarter / period (Rs. in '000)	117,000	26,000	7,000	-	-	150,000
Redeemed during the quarter / period (Units)	1,626,069	361,505	99,389	-	-	2,086,963
<b>Meezan Islamic Income Fund</b>						
Invested during the quarter / period (Rs. in '000)	117,000	26,000	7,000	100,000	40,000	290,000
Invested during the quarter / period (Units)	2,269,451	505,115	135,976	1,945,526	772,648	5,628,716
Redeemed during the quarter / period (Rs. in '000)	342,560	59,550	237,980	300,380	-	940,470
Redeemed during the quarter / period (Units)	6,656,940	1,155,958	4,627,748	5,837,996	-	18,278,642



## 9. ALLOCATED EXPENSES

During the quarter / period, Fund was charged 0.1% of average annual net assets as allocated expense according to Regulation 60 of NBFC Regulations, 2008.

## 10. EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of the CIS/Fund. TER of the Fund for the quarter / period ended September 30, 2017 is 0.30%, 0.30%, 0.30%, 0.32% and 0.10% which include 0.11%, 0.11%, 0.11%, 0.11% and 0.02% representing government levy, Worker Welfare Fund and SECP fee for MSAP-I, MSAP-II, MSAP-III, MSAP-IV and MSAP-V respectively.

## 11. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. 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 quarter / period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the period / year ended June 30, 2018, 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).

## 12. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
September 30, 2017									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments	7,461,545	-	-	-	7,461,545	7,461,545	-	-	7,461,545
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Balances with banks	12.1	-	83,214	-	83,214				
Receivable against issuance and conversion of units	12.1	60	-	-	60				
Other receivables	12.1	163	-	-	163				
		<u>7,461,545</u>	<u>223</u>	<u>83,214</u>	<u>-</u>				<u>7,544,982</u>
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	12.1	-	-	3,428	3,428				
Payable to Central Depository Company Pakistan Limited (CDC) - Trustee	12.1	-	-	537	537				
Payable to Meezan Bank Limited (MBL)	12.1	-	-	879	879				
Payable against investments (net)	12.1	-	-	54,000	54,000				
Accrued expenses and other liabilities	12.1	-	-	211	211				
		<u>-</u>	<u>-</u>	<u>59,055</u>	<u>59,055</u>				

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>June 30, 2017</b>									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments	7,890,079	-	-	-	7,890,079	7,890,079	-	-	7,890,079
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Balances with banks	12.1	-	-	264,522	-	264,522			
Receivable against issuance and conversion of units	12.1	-	10,460	-	-	10,460			
Other receivables	12.1	-	999	-	-	999			
		<u>7,890,079</u>	<u>11,459</u>	<u>264,522</u>	<u>-</u>	<u>8,166,060</u>			
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited (Al Meezan) - Management Company	12.1	-	-	-	10,808	10,808			
Payable to Central Depository Company Pakistan Limited (CDC) - Trustee	12.1	-	-	-	542	542			
Payable to Meezan Bank Limited (MBL)	12.1	-	-	-	5,446	5,446			
Payable against investments (net)	12.1	-	-	-	54,993	54,993			
Payable against redemption and conversion of units	12.1	-	-	-	181	181			
Dividend payable	12.1	-	-	-	75	75			
Accrued expenses and other liabilities	12.1	-	-	-	25,976	25,976			
		<u>-</u>	<u>-</u>	<u>-</u>	<u>98,021</u>	<u>98,021</u>			

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

### **13. DATE OF AUTHORISATION FOR ISSUE AND GENERAL**

**13.1** There are no corresponding figures in Meezan Strategic Allocation Plan I, Meezan Strategic Allocation Plan II, Meezan Strategic Allocation Plan III, Meezan Strategic Allocation Plan IV and Meezan Strategic Allocation Plan V as these plans commenced its operations from October 19, 2016, December 22, 2016, February 20, 2017, April 24, 2017 and August 15, 2017 respectively.

**13.2** This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Management Company.

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

**Chief Executive**

**Director**



# Meezan

## Tahaffuz Pension Fund

Meezan Tahaffuz Pension Fund is Pakistan's first and the largest Shariah Compliant Voluntary Pension Scheme. MTPF is the best way to save and invest for your post-retirement needs and it has the potential to deliver superior returns with the added advantage of providing immense Tax Benefits which significantly enhances the yield on your investment.

## FUND INFORMATION

### PENSION FUND MANAGER

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

### BOARD OF DIRECTORS OF THE PENSION FUND MANAGER

Mr. Ariful Islam	Non-Executive	Chairman
Mr. Mohammad Shoaib, CFA	Chief Executive	
Mr. P. Ahmed	Independent	
Mr. Moin M. Fudda	Independent	
Mr. Atif Azeem	Independent	
Mr. Mazhar Sharif	Non-Executive	
Mr. Ijaz Farooq	Non-Executive	
Mr. Abdullah Ahmed Mohammad	Non-Executive	
Syed Amir Ali	Non-Executive	
Syed Amir Ali Zaidi	Non-Executive	

### CFO & COMPANY SECRETARY OF THE PENSION FUND MANAGER

Syed Owais Wasti

### AUDIT COMMITTEE

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

### RISK MANAGEMENT COMMITTEE

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

### HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Ijaz Farooq	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

**Deloitte** Yousuf Adil  
Chartered Accountants  
Cavish Court, A-35, Block 7&8,  
KCHSU, Shahrah-e-Faisal, Karachi-75350, Pakistan

### SHARIAH ADVISER

Meezan Bank Limited

### BANKERS TO THE FUND

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

### LEGAL ADVISER

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

### TRANSFER AGENT

Meezan Bank Limited  
Meezan House,  
C-25, Estate Avenue, S.I.T.E., Karachi  
Phone: (9221) 33810538 Fax: (9221) 96406017  
Website: www.meezanbank.com

### DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited





## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017

Note	September 30, 2017 (Unaudited)					June 30, 2017 Total	
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total		
----- (Rupees in '000) -----							
<b>ASSETS</b>							
Bank balances	5	185,944	190,354	254,424	6,022	636,744	1,484,202
Investments	6	5,235,985	2,246,870	409,173	38,434	7,930,462	7,552,165
Dividend receivable		40,580	-	-	-	40,580	24,606
Deposits and other receivables	7	12,876	25,595	5,925	12	44,408	62,855
Receivable against change of plan / change of fund manager		12,850	9,292	9,771	-	31,913	91,130
<b>Total assets</b>		<b>5,488,235</b>	<b>2,472,111</b>	<b>679,293</b>	<b>44,468</b>	<b>8,684,107</b>	<b>9,214,958</b>
<b>LIABILITIES</b>							
Payable to AI Meezan Investment Management Limited - Pension Fund Manager		7,430	3,453	880	63	11,826	12,671
Payable to Central Depository Company of Pakistan Limited - Trustee		432	201	51	4	688	720
Payable to auditors		26	26	26	37	115	224
Payable to Securities and Exchange Commission of Pakistan		466	210	55	4	735	2,675
Payable against investments (net)		38,031	-	-	-	38,031	23
Payable against withdrawal / change of plan		3,766	4,100	17,617	-	25,483	97,934
Accrued expenses and other liabilities	8	59,504	14,107	3,583	35	77,229	77,459
<b>Total liabilities</b>		<b>109,655</b>	<b>22,097</b>	<b>22,212</b>	<b>143</b>	<b>154,107</b>	<b>191,706</b>
<b>NET ASSETS</b>		<b>5,378,580</b>	<b>2,450,014</b>	<b>657,081</b>	<b>44,325</b>	<b>8,530,000</b>	<b>9,023,252</b>
<b>Contingencies and commitments</b>	9						
<b>PARTICIPANTS' SUB - FUNDS</b> (as per statement attached)		<b>5,378,580</b>	<b>2,450,014</b>	<b>657,081</b>	<b>44,325</b>	<b>8,530,000</b>	<b>9,023,252</b>
----- (Number of units) -----							
<b>Number of units in issue</b> (as per statement attached)		<b>10,254,871</b>	<b>11,395,308</b>	<b>3,085,340</b>	<b>481,445</b>		
----- (Rupees) -----							
<b>Net assets value per unit</b>		<b>524.49</b>	<b>215.00</b>	<b>212.97</b>	<b>92.07</b>		

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

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

**Chief Executive**

**Director**

# CONDENSED INTERIM INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

Note	September 30, 2017				Total	September 30, 2016
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total
(Rupees in '000)						
<b>INCOME</b>						
	-	20,616	3,911	-	24,527	19,432
	1,318	4,541	3,867	35	9,761	8,083
	-	10,113	1,260	-	11,373	10,669
	43,086	-	-	-	43,086	29,510
	6.1,6.2 & 6.3	(697,007)	(18,849)	(3,451)	(719,307)	198,776
	6.5	-	-	1,014	1,014	-
		(1,530)	-	-	(1,530)	21,611
		<b>(654,133)</b>	<b>16,421</b>	<b>5,587</b>	<b>(631,076)</b>	<b>288,081</b>
<b>EXPENSES</b>						
	20,926	9,432	2,523	168	33,049	26,040
	2,724	1,226	324	22	4,296	3,386
	1,204	543	144	10	1,901	1,622
	157	70	18	1	246	211
	466	210	55	4	735	578
	37	37	37	37	148	161
	-	-	-	-	-	56
	1,154	-	-	92	1,246	1,392
	108	27	14	-	149	160
	202	-	-	-	202	352
	-	-	-	-	-	5,282
	-	96	50	15	161	-
	<b>26,978</b>	<b>11,641</b>	<b>3,165</b>	<b>349</b>	<b>42,133</b>	<b>39,240</b>
	<b>(681,111)</b>	<b>4,780</b>	<b>2,422</b>	<b>700</b>	<b>(673,209)</b>	<b>248,841</b>
	(14,484)	(76)	14	11	(14,535)	8,783
	<b>(695,595)</b>	<b>4,704</b>	<b>2,436</b>	<b>711</b>	<b>(687,744)</b>	<b>257,624</b>
	-	-	-	-	-	-
	<b>(695,595)</b>	<b>4,704</b>	<b>2,436</b>	<b>711</b>	<b>(687,744)</b>	<b>257,624</b>
	-	-	-	-	-	-
	<b>(695,595)</b>	<b>4,704</b>	<b>2,436</b>	<b>711</b>	<b>(687,744)</b>	<b>257,624</b>

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

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

**Chief Executive**

**Director**



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

Note	September 30, 2017				Total	September 30, 2016
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total
(Rupees in '000)						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
	(695,595)	4,704	2,436	711	(687,744)	257,488
<b>Adjustments:</b>						
Unrealised diminution / (appreciation) on 're-measurement of investments at 'fair value through profit or loss' (net)	6.1,6.2 & 6.3	697,007	18,849	3,451	-	719,307 (198,776)
Unrealised appreciation on investment in gold Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	6.5	-	-	-	(1,014)	(1,014) -
	14,484	76	(14)	(11)	14,535	(8,647)
	15,896	23,629	5,873	(314)	45,084	50,065
<b>(Increase) / decrease in assets</b>						
Investments (net)	(504,589)	(462,000)	(130,000)	(1)	(1,096,590)	(427,250)
Dividend receivable	(15,974)	-	-	-	(15,974)	(17,449)
Deposits and other receivables	306	18,474	(333)	-	18,447	(3,421)
	(520,257)	(443,526)	(130,333)	(1)	(1,094,117)	(448,120)
<b>(Decrease) / increase in liabilities</b>						
Payable to AI Meezan Investment Management Limited - Pension fund Manager	(783)	(45)	(19)	2	(845)	900
Payable to Central Depository Company of Pakistan Limited - Trustee	(35)	2	-	1	(32)	31
Payable to Securities and Exchange Commission of Pakistan	(1,271)	(538)	(122)	(9)	(1,940)	(1,154)
Payable to auditors	(27)	(27)	(27)	(28)	(109)	-
Payable against investments (net)	38,008	-	-	-	38,008	(4,539)
Accrued expenses and other liabilities	(370)	96	50	(6)	(230)	6,445
	35,522	(512)	(118)	(40)	34,852	1,683
<b>Net cash used in operating activities</b>	<b>(468,839)</b>	<b>(420,409)</b>	<b>(124,578)</b>	<b>(355)</b>	<b>(1,014,181)</b>	<b>(396,372)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Receipts of contribution / change of plan / change of fund manager	628,124	216,556	198,755	382	1,043,817	680,910
Payments on withdrawal / change of plan	(328,695)	(349,983)	(198,416)	-	(877,094)	(260,655)
<b>Net cash generated from / (used in) financing activities</b>	<b>299,429</b>	<b>(133,427)</b>	<b>339</b>	<b>382</b>	<b>166,723</b>	<b>420,255</b>
<b>Net (decrease) / increase in cash and cash equivalents during the quarter</b>	<b>(169,410)</b>	<b>(553,836)</b>	<b>(124,239)</b>	<b>27</b>	<b>(847,458)</b>	<b>23,883</b>
Cash and cash equivalents at beginning of the quarter	355,354	744,190	378,663	5,995	1,484,202	543,527
Cash and cash equivalents at end of the quarter	5	185,944	190,354	254,424	6,022	636,744

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

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

**Chief Executive**

**Director**

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

Note	September 30, 2017				Total	September 30, 2016
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total
	(Rupees in '000)					
<b>Net assets at beginning of the quarter</b>	5,806,229	2,510,961	662,819	43,243	9,023,252	6,550,023
<b>Amount on issuance of units during the quarter</b>						
(2017: Equity sub fund: 943,357 units Debt sub fund: 1,025,296 units; Money market sub fund: 937,248 units ; Gold sub fund: 4,087 units)						
(2016: Equity sub fund: 598,144 units Debt sub fund: 567,831 units; Money market sub fund: 158,617 units ; Gold sub fund: 455,758 units)	565,376	220,232	198,610	382	984,600	505,132
<b>Amount on withdrawal of units during the quarter</b>						
(2017: Equity sub fund: 490,991 units Debt sub fund: 1,331,237 units; Money market sub fund: 975,768 units ; Gold sub fund: nil units)						
(2016: Equity sub fund: 260,363 units; Debt sub fund: 374,425 units; Money market sub fund: 176,487 units ; Gold sub fund: nil units)	(311,914)	(285,959)	(206,770)	-	(804,643)	(248,664)
	253,462	(65,727)	(8,160)	382	179,957	256,468
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed (net)	14,484	76	(14)	(11)	14,535	(8,647)
Net realised (loss) / gain on sale of investments	(1,530)	-	-	-	(1,530)	21,611
Unrealised (diminution) / appreciation on 're-measurement of investments at 'fair value through profit or loss' (net)	(697,007)	(18,849)	(3,451)	1,014	(718,293)	198,776
Other net income / (loss) for the quarter	2,942	23,553	5,887	(303)	32,079	37,101
Total comprehensive income for the quarter	(695,595)	4,704	2,436	711	(687,744)	257,488
<b>Net assets at end of the quarter</b>	<b>5,378,580</b>	<b>2,450,014</b>	<b>657,081</b>	<b>44,325</b>	<b>8,530,000</b>	<b>7,055,332</b>

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

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

**Chief Executive**

**Director**



## CONDENSED INTERIM CONTRIBUTION TABLE FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30, 2017								September 30, 2016	
	Equity sub fund		Debt sub fund		Money market sub fund		Gold sub fund		Total	
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Total	
<b>Contribution net of front end fee during the quarter</b>										
Individuals - issuance of units	943,357	565,376	1,025,296	220,232	937,248	198,610	4,087	382	984,600	505,132

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

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

**Chief Executive**

**Director**

## CONDENSED INTERIM NUMBER OF UNITS IN ISSUE FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

September 30, 2017				
Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	
----- (Number of units) -----				
Total units in issue at beginning of the quarter	9,802,505	11,701,249	3,123,860	477,358
Add: Units issued / converted / reallocated during the quarter	943,357	1,025,296	937,248	4,087
Less: Units redeemed / converted / reallocated during the quarter	(490,991)	(1,331,237)	(975,768)	-
Total units in issue at the end of the quarter	<u>10,254,871</u>	<u>11,395,308</u>	<u>3,085,340</u>	<u>481,445</u>

September 30, 2016				
Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	
----- (Number of units) -----				
Total units in issue at beginning of the quarter	8,332,830	9,768,041	2,230,504	-
Add: Units issued / converted / reallocated during the quarter	598,144	567,831	158,617	455,758
Less: Units redeemed / converted / reallocated during the quarter	(260,363)	(374,425)	(176,487)	-
Total units in issue at the end of the quarter	<u>8,670,611</u>	<u>9,961,447</u>	<u>2,212,634</u>	<u>455,758</u>

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

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

**Chief Executive**

**Director**



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.1** Meezan Tahaffuz Pension Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Trust Deed was executed and approved by the Securities and Exchange Commission of Pakistan on May 30, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The registered office of the Pension Fund Manager of the Fund, is situated at Ground Floor, Block B Finance and Trade Centre Sarah-e-Faisal, Karachi 74400, Pakistan.

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

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

- The Equity Sub-Fund shall invest atleast 90% of net assets in listed equity securities based on quarterly average investment calculated on daily basis. Investment in single company shall not exceed 10% of net assets or paid-up capital of the investee company, whichever is lower. Surplus funds may be invested in Government Securities with maturity of less than one year or deposits with Banks which are rated not less than "A".
- The Debt Sub-Fund shall consist of debt securities with maturity of not more than 5 years. At least 25 % of net assets of the Debt Sub-Fund shall be invested in debt securities issued by the Federal Government and up to 25 % of net assets of Debt Sub-Fund may be deposited with Banks having not less than "AA Plus" rating. However, if such debt securities issued by Federal Government are not available, the assets of Debt Sub-Fund may be deposited in Islamic Commercial Banks, having not less than "A+" rating or Islamic windows of conventional commercial Banks, having not less than "AA" rating or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government.
- The Money Market Sub-Fund consists of short term debt instruments with weighted average maturity upto one year. Shariah Compliant Money Market Sub Fund can invest in shariah compliant government securities where the time to maturity may be upto three years.
- The Gold Sub Fund consist of physical gold and aim to provide opportunities of capital appreciation and maximum exposure to price of gold in a Shariah Compliant manner, by investing a significant portion of net assets in deliverable gold base contracts available on Pakistan Mercantile Exchange (PMEX).

- 1.3 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The pension fund manager has appointed Meezan Bank Limited (MBL) as its Shariah advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.4 The Fund is an unlisted pension scheme. Units are offered for public subscription on a continuous basis. The units are non-transferable and can be redeemed by surrendering them to the Fund at the option of the participants.
- 1.5 Title to the assets of the Sub Funds are held in the name of CDC as a Trustee of the Fund.
- 1.6 JCR-VIS Credit Rating Company Limited has assigned management quality rating of 'AM1' to the Pension Fund Manager.

## **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.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.

## **3. STATEMENT OF COMPLIANCE**

This condensed interim financial information of the Fund have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the VPS Rules and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the VPS Rules or the said directives differ with requirements of IFRSs, the requirements of the VPS Rules and the said directives issued by the SECP shall prevail.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2017. The accounting policies followed in preparation of interim financial information are same which were disclosed in annual financial statements.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2017.





Note	September 30, 2017 (Unaudited)				Total	June 30, 2017 (Audited)	
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund		Total	
----- (Rupees in '000) -----							
5.	<b>BANK BALANCES</b>						
	Current account	1,327	-	-	-	1,327	818
	Savings accounts	184,617	190,354	254,424	6,022	635,417	1,483,384
		185,944	190,354	254,424	6,022	636,744	1,484,202

5.1 The balance in savings accounts carry expected profit which ranges from 2.00% to 5.90% (June 30, 2017: 2.00% to 6.10%) per annum.

## 6. INVESTMENTS

### Held-for-trading

- shares of listed companies	6.1	5,235,985	-	-	-	5,235,985	5,428,403
- sukuk certificates	6.2	-	1,328,676	279,173	-	1,607,849	1,629,823
		5,235,985	1,328,676	279,173	-	6,843,834	7,058,226

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

- sukuk certificates	6.3	-	88,194	-	-	88,194	26,520
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### Loans and receivables

- term deposits	6.4	-	830,000	130,000	-	960,000	430,000
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### Investment in gold

	6.5	-	-	-	38,434	38,434	-
		5,235,985	2,246,870	409,173	38,434	7,930,462	7,514,746

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

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Cost of purchase during the quarter	Bonus / Rights issue during the quarter	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) at September 30, 2017	Percentage of net assets on the basis of market value of the respective sub fund (see note 6.1.2)	Percentage of paid-up capital of investee company
	---(Number of shares)---		(Rupees in '000)		---(Number of shares)---		(Rupees in '000)			%	
<b>Equity Sub Fund</b>											
<b>Sector / companies</b>											
<b>Automobile Assembler</b>											
Indus Motor Company Limited	15,605	-	-	-	5,000	10,605	19,021	18,249	(772)	0.34	0.01
Pak Suzuki Motor Company Limited	-	16,000	10,027	-	-	16,000	10,027	7,323	(2,704)	0.14	0.02
Honda Atlas Cars (Pakistan) Limited	273,500	-	-	-	-	273,500	237,313	147,551	(89,762)	2.74	0.19
Millat Tractors Limited	-	25,000	33,749	-	-	25,000	33,749	31,207	(2,542)	0.58	0.06
										<b>3.80</b>	<b>0.28</b>
<b>Automobile parts and Accessories</b>											
General Tyre & Rubber Company of Pakistan	-	202,700	40,809	-	-	202,700	40,809	40,804	(5)	0.76	0.34
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	1,329,000	275,000	22,642	-	25,000	1,579,000	166,592	119,925	(46,667)	2.23	0.32
<b>Cement</b>											
D.G Khan Cement Company Limited	942,900	50,000	9,753	-	-	992,900	210,742	145,817	(64,925)	2.71	0.23
Lucky Cement Limited	510,106	10,000	7,050	-	-	520,106	433,631	293,954	(139,677)	5.47	0.16
Fauji Cement Company Limited	1,653,500	550,000	21,758	-	-	2,203,500	89,601	71,656	(17,945)	1.33	0.16
Cherat Cement Company Limited	786,000	-	-	-	-	786,000	140,521	94,304	(46,217)	1.75	0.44
Pioneer Cement Limited	1,570,100	-	-	-	-	1,570,100	204,113	141,215	(62,898)	2.63	0.69
Maple Leaf Cement Factory Limited	467,500	50,000	4,750	-	465,000	52,500	5,028	4,408	(620)	0.08	0.01
Kohat Cement Company Limited	436,400	150,000	30,000	-	-	586,400	130,048	87,937	(42,111)	1.63	0.38
										<b>15.60</b>	<b>2.07</b>
<b>Chemical</b>											
Engro Polymer & Chemicals Limited	1,150,000	786,000	26,238	-	300,000	1,636,000	57,643	54,659	(2,984)	1.02	0.25
ICI Pakistan Limited	153,470	8,600	7,669	-	-	162,070	175,650	148,070	(27,580)	2.75	0.18
Sitara Chemical Industries Limited	36,600	-	-	-	-	36,600	16,273	13,597	(2,676)	0.25	0.17
										<b>4.02</b>	<b>0.60</b>
<b>Engineering</b>											
K.S.B Pumps Company Limited	131,500	-	-	-	10,000	121,500	38,273	36,450	(1,823)	0.68	0.92
Amreli Steels Limited	225,000	-	-	-	-	225,000	27,664	22,943	(4,721)	0.43	0.08
Crescent Steel & Allied Products Limited	312,400	-	-	-	-	312,400	74,529	49,419	(25,110)	0.92	0.40
International Steels Limited	225,000	130,000	15,930	-	25,000	330,000	41,508	39,973	(1,535)	0.74	0.08
International Industries Limited	222,500	40,000	13,583	-	-	262,500	95,590	76,178	(19,412)	1.42	0.22
										<b>4.19</b>	<b>1.70</b>

Name of the investee company	As at July 01, 2017	Purchases during the quarter	Cost of purchase during the quarter	Bonus / Rights issue during the quarter	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain / (loss) at September 30, 2017	Percentage of net assets on the basis of market value of the respective sub fund (see note 6.1.2)	Percentage of paid-up capital of investee company
	---(Number of shares)---		(Rupees in '000)		(Number of shares)		(Rupees in '000)			%	
<b>Fertilizer</b>											
Engro Corporation Limited (note 6.1.3)	1,464,700	52,300	16,383	-	-	1,517,000	493,743	459,788	(33,955)	8.55	0.29
Engro Fertilizers Limited	3,312,000	450,000	25,571	-	-	3,762,000	208,525	236,667	28,142	4.40	0.28
Dawood Hercules Corporation	603,900	-	-	-	-	603,900	82,348	74,497	(7,851)	1.39	0.13
										<b>14.34</b>	<b>0.70</b>
<b>Food and Personal Care Products</b>											
Engro Foods Limited	302,100	40,000	4,511	-	170,000	172,100	20,733	16,355	(4,378)	0.30	0.02
National Foods Limited	47,000	-	-	-	47,000	-	-	-	-	-	-
Al Shaheer Corporation Limited	33,160	975,000	30,086	-	-	1,008,160	31,417	31,878	461	0.59	0.71
										<b>0.89</b>	<b>0.73</b>
<b>Oil and Gas Exploration Companies</b>											
Oil and Gas Development Company Limited	2,094,900	409,000	59,761	-	50,000	2,453,900	347,373	364,748	17,375	6.78	0.06
Pakistan Oilfields Limited	369,050	50,000	26,581	-	-	419,050	195,662	222,951	27,289	4.15	0.18
Pakistan Petroleum Limited	636,657	387,100	67,363	-	-	1,023,757	161,678	178,840	17,162	3.33	0.05
Mari Petroleum Company Limited	205,400	-	-	-	-	205,400	323,636	309,129	(14,507)	5.75	0.19
										<b>20.01</b>	<b>0.48</b>
<b>Oil and Gas Marketing Companies</b>											
Pakistan State Oil Company Limited	433,133	321,500	137,558	-	-	754,633	305,332	333,367	28,035	6.20	0.28
Attock Petroleum Limited	34,120	-	-	-	-	34,120	21,373	21,350	(23)	0.40	0.04
Sui Northern Gas Pipelines Limited	1,800,000	142,000	19,713	-	40,000	1,902,000	281,842	254,602	(27,240)	4.73	0.30
Shell (Pakistan) Limited	10,000	-	-	-	-	10,000	5,754	4,159	(1,595)	0.08	0.01
Hascol Petroleum Limited	4,300	25,000	8,363	-	10,000	19,300	6,475	5,425	(1,050)	0.10	0.02
Hi-tech Lubricants	295,000	-	-	-	-	295,000	32,158	29,069	(3,089)	0.54	0.25
										<b>12.05</b>	<b>0.90</b>
<b>Paper and Board</b>											
Packages Limited	430,801	-	-	-	-	430,801	299,657	248,576	(51,081)	4.62	0.49
Cherat Packaging Limited	141,000	-	-	-	-	141,000	33,527	28,200	(5,327)	0.52	0.48
										<b>5.14</b>	<b>0.97</b>
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	134,550	-	-	-	-	134,550	125,750	106,160	(19,590)	1.97	0.14
GlaxoSmithKline Consumer Healthcare	-	41,500	8,706	-	20,000	21,500	4,510	5,987	1,477	0.11	0.02
The Searle Company Limited	302,446	15,000	6,599	-	-	317,446	161,445	128,223	(33,222)	2.38	0.21
Highnoon Laboratories Limited	5,929	-	-	-	-	5,929	3,713	2,986	(727)	0.06	0.02
										<b>4.52</b>	<b>0.39</b>
<b>Power Generation &amp; Distribution</b>											
Hub Power Company Limited	1,921,745	50,000	5,600	-	25,000	1,946,745	228,334	217,666	(10,668)	4.05	0.17
K-Electric Limited (note 6.1.1)	24,768,500	-	-	-	1,500,000	23,268,500	160,553	163,810	3,257	3.05	0.24
										<b>7.10</b>	<b>0.41</b>
<b>Refinery</b>											
Attock Refinery Limited	153,000	77,500	29,441	-	152,500	78,000	29,916	32,230	2,314	0.60	0.09
National Refinery Limited	95,000	23,000	14,967	-	30,000	88,000	62,157	58,424	(3,732)	1.09	0.11
										<b>1.69</b>	<b>0.20</b>
<b>Textile Composite</b>											
Nishat Mills Limited	168,500	200,000	30,000	-	-	368,500	56,738	53,469	(3,270)	0.99	0.10
<b>Miscellaneous</b>											
Shifa International Hospitals Limited	10,960	-	-	-	10,000	960	318	245	(73)	-	-
<b>Right Shares</b>											
Maple Leaf Cement Factory Limited	-	6,562	-	-	-	6,562	-	117	117	-	-
Cherat Packaging Limited	-	19,035	-	-	-	19,035	-	1,428	1,428	0.03	0.06
<b>Total</b>			<b>735,161</b>				<b>5,932,992</b>	<b>5,235,985</b>	<b>(697,007)</b>		

**6.1.1** All shares have a nominal value of Rs. 10 each except K-Electric Limited having nominal value of Rs. 3.50.

**6.1.2** Net assets are as defined in Rule 2(1)(m) of VPS Rules.

**6.1.3** 145,000 shares of Engro Corporation Limited having market value of Rs. 43.95 million as at September 30, 2017, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.



## 6.2 'Held for trading' - sukuk certificates

Name of the security	Maturity date	Profit rate per annum	As at July 01, 2017	Purchases during the quarter	Cost of purchase	Sales during the quarter	Maturity during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised (loss) as at September 30, 2017	Percentage of net assets on the basis of market value of the respective sub fund (see note 6.1.2)
			Number of certificates	(Rupees in '000)	-----	Number of certificates	-----	(Rupees in '000)	-----	(%)		
<b>Debt Sub Fund</b>												
GoP - Ijarah sukuk XVI (note 6.2.1)	December 18, 2018	Expected profit rate is 5.51%	3,780	-	-	-	-	3,780	385,522	380,797	(4,725)	15.54
GoP - Ijarah sukuk XVII (note 6.2.1)	February 15, 2019	Expected profit rate is 6.1%	6,620	-	-	-	-	6,620	681,397	670,871	(10,526)	27.38
GoP - Ijarah sukuk XVIII (note 6.2.1)	March 29, 2019	Expected profit rate is 5.59%	2,750	-	-	-	-	2,750	280,280	277,008	(3,272)	11.31
<b>Total</b>									<b>1,347,199</b>	<b>1,328,676</b>	<b>(18,523)</b>	
<b>Money Market Sub Fund</b>												
GoP - Ijarah sukuk XVI (note 6.2.1)	December 18, 2018	Expected profit rate is 5.51%	1,040	-	-	-	-	1,040	106,070	104,770	(1,300)	15.94
GoP - Ijarah sukuk XVII (note 6.2.1)	February 15, 2019	Expected profit rate is 6.1%	230	-	-	-	-	230	23,674	23,308	(366)	3.55
GoP - Ijarah sukuk XVIII (note 6.2.1)	March 29, 2019	Expected profit rate is 5.59%	1,500	-	-	-	-	1,500	152,880	151,095	(1,785)	22.99
<b>Total</b>									<b>282,624</b>	<b>279,173</b>	<b>(3,451)</b>	

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

## 6.3 Investments 'at fair value through profit or loss upon initial recognition' - Sukuk Certificates

Name of the investee company	Maturity date	Profit rate per annum	As at July 01, 2017	Purchases during the quarter	Cost of purchase	Sales during the quarter	Redemptions / matured during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised (loss) as at September 30, 2017	Percentage of net assets on the basis of market value (see note 6.1.2)
			Number of certificates	(Rupees in '000)	-----	Number of certificates	-----	(Rupees in '000)	-----	(%)		
<b>Debt Sub Fund</b>												
Eden Housing Limited (note 6.3.2.1)	September 29, 2014	3 months Kibor plus base rate of 2.5%	500	-	-	-	-	500	-	-	-	-
Security Leasing Corporation Limited II (note 6.3.2.2)	January 19, 2022	-	154	-	-	-	-	154	-	-	-	-
Fatima Fertilizer Limited (note 6.3.2.2)	Nov 28, 2021	6 months Kibor plus base rate of 1.10%	5,640	-	-	-	564	5,076	26,520	26,194	(326)	1.79
Dubai Islamic Bank Pakistan Limited (note 6.3.2.2)	July 14, 2027	6 months Kibor plus base rate of 0.5%	-	12,400	-	-	-	-	62,000	62,000	-	4.23
<b>Total</b>									<b>88,520</b>	<b>88,194</b>	<b>(326)</b>	
<b>Money Market Sub Fund</b>												
Security Leasing Corporation Limited II (note 6.3.2.2)	January 19, 2022	-	154	-	-	-	-	154	-	-	-	-
<b>Total</b>									<b>-</b>	<b>-</b>	<b>-</b>	

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

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

#### 6.4 Loans and receivables

	Note	(Unaudited) September 30, 2017	(Audited) June 30, 2016
(Rupees in '000)			
<b>Debt Sub Fund</b>			
Term Deposits	6.4.1	<u>830,000</u>	430,000
		<u>830,000</u>	<u>430,000</u>
<b>Money Market Sub Fund</b>			
Term Deposits	6.4.1	<u>130,000</u>	-
		<u>130,000</u>	-

**6.4.1**

Name of the Bank	Maturity date	Profit rate per annum	Face Value				Rating	Percentage of net assets value on the basis of total value of investments of the respective sub fund (see note 6.1.2)
			As at July 01, 2017	TDR's placed during the quarter	Matured during the quarter	As at September 30, 2017		
----- (Rupees in '000) -----								----- (%) -----
<b>Debt Sub Fund</b>								
Dubai Islamic Bank Pakistan Limited	September 05, 2017	6.10%	330,000	-	330,000	-	AA-	-
Dubai Islamic Bank Pakistan Limited	March 06, 2018	5.80%	-	330,000	-	330,000	AA-	13.47
Dubai Islamic Bank Pakistan Limited	February 01, 2018	5.70%	100,000	-	-	100,000	AA-	4.08
Bank Al Habib Limited	November 01, 2017	5.80%	-	400,000	-	400,000	AA+	16.33
<b>Total</b>						<u>830,000</u>		
<b>Money Market Sub Fund</b>								
Bank Al Habib Limited	November 01, 2017	5.80%	-	130,000	-	<u>130,000</u>	AA+	19.78

#### 6.5 Investment in gold

Commodity	As at July 01, 2017	Purchases during the quarter	Sales during the quarter	As at September 30, 2017	Carrying value as at September 30, 2017	Market value as at September 30, 2017	Unrealised gain as at September 30, 2017	Net Assets of the Fund on the basis of investments (note 6.1.2)
----- Quantity in Tola ----- (Rupees in '000) -----								
Tola Gold	734	-	-	734	37,419	38,434	1,015	86.71
<b>Total</b>					<u>37,419</u>	<u>38,434</u>	<u>1,015</u>	

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

**6.5.2** The investment in gold of Rs. 38.434 million has been measured at fair value based on the quoted market price in active markets.



## 7. DEPOSITS AND OTHER RECEIVABLES

	September 30, 2017 (Unaudited)					June 30, 2016 (Audited) Total
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	
(Rupees in '000)						
Security Deposits	2,600	100	100	-	2,800	2,800
Profit receivable on saving accounts with banks and Term Deposit Receipts	5,529	12,734	3,950	-	22,213	32,503
Profit receivable on sukuks certificates	-	12,761	1,875	12	14,648	22,805
Advance tax	4,747	-	-	-	4,747	4,747
	<b>12,876</b>	<b>25,595</b>	<b>5,925</b>	<b>12</b>	<b>44,408</b>	<b>62,855</b>

## 8. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	September 30, 2017 (Unaudited)					June 30, 2017 (Audited) Total	
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total		
(Rupees in '000)							
Provision for Sindh Workers' Welfare Fund	8.1	38,142	4,573	1,026	15	43,756	43,595
Federal Excise Duty on remuneration of the Pension Fund Manager		15,068	8,535	2,312	-	25,915	25,915
Sindh Sales Tax on Federal Excise Duty on remuneration of the Pension Fund Manager		1,800	962	242	-	3,004	3,004
Charity payable		2,688	-	-	-	2,688	2,484
Brokerage payable		1,784	37	3	-	1,824	2,398
Custodian Charges Payable		-	-	-	20	20	41
Sindh Sales Tax withheld on brokerage		22	-	-	-	22	22
		<b>59,504</b>	<b>14,107</b>	<b>3,583</b>	<b>35</b>	<b>77,229</b>	<b>77,459</b>

- 8.1** This includes provision for Sindh Workers' Welfare Fund (SWWF) as at September 30, 2017 amounting to Rs.38.142 million, Rs. 4.573 million, Rs. 1.026 million, Rs 0.014 million in Equity Sub Fund, Debt Sub Fund, Money Market Sub Fund and Gold Sub Fund respectively (June 30,2017: 38,142 million, 4.477million, 0.976 million in Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund). Had the SWWF not been provided, the NAV per unit / fund return would have been higher by Rs.3.72(0.71%), 0.40(0.19%), 0.33(0.16%), 0.03(0.03%) in Equity Sub Fund, Debt Sub Fund, Money Market Sub Fund and Gold Sub Fund respectively. The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in the annual financial statements for the year ended June 30, 2017.

## 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2017 other than as disclosed in the annual financial statements for the year ended June 30, 2017.

## 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons and related parties include Al Meezan Investment Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding

company of the Pension Fund Manager, Directors and executives of the Pension Fund Manager, other collective investment schemes managed by the Pension Fund Manager, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Pension Fund Manager due to common directorship, post employment benefit funds of the Pension Fund Manager and unit holders holding ten percent or more of the Sub-Fund's net assets.

- 10.1** The transactions with connected persons are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.
- 10.2** Remuneration of the Pension Fund Manager is determined in accordance with the provisions of the provisions of VPS Rules, 2005 and the Trust Deed respectively.
- 10.3** Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

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

	September 30, 2017 (Unaudited)					June 30, 2017 (Audited) Total
	Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	
(Rupees in '000)						
<b>Al Meezan Investment Management Limited - Pension Fund Manager</b>						
Remuneration of the Pension Fund Manager	6,575	3,056	779	56	10,466	11,214
Sindh Sales Tax on remuneration of the Pension Fund Manager	855	397	101	7	1,360	1,457
Investments as at September 30, 2017: (Equity sub fund: 260,077 units; Gold Sub Fund: 300,000) as at June 30, 2017 (Equity sub fund: 260,077 units ; Gold Sub Fund: 300,000 units)	136,408	-	-	27,621	164,029	181,225
<b>Meezan Bank Limited- Holding Company of the Pension Fund Manager</b>						
Bank balance	31,993	997	2,276	6,003	41,269	55,310
Profit receivable on saving accounts	627	844	-	12	1,483	1,528
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration of the Trustee	382	178	45	3	608	637
Sindh Sales Tax on remuneration of the Trustee	50	23	6	1	80	484
Security deposits	100	100	100	-	300	300
<b>Directors and Executives of the Pension Fund Manager</b>						
Investments as at September 30, 2017: (Equity sub fund: 930,012 units; Debt Sub Fund: 471,466 units; Money Market Sub Fund: 21,238 units; Gold Sub Fund: 162,865 Units) as at June 30, 2017: (Equity sub fund: 856,756 units; Debt sub fund: 458,511 units; Money Market sub fund: 21,137 units ; Gold Sub Fund: 160,905 units)	487,782	101,365	4,523	14,995	608,665	624,927



For the quarter ended September 30, 2017 (Unaudited)					For the quarter ended September 30, 2016 (Unaudited)
Equity sub fund	Debt sub fund	Money market sub fund	Gold sub fund	Total	Total

(Rupees in '000)

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

Remuneration of the Pension Fund Manager  
Sindh Sales Tax and Federal Excise Duty  
on remuneration of the Pension Fund Manager  
Units Issued: (Gold sub fund: 300,000 units)

20,926	9,432	2,523	168	33,049	26,040
2,724	1,226	324	22	4,296	3,386
-	-	-	-	-	30,000

**Meezan Bank Limited- Holding Company  
of the Pension Fund Manager**

Profit on savings accounts

263	9	8	35	315	39
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**Central Depository Company of Pakistan  
Limited - Trustee**

Remuneration for the Trustee  
Sindh Sales Tax on remuneration of the trustee  
CDS Charges

1,204	543	144	10	1,901	1,622
157	70	18	1	246	211
40	2	2	-	44	65

**Directors and Executives of the  
Pension Fund Manager**

Units issued (Equity Sub Fund: 73,256 units;  
Debt Sub Fund: 12,955 units; Money Market  
Sub Fund: 101 units; Gold sub fund: 1,960 units)

48,612	4,467	21	183	53,283	28,790
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Units redeemed / reallocated (Equity  
Sub Fund: nil units; Debt Sub Fund:  
nil units; Money Market Sub Fund:  
nil units; Gold sub fund: nil units)

-	-	-	-	-	15,918
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**11. FAIR VALUE 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 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 prices (unadjusted) in active markets for identical assets or liabilities.

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

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

The following table presents the assets that are measured at fair value as at September 30, 2017:

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total
<b>September 30, 2017</b>									
(Rupees in '000)									
<b>Financial assets</b>									
<b>- measured at fair value</b>									
Investments									
-Held-for-trading									
- shares of listed companies	11.1	5,235,985	-	-	5,235,985	5,235,985	-	-	5,235,985
- sukuk certificates	11.1	1,607,849	-	-	1,607,849	-	1,607,849	-	1,607,849
- Investments designated at fair value through profit or loss upon initial recognition									
	11.1	88,194	-	-	88,194		88,194	-	88,194
		<u>6,932,028</u>	<u>-</u>	<u>-</u>	<u>6,932,028</u>	<u>5,235,985</u>	<u>1,696,043</u>	<u>-</u>	<u>6,932,028</u>
<b>Financial assets</b>									
<b>- not measured at fair value</b>									
Bank balances	11.1	-	-	636,744	636,744	-	-	-	-
Investments - Loans and receivables	11.1	960,000	-	-	960,000	-	-	-	-
Dividend receivable	11.1	-	40,580	-	40,580	-	-	-	-
Deposits and other receivables	11.1	-	44,408	-	44,408	-	-	-	-
Receivable against change of plan / change of fund manager	11.1	-	31,913	-	31,913	-	-	-	-
		<u>960,000</u>	<u>116,901</u>	<u>636,744</u>	<u>1,713,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>		<u>7,892,028</u>	<u>116,901</u>	<u>636,744</u>	<u>8,645,673</u>	<u>5,235,985</u>	<u>1,696,043</u>	<u>-</u>	<u>6,932,028</u>
<b>Financial liabilities</b>									
<b>- not measured at fair value</b>									
Payable to Al Meezan Investment Management Limited									
- Pension Fund Manager	11.1	-	-	-	11,826	11,826	-	-	-
Payable to Central Depository Company of Pakistan Limited									
- Trustee	11.1	-	-	-	688	688	-	-	-
Payable to auditors	11.1	-	-	-	115	115	-	-	-
Payable against purchase of investments (net)	11.1	-	-	-	38,031	38,031	-	-	-
Payable against withdrawal / change of plan	11.1	-	-	-	25,483	25,483	-	-	-
Accrued expenses and other liabilities	11.1	-	-	-	4,532	4,532	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>80,675</u>	<u>80,675</u>	<u>-</u>	<u>-</u>	<u>-</u>





June 30, 2017

Note	Carrying amount					Fair value			
	Investments	Other receivables	Cash and cash equivalents	Other payables	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

**Financial assets**

**- measured at fair value**

Investments

- Held-for-trading									
- shares of listed companies	11.1	5,428,403	-	-	-	5,428,403	-	-	5,428,403
- sukuk certificates	11.1	1,629,823	-	-	-	1,629,823	1,629,823	-	1,629,823
- Investments designated at fair value through profit or loss upon initial recognition	11.1	26,520	-	-	-	26,520	26,520	-	26,520
		<u>7,084,746</u>	-	-	-	<u>7,084,746</u>	<u>5,428,403</u>	<u>1,656,343</u>	<u>7,084,746</u>

**Financial assets**

**- not measured at fair value**

Bank balances	11.1	-	-	1,484,202	-	1,484,202	-	-	-
Investments - Loans and receivables	11.1	430,000	-	-	-	430,000	-	-	-
Dividend receivable	11.1	-	24,606	-	-	24,606	-	-	-
Deposits and other receivables	11.1	-	58,108	-	-	58,108	-	-	-
Receivable against change of plan / change of fund manager	11.1	-	91,130	-	-	91,130	-	-	-
		<u>430,000</u>	<u>173,844</u>	<u>1,484,202</u>	<u>-</u>	<u>2,088,046</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>		<u>7,514,746</u>	<u>173,844</u>	<u>1,484,202</u>	<u>-</u>	<u>9,172,792</u>	<u>5,428,403</u>	<u>1,656,343</u>	<u>7,084,746</u>

**Financial liabilities**

**- not measured at fair value**

Payable to Al Meezan Investment Management Limited - Pension Fund Manager	11.1	-	-	-	12,671	12,671	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	720	720	-	-	-
Payable to auditors	11.1	-	-	-	224	224	-	-	-
Payable against purchase of investments (net)	11.1	-	-	-	23	23	-	-	-
Payable against withdrawal / change of plan	11.1	-	-	-	97,934	97,934	-	-	-
Accrued expenses and other liabilities	11.1	-	-	-	2,439	2,439	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>114,011</u>	<u>114,011</u>	<u>-</u>	<u>-</u>	<u>-</u>

**11.1** The Fund has not disclosed fair value for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

**12. TAXATION**

The income of the Fund is exempt from income tax under clause 57(3) (viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Therefore, no provision has been made for current and deferred taxation in this condensed interim financial information.

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 and any other taxes introduced in Finance Act, 2015 is also not applicable on fund.

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

These condensed interim financial information were authorised for issue on October 19, 2017 by the Board of Directors of the pension fund manager.

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

**Chief Executive**

**Director**




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